



**Record of Meeting | May 17, 2017**

The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Finance, Administration and Operations Committee Meeting on Wednesday, May 17, 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**

Committee Chair Joe Gomez called the Meeting to order at approximately 9:31 a.m., stating that this is the regularly scheduled meeting of the Finance, Administration and Operations Committee (“FAO Committee”) of the Tollway Board of Directors. He invited attendees to rise and join in the Pledge of Allegiance. Committee Chair Gomez then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Joe Gomez
Director Corey Brooks
Director Earl Dotson, Jr. <i>(entered 9:33 a.m.)</i>
Director David Gonzalez
Director Neli Vazquez Rowland <i>(entered 9:35 a.m.)</i>

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

**Public Comment**

Committee Chair Gomez opened the floor for public comment. No public comment was offered.

**Committee Chair’s Items**

*[Director Dotson entered the Meeting at approximately 9:33 a.m.]*



Committee Chair Gomez called for a motion to approve **Committee Chair's Item 1**, the Minutes of the regular Finance, Administration and Operations Committee meeting held on April 19, 2017, as presented. Director Brooks made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for amendment. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED by unanimous vote of those directors present, Director Vazquez Rowland having not yet entered.

Committee Chair Gomez then congratulated Director Dotson on his reappointment by the Governor to the Tollway Board.

Having no further items, Committee Chair Gomez called on Executive Director Greg Bedalov.

### Executive Director's Items

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**Quarterly Financial Review:** Executive Director Bedalov introduced Mike Colsch, Chief Financial Officer, to present to the Committee the quarterly financial review comparing the budget to actual (preliminary and unaudited) results for the quarter ending March 31, 2017. [See attached presentation.](#)

[Director Vazquez Rowland entered the Meeting at approximately 9:35 a.m.]

**Diversity Software:** Executive Director Bedalov highlighted that the diversity management software being presented today for Committee consideration (Procurement Item 3) is proposed to address both a Tollway Disparity Study recommendation and executive order (issued in July of 2016). He emphasized that this software solution (software, support and management services) meets all required criteria and will be a critical component in the successful implementation of new Tollway initiatives such as the P4G Program, the workforce development initiative and the expanded technical assistance program.

### Items for Consideration

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#### Procurement

Committee Chair Gomez called on John Donato, Chief of Procurement, to present to the Committee the following Procurement items:

*Item 1: Award of Contract 17-0108 to CDW Government LLC for the purchase of Windows Operating System Licenses and Microsoft Office 365 Software Licenses with Maintenance and Support in an amount not to exceed \$1,024,623.00 (Order Against CMS Master Contract).*



*Item 2: Award of Contract 17-0100 to CDW Government LLC for the purchase of a Microsoft Support Agreement for Windows Server in an amount not to exceed \$901,228.32 (Order Against CMS Master Contract).*

*Item 3: Award of Contract 14-0051R to AskReply, Inc. (d.b.a. B2Gnow) for the purchase of Diversity Management Web-Based Application, Support, and Maintenance Services in an amount not to exceed \$954,700.00 (Tollway Request for Proposal).*

Mr. Donato reported that a protest has been received by the state Chief Procurement Officer (“CPO”) from a submitting firm which was unsuccessful in winning award of this contact. He advised that a decision by the CPO on the protest is expected shortly and could, if upheld, have implication to the contract award which is ultimately presented at next week’s meeting of the full Board. He noted it is the opinion of the agency, however, that the protest will be denied.

Director Dotson inquired about the basis of the protest filed. Mr. Donato responded that the firm is challenging the rejection of their bid as non-responsive. He explained that the firm’s bid was deemed non-responsive due to a failure of the firm to comply at the time of bid submission with certain certification requirements of the Illinois Procurement Code.

*Item 4: Approval of a Telecommunications Service Request with the Illinois Department of Innovation & Technology (“DoIT”) for Voice over Internet Protocol (“VoIP”) Telecom System, Support, and Services in an amount not to exceed \$2,424,654.03.*

Upon conclusion of the presentation of items, Committee Chair Gomez called for a motion to consolidate for consideration and action Procurement Items 1 through 4. Director Vazquez Rowland made a motion to consolidate; seconded by Director Brooks. Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Procurement Items 1 through 4** on the May Board of Directors meeting agenda with the Committee’s recommendation for approval by the Board. Director Vazquez Rowland made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of these items. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

## Engineering

Committee Chair Gomez called on Paul Kovacs, Chief Engineering Officer, to present to the Committee the following Engineering items:



Item 1: Award of Contract I-17-4290 to Foundation Mechanics, LLC for Grading and Landscaping Improvements, on the Jane Addams Memorial Tollway (I-90) from Milepost to 54.4 (IL 31) to Milepost 78.1 (Kennedy Expressway), in the amount of \$1,373,824.00.

