



## Record of Meeting | October 25, 2018

The Illinois State Toll Highway Authority (the “Tollway”) Board of Directors met in regular session on Thursday, October 25, 2018 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 the Board.]*

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

Chairman Bob Schillerstrom called the Meeting to order at approximately 9:30 a.m., inviting attendees to rise and join in the Pledge of Allegiance. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Board Members Present:
Chairman Bob Schillerstrom
Director Jim Banks <i>(entered 9:34 a.m.)</i>
Director Corey Brooks
Director Earl Dotson, Jr.
Director Joe Gomez
Director David Gonzalez
Director Craig Johnson
Director Bradley Stephens
Director Neli Vazquez Rowland

Board Members Not Present:
Governor Bruce Rauner <i>[ex officio]</i>
Secretary Randall Blankenhorn <i>[ex officio]</i>

The Board Secretary declared a quorum present.

## Public Comment

Chairman Schillerstrom opened the floor for public comment.

Tony Speciale, Village of Sugar Grove, offered comments in support of the I-88/Route 47 interchange project moving forward.



Joshua Blakemore, Assistant City Administrator for the City of Marengo, offered comments in support of the I-90/Route 23 interchange project. He commended Tollway staff for their efforts.

Chairman Schillerstrom thanked the speakers for their comments.

### Chairman's Items

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*Item 1: Approval of the Minutes of the regular Board of Directors meeting held September 27, 2018.*

Chairman Schillerstrom called for a motion to approve **Chairman's Item 1**, the Minutes of the regular Board of Directors meeting held on September 27, 2018, as presented. Director Banks made a motion for approval; seconded by Director Stephens. Chairman Schillerstrom asked if there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom called for a vote. The motion was PASSED unanimously.

*Item 2: Approval of the Minutes of the Executive Session of the Regular Board of Directors Meeting held September 27, 2018.*

Chairman Schillerstrom stated that without objection, action on Chairman's Item 2, concerning the minutes of closed meetings, will be deferred until after consideration in Executive Session.

*Item 3: Committee Reports.*

Chairman Schillerstrom asked the chairs of the following committees of the Board if they had any report to provide on the committees' recent activities:

#### Finance, Administration & Operations Committee

Committee Chair Dotson updated the Board on the Finance, Administration and Operations Committee ("FAO Committee") meeting held Thursday, October 18, 2018, providing the following highlights:

**FINANCE** presented the recommended Tentative Budget for 2019. The Tentative Budget includes revenue growth of 3.8 percent, a modest increase in operating expenses, and \$1.4 billion of capital investments. Mike Colsch, Chief Financial Officer, will provide an overview of the annual budget process and of the Tentative 2019 Budget later this morning.

Finance also presented a second item extending the authorization to issue revenue bonds to refund all or a portion of the Series 2007A, 2008A and 2009A Bonds.

Both items were reviewed and recommended for placement on today's Board agenda.



**PROCUREMENT** presented one item which was recommended for placement on the full Board agenda: a request to utilize a master contract to purchase Oracle software maintenance and support.

**ENGINEERING** presented ten items which were reviewed and recommended for placement on today's Board agenda. These items included:

- Two construction contracts
- One professional service contract
- Six professional service contract supplements
- One lease extension of a portion of Tollway Parcel TW-5-16-001

Of the nearly \$42 million in recommended Engineering awards, \$11.2 million or 27% is committed to veteran-owned or disadvantaged firms.

**LEGAL** presented four items to the Committee which were each reviewed and recommended for placement on today's Board agenda. These included:

- An Intergovernmental Agreement with the City of Northlake and City of Elmhurst in connection with the Illinois Route 390 project which includes widening the existing US Route 20 bridge over Illinois Route 64 and the construction of a new connector roadway from the bridge to eastbound Illinois Route 64, improvement of the northbound I-294 entrance ramp and multiple intersections in the area for congestion relief under a Congestion Mitigation Air Quality (CMAQ) grant.
- An Intergovernmental Agreement with the Illinois Department of Transportation, Kane County and Village of Sugar Grove in connection with completion of a full interchange at I-88 and Illinois Route 47. This agreement describes the construction, financial, and maintenance obligations of the parties.
- An Intergovernmental Agreement with the Illinois Department of Transportation, McHenry County, and City of Marengo which defines the design, construction and cost sharing responsibilities associated with the construction of a full interchange at I-90 and Route 23.
- Approval of Bond Counsel which includes a pool of law firms to be used as outside counsel for bond and other related financial transaction matters.

#### **Ad Hoc Operations Review Committee**

Committee Chair Schillerstrom updated the Board on the Ad Hoc Operations Review Committee meeting held Thursday, November 15, 2018, highlighting that a number of recommendations have been developed and circulated to members. He noted that the Committee will discuss and review



these recommendations over the coming weeks with expectation of advancing final recommendations to the full Board by the end of the year.

*[End of Committee Reports]*

### **Executive Director's Items**

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**Tentative 2019 Budget:** Executive Director Gorman introduced Mike Colsch, Chief Financial Officer, to present to the Board an overview of the annual budget process and of the Tentative 2019 Budget. [See attached presentation.](#)

Director Johnson inquired about the operating hours of the Tollway's H.E.L.P. trucks. Paul Kovacs, Chief Engineering Officer, responded that H.E.L.P. trucks currently operate Monday through Friday from 5 a.m. to 8 p.m. He clarified that operations are suspended in winter months, however, when these drivers are needed to operate snow plows.

Director Johnson proposed offering patrons 24/7 H.E.L.P. truck service on a yearlong basis. Chairman Schillerstrom requested the Customer Service & Planning Committee examine expanding Tollway H.E.L.P. truck operations and advance any recommendations for changes to the full Board.

Director Vazquez Rowland, in reference to capital program expenditures, inquired about opportunities to partner with the Federal Aviation Administration or City of Chicago to share EOWA project costs. Chairman Schillerstrom highlighted that the Tollway continues to actively coordinate with stakeholders concerning opportunities for shared investment.

Directors Gomez and Johnson inquired about the balance and requirements of the Tollway's Operating Reserves. Mr. Colsch responded that revenues are allocated to the Operating Reserve Sub-Account in an amount specified by the Board (currently \$27 million), provided that this account's balance may not exceed 30 percent of the current fiscal year's budget (pursuant to the Trust Indenture).

Director Vazquez Rowland inquired about the agency's debt service coverage ratio. Mr. Colsch responded that the ratio of cash available for debt servicing is approximately 2.6 times in 2018 and projected at 2.5 times in 2019. He noted that the coverage ratio is anticipated to decrease to approximately 2.0 times by the conclusion of the *Move Illinois* Capital Program.

**Staff Acknowledgments:** Executive Director Gorman highlighted that the American Society of Civil Engineers recently honored Clarita Lao, Deputy Chief of Program Implementation, with their "Government Engineer of the Year" award.



She further highlighted that Chief Engineering Officer Paul Kovacs and Chief of Diversity and Strategic Development Gustavo Giraldo will be recognized with the first-ever Vanguard Award by the Construction Industry Conference at an event later today. She explained that the Vanguard Award recognizes continuous and outstanding efforts in the area of inclusion and diversity for businesses.

**October 2018 Diversity Statistics:** Executive Director Gorman provided the following diversity statistics for Tollway procurements to be presented in the current month:

**PROCUREMENT** has one goods and services contract totaling \$1.7 million to present this month. This contract includes one firm meeting the BEP goal and the veteran goal.

**ENGINEERING** has two construction contracts and six supplements totaling \$38.7 million and one professional engineering services contract totaling \$3.7 million, which include:

- One firm doing business with the Tollway for the first time.
- Four Partnering for Growth commitments.
- Two firms have participated in the Tollway's Technical Assistance Program.
- One small business set-aside contract awarded as part of the Tollway's Small Business Initiative.

Of the \$42.3 million in recommended Engineering contract awards, \$11.2 million, or nearly 27 percent, is committed to small, veteran-owned or disadvantaged firms.

Two contracts include commitments for both veteran and disadvantaged, minority- and women- owned business enterprise (D/M/WBE) firm participation, ranging from 1.5 to 5 percent per contract and D/M/WBE commitments ranging from 25 to 30 percent per contract.

- One prime contract is certified as an M/WBE.
- Eleven subcontractors are certified as D/M/WBEs.
- Two subcontractors are certified veteran-owned firms.
- Five subconsultants are certified as D/M/WBEs.
- Two subconsultants are certified veteran-owned firms.

## Items for Consideration

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### Finance

*Item 1: Approval of the 2019 Tentative Budget.*



Chairman Schillerstrom called for a motion to approve **Finance Item 1**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Stephens, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

*Item 2: Extend authorization to refund Series 2007A, 2008A, 2009A from December 31, 2018 to December 31, 2020.*

Chairman Schillerstrom called for a motion to approve **Finance Item 2**. Director Vazquez Rowland made a motion for approval; seconded by Director Stephens. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Vazquez Rowland, Director Stephens, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Johnson, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

## **Procurement**

*Item 1: Award of Contract 18-0143 to Mythics, Inc. for the purchase of Oracle Software Maintenance and Support in an amount not to exceed \$1,685,275.39 (Order Against CMS Master Contract).*

Chairman Schillerstrom called for a motion to approve **Procurement Item 1**. Director Stephens made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Stephens, Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.