Item 2: Award of Contract I-17-4294 to Fence Masters, Inc. for Right of Way Fence and Gate Installation, on the Jane Addams Memorial Tollway (I-90) from Milepost 53.8 (Elgin Toll Plaza) to Milepost 78.9 (Kennedy Expressway), in the amount of \$2,064,868.76.

Item 3: Award of Contract RR-17-9199 to E.R. Bakey, Inc. for South Parking Lot Improvements at the Tollway Central Administration (CA) Building, in the amount of \$1,337,864.25.

Director Dotson asked whether this work will conclude planned parking lot improvements at Tollway Headquarters. Mr. Kovacs responded affirmatively, clarifying that improvements to the building's north parking lot were completed last year.

Item 4: Award of Contract RR-17-5000 to The Bowa Group, Inc. for Renovation of Data Center at the Tollway Central Administration (CA) Building, in the amount of \$4,698,370.00.

Item 5: Award of Contract RR-17-4291 to Lorig Construction Company for Interchange Improvements on the Tri-State Tollway (I-294 / I-94) at Grand Ave. from Milepost 8.75 to Milepost 8.25, in the amount of \$4,829,124.46.

Item 6: Acceptance of Proposal from Environmental Design International, Inc., on Contract RR-16-4267 for Maintenance Facilities Site Design, Systemwide, in an amount not to exceed \$3,900,000.00.

Item 7: Acceptance of Proposal from SPAAN Tech, Inc., on Contract I-16-4283 for Construction Management Services Upon Request, on the Jane Addams Memorial Tollway (I-90) at Milepost 76.1 (Lee Street) and Systemwide, in an amount not to exceed \$2,000,000.00.

Item 8: Acceptance of Proposal from DLZ Illinois, Inc., on Contract RR-16-4280 for Construction Management Services Upon Request, Systemwide, in an amount not to exceed \$2,000,000.00.

Item 9: Acceptance of Proposal from J.A. Watts, Inc., on Contract RR-16-4278 for Design and Construction Management for Intelligent Transportation Systems (ITS), Systemwide, in an amount not to exceed \$2,500,000.00.

Item 10: Acceptance of Proposal from Engineering Services Group, Inc., on Contract RR-17-9202 for Job Order Contracting (JOC) and Program Management Support, Systemwide, in an amount not to exceed \$4,000,000.00.



Upon conclusion of the presentation of items, Committee Chair Gomez commented positively on the tangible progress he has witnessed during his tenure on the Board in the diversity of participation on Tollway contracts. He congratulated staff and the Board for their concerted efforts in this regard but stressed that additional work is needed to address the disparity that remains.

Committee Chair Gomez then called for a motion to consolidate for consideration and action Engineering Items 1 through 10. Director Brooks made a motion to consolidate; seconded by Director Vazquez Rowland. Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Engineering Items 1 through 10** on the May Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Vazquez Rowland made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of these items. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Director Vazquez Rowland then expressed her concurrence with comments expressed by Committee Chair Gomez, highlighting that she too has seen tangible progress in the diversity of participation on Tollway contracts, especially by veteran-owned firms. She additionally commended the Diversity & Inclusion Committee and Committee Chair Brooks for their efforts to address workforce diversity by advancing a workforce development initiative.