## Engineering

*Item 1: Award of Contract RR-18-4418 to Lizzette Medina & Co, DBA Lizzette Medina Landscape Management for Landscaping Planting Improvements, on the Reagan Memorial Tollway (I-88), Illinois Route 251 Interchange from Mile Post 75.75 to Mile Post 76.50, in the amount of \$338,862.90.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 1**. Director Vazquez Rowland made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Vazquez Rowland, Director Dotson, Director Banks, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Stephens, Chairman Schillerstrom (9)

Nays: (0)

The motion was PASSED.

*Item 2: Award of Contract I-17-4683 to Judlau Contracting, Inc. for Roadway and Bridge Construction, on the Illinois Route 390 Tollway from Mile Post 15.9 (IL 83) to Mile Post 17 (York Road), in the amount of \$38,317,847.79.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 2**. Director Banks made a motion for approval; seconded by Director Stephens. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Stephens, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Johnson, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: (0)

The motion was PASSED.

*Item 3: Acceptance of Proposal from Parsons Transportation Group, Inc., on Contract I-18-4361 for Planning Studies and Master Plan Services to extend the Illinois Route 390 Tollway west from Mile Post 5.8 (Lake Street) to County Farm Road, in an amount not to exceed \$3,655,606.72.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 3**. Director Vazquez Rowland made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:



Yeas: Director Vazquez Rowland, Director Dotson, Director Banks, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Stephens, Chairman Schillerstrom (9)

Nays: (0)

The motion was PASSED.

*Item 4: Acceptance of Proposal from Great Arc Technologies, Inc., on Contract RR-14-9170 for Supplemental Infrastructure Management System Services, Systemwide, in an amount of \$3,000,000.00 from \$3,000,000.00 to \$6,000,000.00.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 4**. Director Banks made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Gomez asked why these services are being procured through a supplemental contract rather than using a bid solicitation process. Mr. Kovacs responded that the supplemental contract will allow delivery of needed services until a request for proposal (RFP) can be developed, solicited and awarded. He explained that these services have historically been procured using the Professional Services Bulletin (PSB) process, which was recently undertaken. He explained that the state's Chief Procurement Officer, however, requested that these services be instead procured using the RFP process.

Director Stephens requested confirmation that the supplemental contract would be terminated upon award of a new contract for these services and that the actual cost of the supplemental may be less than the \$3 million award amount. Mr. Kovacs confirmed, emphasizing that the award amounts of each of the six supplemental contracts being presented at the Meeting represent "not to exceed" amounts (upper limits of compensation).

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

Yeas: Director Banks, Director Dotson, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Stephens, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: (0)

The motion was PASSED.

*Item 5: Acceptance of Proposal from Bowman, Barrett & Associates Inc./Christopher B. Burke Engineering, Ltd., on Contract I-17-4303 for Supplemental Design Services for Roadway Reconstruction, Widening and Bridge Rehabilitation, on the Tri-State Tollway (I-294) from Mile*





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*Post 37.8 (O'Hare Oasis) to Mile Post 40.0 (Balmoral Avenue), in an amount of \$970,000.00 from \$6,700,000.00 to \$7,670,000.00.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 5**. Director Dotson made a motion for approval; seconded by Director Stephens. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Chairman Schillerstrom asked that staff provide additional detail on the need for this supplemental contract. Mr. Kovacs explained that this contract would provide for additional design services, including fiber relocation, overhead sign structure, and overhead lighting to allow the expedited delivery of improvements on the central Tri-State (I-294) between Balmoral and the O'Hare Oasis, and implement required additional improvements for traffic operations. He noted that much of the supplemental accelerates design work originally planned to occur later in the project.

Director Gomez expressed concern about the amount of work being procured this month through supplemental contracts and asked the overall amount of supplemental contract awards in the previous year. **Mr. Kovacs responded that he will provide this information post-Meeting.** He noted it is a small percentage of capital program expenditures. Mr. Kovacs expressed it is his opinion that breaking out this additional work for new bid solicitation would have cost the agency more than procuring these services through the supplemental contract presented.

Directors and staff then discussed the process by which scope change may occur to address conditions found, improve outcomes or achieve efficiencies based on recommendation of Tollway engineers, project managers and/or consultants.

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

Yeas: Director Dotson, Director Stephens, Director Banks, Director Brooks, Director Gonzalez, Director Johnson, Director Vazquez Rowland, Chairman Schillerstrom (8)

Nays: Director Gomez (1)

The motion was PASSED.

***Item 6:** Acceptance of Proposal from Knight E/A, Inc., on Contract I-13-4623 for Supplemental Design Services for the IL 19 Interchange on the Elgin O'Hare Western Access (EOWA) at IL 19 (West Irving Park Road), in an amount of \$2,800,000.00 from \$5,526,800.72 to \$8,326,800.72.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 6**. Director Stephens made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.



Chairman Schillerstrom asked staff to provide additional detail on the need for this supplemental contract. Mr. Kovacs explained that this and the following two supplemental contracts would provide for modifications to the plans and specifications of the EOWA Project to implement design adjustments developed in coordination with stakeholders including the FAA, Federal Housing Authority (FHA), Chicago Department of Aviation, Canadian Pacific and Union Pacific railroads, and other municipalities.

Director Gonzalez requested confirmation that the disadvantaged business enterprise (DBE) commitment made by the vendor on the original contract also applies to the supplemental contract award. Mr. Kovacs confirmed, advising the Board that this is true of all the supplemental contracts presented today.

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

Yeas: Director Stephens, Director Banks, Director Brooks, Director Dotson, Director Gonzalez, Director Johnson, Director Vazquez Rowland, Chairman Schillerstrom (8)

Nays: Director Gomez (1)

The motion was PASSED.

*Item 7: Acceptance of Proposal from exp U S Services, Inc., on Contract I-13-4624 for Supplemental Design Services Upon Request, on the Elgin O'Hare Western Access (EOWA), in an amount of \$500,000.00 from \$5,000,000.00 to \$5,500,000.00.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 7**. Director Johnson made a motion for approval; seconded by Director Dotson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Dotson, Director Banks, Director Brooks, Director Gomez, Director Gonzalez, Director Stephens, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: (0)

The motion was PASSED.

*Item 8: Acceptance of Proposal from CH2M Hill Inc., on Contract I-11-4014 for Supplemental Design Corridor Management Services, on the Elgin O'Hare Western Access (EOWA), in an amount of \$13,899,943.80 from \$103,840,422.00 to \$117,740,365.80.*



Chairman Schillerstrom called for a motion to approve **Engineering Item 8**. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gonzalez, Director Stephens, Director Vazquez Rowland, Chairman Schillerstrom (8)

Nays: Director Gomez (1)

The motion was PASSED.

*Item 9: Acceptance of Proposal from WSP USA, Inc., on Contract RR-15-9975RR for Supplemental Consulting Engineer Services, Systemwide, in an amount of \$5,752,823.42 from \$84,500,000.00 to \$90,252,823.42.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 9**. Director Stephens made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Vazquez Rowland requested confirmation that aspects of this work involving the design and development of a new I-PASS Business Center could not be unbundled and set-aside for qualified small businesses due to security concerns. Mr. Kovacs confirmed.

Director Gomez inquired about the need for a supplement to the original contract for these services. Chairman Schillerstrom noted that subsequent to the contract award, the scope of the Central Tri-State Tollway (I-294) Project was enhanced by the Board. He then highlighted the benefits of value engineering analysis which is being performed, providing as an example the significant cost savings that will be achieved through the development and testing of new designs for noise and barrier walls, which minimize land acquisition needs.

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

Yeas: Director Stephens, Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gonzalez, Director Vazquez Rowland, Chairman Schillerstrom (8)

Nays: Director Gomez (1)

The motion was PASSED.



*Item 10: Approval of a six-month Lease Extension with Meade, Inc. concerning approximately 90,000 square feet of Tollway-owned real estate situated near I-294 and I-55. Cost to the Tollway: \$0.*

Chairman Schillerstrom called for a motion to approve **Engineering Item 10**. Director Banks made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Johnson, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Stephens, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

### Legal

*Item 1: Approval of an Intergovernmental Agreement with Cook County, the City of Northlake and City of Elmhurst regarding the Illinois Route 390 project including improvements to the US Route 20 bridge over Illinois Route 64, construction of a new connector roadway from the bridge to eastbound Illinois Route 64, and improvement of the northbound I-294 and area interchanges. Cost to the Tollway: \$7,164,711.52.*

Chairman Schillerstrom called for a motion to approve **Legal Item 1**. Director Stephens made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Stephens, Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

*Item 2: Approval of an Intergovernmental Agreement with the Illinois Department of Transportation, Kane County and Village of Sugar Grove regarding completion of a full interchange at I-88 and Illinois Route 47. Cost to the Tollway: none incurred from entering the IGA but project share will be estimated at \$14,967,887.40 in future construction/consultant agreements.*