## Legal

Committee Chair Gomez called on Liz Oplawski, Acting General Counsel, to present to the Committee the following Legal items:

*Item 1: Approval of an Intergovernmental Agreement with the Department of Natural Resources regarding repairs to Rock Cut State Park road bridge over I-90. Cost to the Tollway: \$0.*

*Item 2: Approval of an Intergovernmental Agreement with the City of Wood Dale regarding training and purchasing upgraded equipment to offset chloride usage for Illinois Route 390. Cost to the Tollway: Not to exceed \$139,500.00.*

*Item 3: Approval of an Intergovernmental Agreement with the City of Bensenville regarding training and purchasing upgraded equipment to offset chloride usage for Illinois Route 390. Cost to the Tollway: Not to exceed \$367,000.00.*

Committee Chair Gomez requested that staff provide additional explanation of the credits earned through the agreements subject of Legal Items 2 and 3. Rocco Zuccherro, Chief Planning Officer,



responded that permit conditions of EOWA construction projects require the Tollway to implement a chloride-offset program to provide at minimum a no net increase of chloride usage. He explained that the agency can accomplish on its own only some of the reductions required but is able to generate offset credits (towards satisfying permit conditions) by providing training to and upgrading the equipment of municipalities within the impacted areas, thereby mitigating chloride loadings to waterways along this corridor.

Upon conclusion of the presentation of items, Committee Chair Gomez called for a motion to consolidate for consideration and action Legal Items 1 through 3. Director Brooks made a motion to consolidate; seconded by Director Dotson. Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Legal Items 1 through 3** on the May Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of these items. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

### Adjournment

There being no further business before the Committee, Committee Chair Gomez requested a motion to adjourn. Motion to adjourn was made by Director Brooks; seconded by Director Gonzalez. Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

The Meeting was adjourned at approximately 10:00 a.m.

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

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority



# 2017 First Quarter Budget to Actual Review

*(Preliminary and Unaudited)*

May 17, 2017

Mike Colsch



# 2017 Revenue – First Quarter

Total revenue was \$571 thousand greater than budget

(\$ millions)	Budget	Actual	\$ Var.	% Var.
Toll and Evasion Recovery	\$311.0	\$310.3	(\$0.8)	
Concessions	0.8	0.5	(0.2)	
Investment Income	1.5	2.3	0.8	
Miscellaneous	1.3	2.0	0.8	
<b>Total Revenue</b>	<b>\$314.5</b>	<b>\$315.1</b>	<b>\$0.6</b>	<b>0.2%</b>

## Transactions

- **Commercial vehicles**
  - Grew 6.3 percent year-over-year
  - 2.3 percent greater than projected for the quarter
- **Passenger cars**
  - Grew 8.8 percent year-over-year
  - 0.2 percent greater than projected for the quarter

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



# 2017 Maintenance and Operations – First Quarter

## M and O actual expenses

(\$ millions)	<u>Budget</u>	<u>Actual</u>	<u>\$ Var.</u>	<u>% Var.</u>
Payroll and Related Costs	\$41.0	\$40.3	(\$0.7)	
Group Insurance	9.7	9.8	0.1	
Contractual Services	16.8	16.8	(0.1)	
Materials/Oper.Supplies	1.0	0.9	(0.1)	
Utilities	1.9	2.0	0.0	
All Other Insurance	2.9	2.7	(0.3)	
Parts and Fuel	1.4	1.4	(0.0)	
Equip.Rental/Maintenance	7.1	7.0	(0.1)	
Other Misc. Expenses	0.3	0.3	0.0	
Recovery of Expenses	(0.5)	(0.5)	0.0	
<b>Total</b>	<b>\$81.8</b>	<b>\$80.6</b>	<b>(\$1.1)</b>	<b>-1.4%</b>

## Key drivers

- Payroll related
- All Other insurance

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



# 2017 Capital Program – First Quarter

Capital Program expenses were less than projected primarily due to schedule changes

(\$ millions)	<u>Projection</u>	<u>Act.</u>	<u>\$ Var.</u>	<u>% Var.</u>
Tri-State Tollway (I-94/I-294/I-80)	\$17.9	\$5.3	(\$12.6)	
Reagan Memorial Tollway (I-88)	14.7	4.6	(10.1)	
Jane Addams Memorial Tollway (I-90)	84.5	40.5	(44.1)	
Veterans Memorial Tollway (I-355)	5.3	2.5	(2.7)	
Open Road Tolling (ORT)	0.0	0.1	0.1	
Systemwide Improvements	45.2	32.1	(13.2)	
Tri-State Tollway (I-294)/I-57 Interchange	0.4	0.3	(0.1)	
Elgin O'Hare Western Access	91.6	56.4	(35.3)	
Other Emerging Projects	3.2	0.1	(3.1)	
<b>Move Illinois and CRP Subtotal</b>	<b>\$262.9</b>	<b>\$141.8</b>	<b>(\$121.1)</b>	<b>-46.1%</b>
<b>Agreement Reimbursements and Other Adjustments</b>	<b>-</b>	<b>(4.4)</b>	<b>(4.4)</b>	<b>N/A</b>
<b>Total Capital Program Expenditures</b>	<b>\$262.9</b>	<b>\$137.4</b>	<b>(\$125.5)</b>	<b>-47.7%</b>