Chairman Schillerstrom called for a motion to approve **Legal Item 2**. Director Banks made a motion for approval; seconded by Director Stephens. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Banks, Director Stephens, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Johnson, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

*Item 3: Approval of an Intergovernmental Agreement with the Illinois Department of Transportation, McHenry County, and City of Marengo. The Agreement defines the design, construction, and cost-sharing responsibilities associated with the construction of a full interchange at I-90 and Illinois Route 23. Cost to the Tollway: Estimated at \$33,388,319.00. The Department, the County, and the City will be reimbursing the Tollway an amount estimated at \$16,844,159.50.*

Chairman Schillerstrom called for a motion to approve **Legal Item 3**. Director Stephens made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion. Hearing nothing, Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Stephens, Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

*Item 4: Bond Counsel – Approval of a pool of law firms to be used as Outside Counsel for Bond and other related Financial Transaction matters. Cost to the Tollway: To be determined per negotiation with pool firms.*

Chairman Schillerstrom called for a motion to approve **Legal Item 4**. Director Stephens made a motion for approval; seconded by Director Johnson. Chairman Schillerstrom asked if there are any questions, concerns or requests for discussion.

Director Gomez inquired about the diversity of the law firms selected to participate in the pool. Liz Oplawski, Acting General Counsel, responded that 33 percent of firms in the pool are Business Enterprise Program (BEP) and/or Disadvantaged Business Enterprise (DBE) program certified.



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

Yeas: Director Stephens, Director Johnson, Director Banks, Director Brooks, Director Dotson, Director Gomez, Director Gonzalez, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

### Executive Session

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Chairman Schillerstrom called for a motion to enter Executive Session pursuant to exception provided in Sections 2(c)21 of the Illinois *Open Meetings Act* to consider Tollway matters related to the minutes of closed meetings. Director Dotson made a motion, pursuant to the section specified, to enter Executive Session; seconded by Director Banks. Chairman Schillerstrom called for a roll call, the vote of yeas and nays being as follows:

Yeas: Director Dotson, Director Banks, Director Brooks, Director Gomez, Director Gonzalez, Director Johnson, Director Stephens, Director Vazquez Rowland, Chairman Schillerstrom (9)

Nays: None (0)

The motion was PASSED.

At approximately 10:46 a.m., the Board entered into Executive Session.

### Return from Executive Session and Action (if any)

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At approximately 10:52 a.m., the Board re-entered the public session of the Meeting.

*Chairman's Item 2: Approval of the Minutes of the Executive Session of the Regular Board of Directors Meeting held September 27, 2018.*

Chairman Schillerstrom called for a motion to approve **Chairman's Item 2**, the Minutes of the Executive Session of the Board of Directors meeting held on September 25, 2018, as presented. Director Johnson made a motion for approval; seconded by Director Banks. Chairman Schillerstrom asked if there are any questions, concerns or requests for amendment. Hearing nothing, Chairman Schillerstrom called for a vote. The motion was PASSED unanimously.

### New Business

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*Item 1: 2018 Sexual Harassment Training for State of Illinois Employees under the jurisdiction of the Governor pursuant to the State Officials and Employees Ethics Act ILCS 430/5-10.5.*

Chairman Schillerstrom then introduced Christina McClernon, State of Illinois Chief Ethics Officer, to provide Board members with their 2018 sexual harassment training as required by the State Officials and Employees Ethics Act.

*[Chairman Schillerstrom departed the Meeting at approximately 11:30 a.m.]*

**Adjournment**

There being no further business before the Board and Chairman Schillerstrom having departed earlier, Vice Chair Banks requested a motion to adjourn. Motion to adjourn was made by Director Dotson, seconded by Director Johnson. Vice Chair Banks called for a vote. The motion was PASSED unanimously.

The Meeting was adjourned at approximately 11:52 a.m.