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



# 2017 Capital Program—First Quarter

**Capital Program expenses were \$125.5 million less than projected due to the following schedule changes:**

**\$44.1 million or 35% of the variance - Jane Addams Memorial Tollway**

- timing of close out of contracts on inside lanes and accelerated spending in 2016 vs 2017 on outside lane contracts. A partial offset is expected in the 2<sup>nd</sup> quarter.

**\$35.3 million or 28% of the variance - Elgin O'Hare Western Access**

- timing of spending on ROW and utilities

**\$13.2 million or 11% of the variance- Systemwide**

- timing on maintenance facilities, bridge and pavement repairs and non roadway projects

**\$12.6 million or 10% of the variance - Tri-State Tollway**

- timing of design and master plan between 95<sup>th</sup> street and Balmoral Avenue

**\$10.1 million or 8% of the variance - Reagan Memorial Tollway**

- timing differences and progress made in 2016

**\$10.2 million or 8% of the variance – Veterans Memorial Tollway and Other**



# 2017 First Quarter Summary

- Revenue was \$571 thousand more than budget
- Maintenance and operations expenditures were \$1.1 million less than budget
- Debt service transfers were \$2.1 million less than projection
- Capital Program expenditures were \$125.5 million less than projection

# Appendix



# 2017 Revenue – First Quarter

(\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Toll Revenue and Evasion Recovery	\$311,032	\$310,268	(\$764)	-0.2%
Concessions	750	515	(235)	-31.3%
Investment Income	1,500	2,284	784	52.3%
Miscellaneous	1,250	2,037	787	62.9%
<b>Total Revenue</b>	<b>\$314,532</b>	<b>\$315,103</b>	<b>\$571</b>	<b>0.2%</b>

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



# 2017 Maintenance and Operations— First Quarter

(\$ thousands)

	1st Qtr		Variance	
	Budget	Actual	\$	%
Payroll and Related Costs	\$40,970	\$40,319	(\$652)	-1.6%
Group Insurance	9,730	9,787	57	0.6%
Contractual Services	16,833	16,781	(51)	-0.3%
Materials/Operational Supplies/Other Expenses	1,042	921	(120)	-11.6%
Utilities	1,943	1,979	36	1.9%
All Other Insurance	2,911	2,661	(250)	-8.6%
Parts and Fuel	1,420	1,383	(37)	-2.6%
Equipment/Office Rental and Maintenance	7,120	7,002	(118)	-1.7%
Other Miscellaneous Expenses	291	300	10	3.4%
Recovery of Expenses	(495)	(487)	8	1.7%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$81,764</b>	<b>\$80,648</b>	<b>(\$1,116)</b>	<b>-1.4%</b>

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



# 2017 Capital Program—First Quarter

(\$ thousands)

	YTD		Variance	
	Projection	Actual <sup>(1)</sup>	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$17,930	\$5,303	(\$12,627)	-70.4%
Reagan Memorial Tollway (I-88)	14,691	4,585	(\$10,106)	-68.8%
Jane Addams Memorial Tollway (I-90)	84,526	40,469	(\$44,057)	-52.1%
Veterans Memorial Tollway (I-355)	5,259	2,540	(\$2,718)	-51.7%
Open Road Tolling (ORT)	0	89	\$89	N/A
Systemwide Improvements	45,236	32,066	(\$13,169)	-29.1%
Tri-State Tollway (I-294)/I-57 Interchange	425	288	(\$137)	-32.2%
Elgin O'Hare Western Access	91,643	56,358	(\$35,284)	-38.5%
Other Emerging Projects	3,205	95	(\$3,111)	-97.0%
<b>Move Illinois and CRP Subtotal</b>	<b>\$262,915</b>	<b>\$141,796</b>	<b>(\$121,119)</b>	<b>-46.1%</b>
Agreement Reimbursements and Other Adjustments <sup>(2)</sup>	-	(4,382)	(\$4,382)	N/A
<b>Total Capital Program Expenditures</b>	<b>\$262,915</b>	<b>\$137,414</b>	<b>(\$125,501)</b>	<b>-47.7%</b>

<sup>(1)</sup> Capital Program Actual included accrued expenses for which payments have not been made as of March 31, 2017.

<sup>(2)</sup> Intergovernmental and Fiber Optic Agreement Reimbursements were for work performed in prior periods.

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



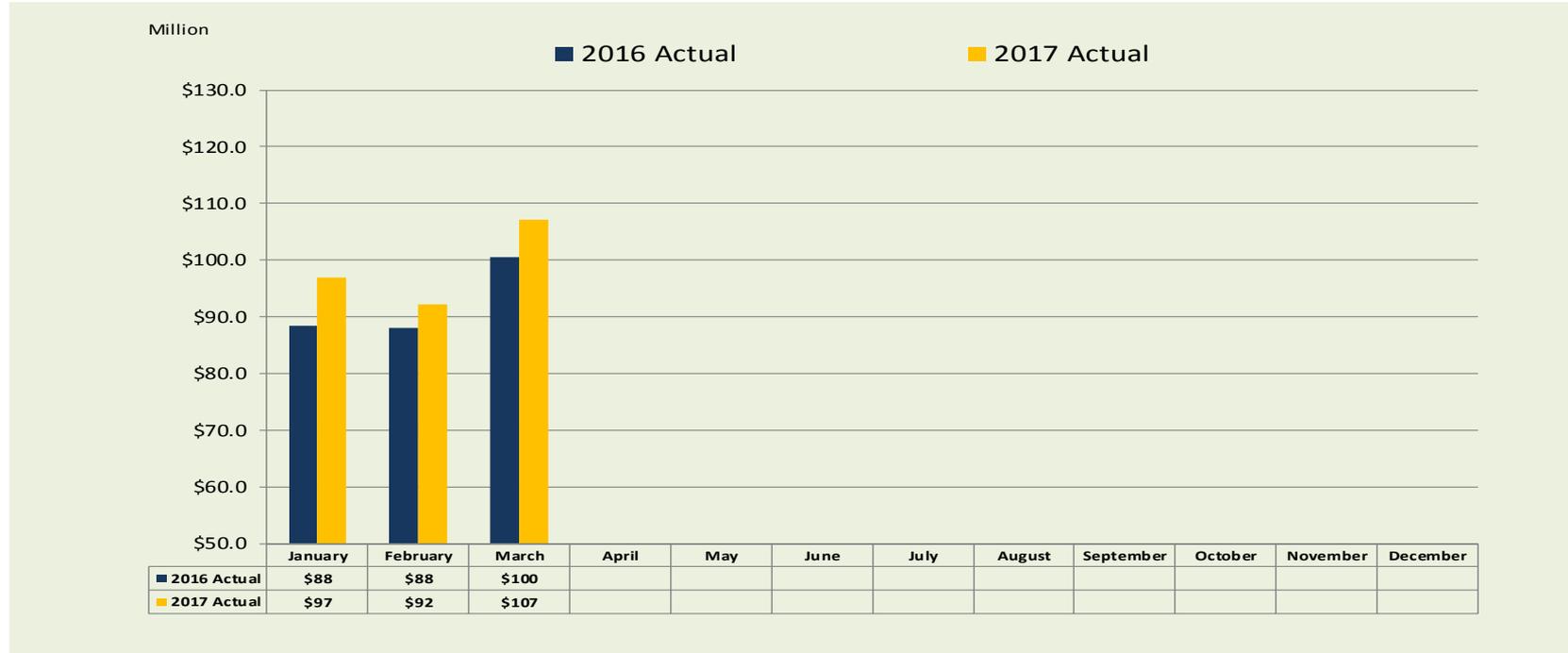
# First Quarter Revenue—2017 vs. 2016

(\$ thousands)

	1st Qtr		Variance	
	2016	2017	\$	%
Toll Revenue and Evasion Recovery	\$295,792	\$310,268	\$14,476	4.9%
Concessions	509	515	6	1.2%
Investment Income	1,253	2,284	1,031	82.3%
Miscellaneous	1,084	2,037	953	87.9%
<b>Total Revenue</b>	<b>\$298,638</b>	<b>\$315,103</b>	<b>\$16,466</b>	<b>5.5%</b>