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

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority



# TENTATIVE 2019 BUDGET

October 25, 2018

Mike Colsch



# 2019 Budget Schedule

## October

- ✓ Tentative 2019 Budget presented to Board

## November

- ✓ Public review/comment on Tentative 2019 Budget
- ✓ Public comments presented to Board
- ✓ Incorporate changes arising from review process

## December

- ✓ Board votes on Final 2019 Budget

# 2019 Budget Public Hearings

**Three public hearings scheduled to present the Tentative 2019 Budget and accept public comments**

- ✓ Tuesday, November 13 – 6 p.m., at the Rosemont Village Hall
- ✓ Wednesday, November 14 – 6 p.m. at the Aurora Police Department
- ✓ Thursday, November 29 – 8:30 a.m., at Illinois Tollway headquarters

**Public comments may be mailed or submitted online via the Tollway's website [illinoistollway.com](http://illinoistollway.com) through November 30**



# 2019 Budget Highlights

## Revenue

- ✓ Steady growth year-over-year

## Maintenance and Operations

- ✓ Increase in credit card fees and outside services to support electronic toll collection and customer service activities
- ✓ Operating costs consistent with financial plan

## Capital Program

- ✓ Demonstrates the Tollway's commitment to infrastructure improvements, maintaining system integrity and technology



# 2019 Revenue Sources

## Sources of Revenues FY 2018 - FY 2019

(\$ millions)	FY 2018 Budget	FY 2018 Estimates	FY 2019 Projections
<b>Toll Revenues and Evasion Recovery</b>	\$1,430	\$1,417	\$1,470
<b>Investment Income</b>	12	28	30
<b>Concessions and Miscellaneous Revenues</b>	8	10	10
<b>Revenues Total</b>	<b>\$1,450</b>	<b>\$1,455</b>	<b>\$1,510</b>

CDM Smith's expected toll revenue estimate for fiscal year 2019 totals \$1,486.9 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery.

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on October 25, 2018





# 2019 Revenue Allocations

***MORE THAN 75 PERCENT OF REVENUES ALLOCATED TO SUPPORT INFRASTRUCTURE***

<b>(\$ millions)</b>	<b>FY 2018 Budget</b>	<b>FY 2018 Estimates</b>	<b>FY 2019 Projections</b>
<b>Maintenance and Operations</b>	\$353	\$336	\$365
<b>Debt Service Transfers</b>	413	410	441
<b>Deposits to Renewal and Replacement and Improvement</b>	684	709	704
<b>Revenues Total</b>	<b>\$1,450</b>	<b>\$1,455</b>	<b>\$1,510</b>

M&O transfers for FY 2018 Estimate may differ due to amounts carried over from prior year.

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on October 25, 2018



# 2019 Maintenance and Operations

## *KEY DRIVERS OF OPERATING BUDGET*

- ✓ Increase in total payroll due to salary and wage adjustments, offset by a decrease in estimated retirement contributions
- ✓ Increase in credit card fees associated with higher toll revenue
- ✓ Increase in customer service and consulting costs to support increase in transaction growth and technology
- ✓ Decrease in equipment maintenance for toll collection equipment and new back-office software



# Focus on the customer

## The Illinois Tollway serves

- ✓ 1.6 million daily drivers
- ✓ 88 percent of all transactions are I-PASS transactions

## 2019 Operating Budget includes

- ✓ \$94 million in business systems to support customer service and tolling technology
- ✓ \$34.8 million for State Police to improve safety services
- ✓ \$71 million for roadway maintenance and technology
- ✓ \$20.6 million for Information Technology

**Goal: Enhance the customer driving experience**

# 2019 Maintenance and Operations by Category

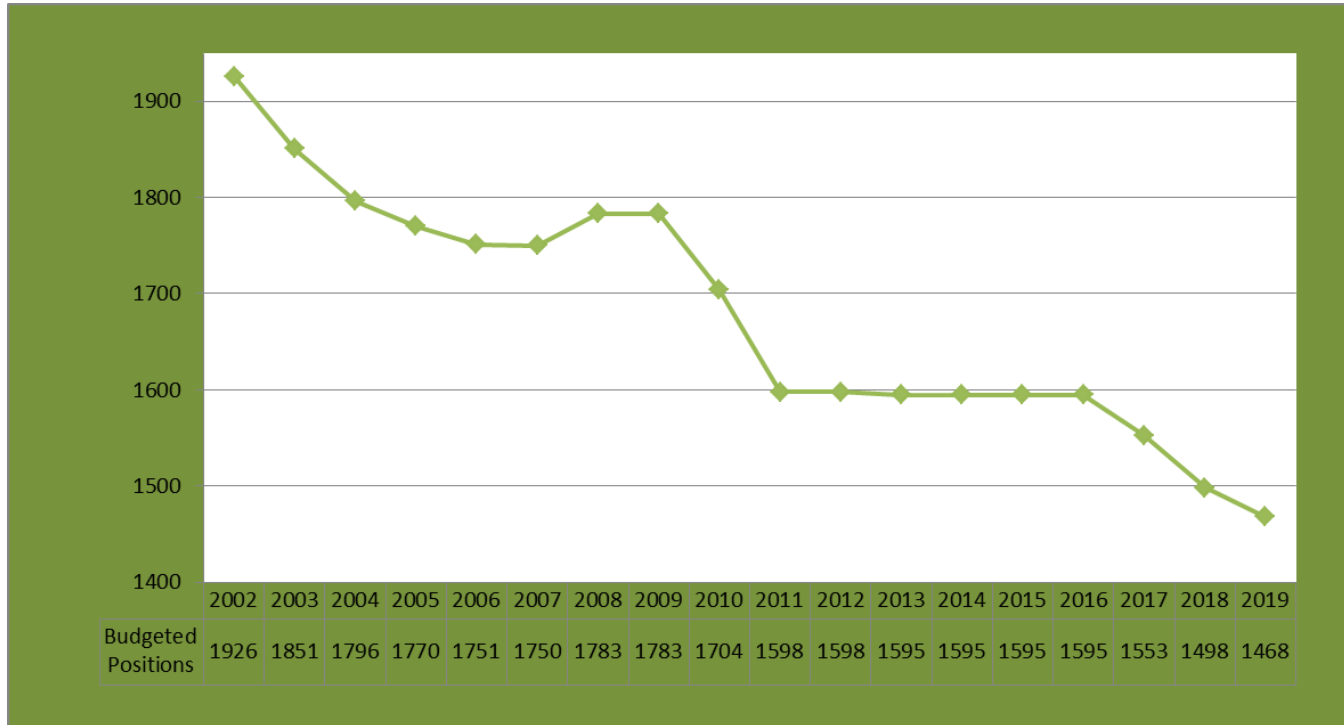
Category (\$ millions)	2017 Actual Expenditures	2018 Budget Request	2019 Budget Request	\$ Change from 2018 Budget	% Change from 2018 Budget
Salary and Wages	\$103.7	\$104.2	\$105.7	\$1.5	1.5%
FICA and Retirement	54.6	63.0	62.6	(0.5)	(0.7%)
Group Insurance	33.8	39.8	39.4	(0.4)	(1.0%)
All Other Insurance	7.5	11.5	11.6	0.2	1.3%
Credit Card Fees and Bank Charges	26.1	27.1	30.3	3.2	11.8%
All Other Contractual Services	52.5	58.2	66.2	7.9	13.6%
Equipment/ Office Rental/ Maintenance	23.4	29.2	27.2	(2.0)	(6.8%)
Parts and Fuels	6.0	6.0	6.9	0.9	14.4%
Utilities	8.1	8.2	8.9	0.7	8.0%
Operational Materials and Supplies	5.1	6.7	7.7	1.1	15.8%
Other Miscellaneous Expenses	0.9	1.0	1.0	0.1	6.5%
Recovery of Expenses	(2.3)	(2.3)	(2.3)	-	0.0%
<b>Total M and O Expenditures</b>	<b>\$319.4</b>	<b>\$352.8</b>	<b>\$365.4</b>	<b>\$12.6</b>	<b>3.6%</b>

**INCREASE IN  
OPERATING  
COSTS –  
3.6 PERCENT  
FROM 2018  
BUDGET**



# Tollway Headcount – As of 12/31 annually

*HEADCOUNT LOWEST IN MORE THAN 30 YEARS*



# 2019 Debt Service

- ✓ **Assumes issuance of \$400 million of new bonds in 2019**
- ✓ **Outstanding debt at 1/1/2019 is \$6.3 billion**
  - Includes \$300 million new bond issuance planned in 4th Quarter 2018
- ✓ **Transfers for debt service estimated at \$441 million**
  - Interest \$319 million
  - Principal \$131 million
  - Other \$ 6 million (bond-related costs)
  - Offset by \$ (15) million federal Build America Bonds subsidy
- ✓ **Estimated debt service coverage of 2.6x in 2018 and 2.5x in 2019**



# Capital Program

## *KEY 2019 CAPITAL PROGRAM HIGHLIGHTS*

### **Elgin O'Hare Western Access Project**

- ✓ Continued advance work for new I-490 Tollway
- ✓ Construction of I-490 Interchange flyover ramps and connection to Illinois Route 390 Tollway
- ✓ Construction work at I-490/I-294 Interchange and I-490/I-90 Interchange
- ✓ Right-of-way purchases and utility relocations

### **Central Tri-State Tollway (I-294) Project**

- ✓ Continued design and construction for reconstruction between 95<sup>th</sup> Street and Balmoral Avenue
- ✓ Right-of-way acquisition and utility relocations