# Revenue (monthly) 2017 vs. 2016



Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



# First Quarter Maintenance and Operations— 2017 vs. 2016

(\$ thousands)

	1st Qtr		Variance	
	2016	2017	\$	%
Payroll and Related Costs	\$41,816	\$40,319	(1,497)	-3.6%
Group Insurance	8,362	9,787	1,425	17.0%
Contractual Services	15,400	16,781	1,382	9.0%
Materials/Operational Supplies/Other Expenses	1,663	921	(741)	-44.6%
Utilities	1,821	1,979	159	8.7%
All Other Insurance	2,751	2,661	(90)	-3.3%
Parts and Fuel	952	1,383	431	45.3%
Equipment/Office Rental and Maintenance	5,330	7,002	1,672	31.4%
Other Miscellaneous Expenses	239	300	61	25.7%
Recovery of Expenses	(607)	(487)	121	19.9%
<b>Total Maintenance and Operations Expenditures</b>	<b>\$77,725</b>	<b>\$80,648</b>	<b>\$2,923</b>	<b>3.8%</b>

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



# First Quarter Capital Program – 2017 vs. 2016

(\$ thousands)

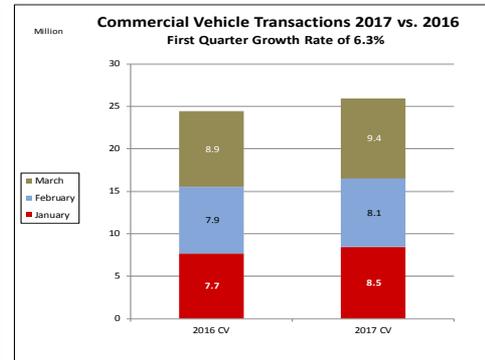
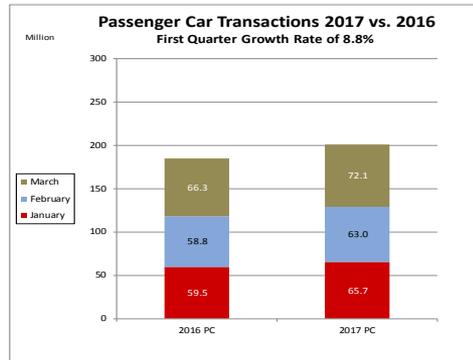
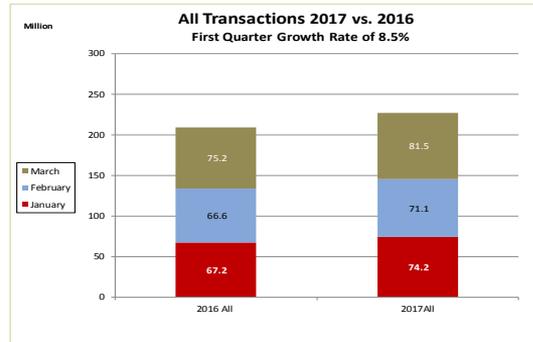
	1st Qtr		Variance	
	2016	2017	\$	%
Tri-State Tollway (I-94/I-294/I-80)	\$11,239	\$5,303	(\$5,936)	-53%
Reagan Memorial Tollway (I-88)	4,143	4,585	\$442	11%
Jane Addams Memorial Tollway (I-90)	110,487	40,469	(\$70,017)	-63%
Veterans Memorial Tollway (I-355)	66	2,540	\$2,474	NA
Open Road Tolling (ORT)	337	89	(\$248)	-74%
Systemwide Improvements	31,373	32,066	\$693	2%
Tri-State Tollway (I-294)/I-57 Interchange	808	288	(\$519)	-64%
Elgin O'Hare Western Access	61,553	56,358	(\$5,195)	-8%
Other Emerging Projects	164	95	(\$69)	-42%
<b>Move Illinois and CRP Subtotal</b>	<b>\$220,171</b>	<b>\$141,796</b>	<b>(\$78,375)</b>	<b>-36%</b>
Agreement Reimbursements and Other Adjustments	(13,935)	(4,382)	9,553	73%
<b>Total Capital Program Expenditures</b>	<b>\$206,236</b>	<b>\$137,414</b>	<b>(\$68,822)</b>	<b>-33%</b>

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on May 17, 2017



# 2017 vs. 2016 Transactions—Year over Year



Note: Numbers may not add to totals due to rounding



THANK YOU



*Illinois  
Tollway*