### **Tri-State Tollway (I-294)/I-57 Interchange Project**

- ✓ Phase II ramp construction to begin in 2019



# Capital Program

## *KEY 2019 CAPITAL PROGRAM HIGHLIGHTS*

### **Systemwide Projects**

- ✓ Bridge, pavement and interchange improvements
- ✓ Toll collection and information technology improvements
- ✓ Maintenance facility upgrades and program support

### **Reagan Memorial Tollway (I-88)**

- ✓ Complete bridge and ramp rehabilitation between Illinois Route 251 and Illinois Route 56
- ✓ Complete reconstruction and widening between York Road and I-290

### **Veterans Memorial Tollway (I-355)**

- ✓ Complete resurfacing from I-55 to Army Trail Road



# Capital Program Summary

(\$ millions)	2018 Budget	2018 Estimated Expenditures	2019 Request	\$ Change from 2018 Estimate
<b>Existing System Needs</b>	<b>\$798.1</b>	<b>\$922.4</b>	945.2	<b>\$22.8</b>
Jane Addams Memorial Tollway (I-90)	24.4	36.7	12.6	(24.0)
Tri-State Tollway (I-94/I-294/I-80)	238.1	266.2	444.7	178.5
Veterans Memorial Tollway (I-355)	35.1	103.1	23.7	(79.4)
Reagan Memorial Tollway (I-88)	175.0	166.3	66.6	(99.7)
Systemwide Improvements	325.5	350.1	397.6	47.6
<b>System Expansion</b>	<b>\$385.6</b>	<b>\$257.4</b>	<b>\$462.0</b>	<b>\$204.6</b>
Tri-State (I-294)/I-57 Interchange	0.0	0.4	28.0	27.7
Elgin O'Hare Western Access Project	375.9	247.7	423.3	175.6
Other Emerging Projects	9.7	9.4	10.7	1.3
<b>Capital Program Total</b>	<b>\$1,183.7</b>	<b>\$1,179.8</b>	<b>\$1,407.2</b>	<b>\$227.4</b>

*Totals may not add due to rounding.*



# Tentative 2019 Budget Summary

## **CONSISTENT WITH THE LONG-TERM FINANCIAL PLAN**

- ✓ **Eighth year of *Move Illinois* – total 2019 Capital Program projected to be \$1.4 billion**
  - 50 percent of the spending, or \$7 billion, will be spent on *Move Illinois* Program by 2019
- ✓ **Revenue budget 3.8 percent over 2018 estimate**
- ✓ **Operating costs budget 3.6 percent over 2018 budget**
- ✓ **Debt service coverage projected at 2.5x in 2019**



# Appendix



# 2019 Maintenance and Operations By Department

Department (\$ thousands)	2017 Actual Expenditures	2018 Budget	2019 Request	\$ Change from 2018 Budget	% Change from 2018 Budget
Business Systems	\$81,538	\$85,854	\$93,862	\$8,007	9.3%
Engineering	72,679	76,018	77,990	1,971	2.6%
Executive Office and Directors	1,667	2,283	2,465	182	8.0%
Information Technology	14,530	18,682	20,602	1,920	10.3%
Inspector General	720	954	1,156	202	21.2%
Internal Audit	679	924	948	24	2.6%
Legal	1,429	1,854	1,926	71	3.8%
Office of Enterprise Wide Operations	66,414	68,532	67,525	(1,007)	(1.5%)
Administration	3,998	4,081	4,229	148	3.6%
Communications	1,574	1,670	1,583	(86)	(5.2%)
Diversity and Strategic Development	2,592	5,846	5,766	(79)	(1.4%)
Toll Operations	58,249	56,936	55,946	(990)	(1.7%)
Office Of Finance	46,867	61,579	61,532	(47)	(0.1%)
Finance	41,630	56,684	56,685	2	0.0%
Procurement	5,238	4,895	4,847	(49)	(1.0%)
Planning	2,184	2,375	2,579	203	8.6%
State Police	30,692	33,694	34,790	1,097	3.3%
<b>Authority Total</b>	<b>\$319,399</b>	<b>\$352,750</b>	<b>\$365,374</b>	<b>\$12,624</b>	<b>3.6%</b>

Totals may not add due to rounding.



# Move Illinois Program Summary

(\$ millions)	2017 Actual Expenditures	2018 Budget	2018 Estimated Expenditures	2019 Request	\$ Change from 2018 Estimate
<b>Existing System Needs</b>					
Jane Addams Memorial Tollway (I-90)	\$150.2	\$24.4	\$36.8	\$12.6	(\$24.2)
Tri-State Tollway (I-94/I-294/I-80)	44.2	238.1	265.4	444.7	179.3
Veterans Memorial Tollway (I-355)	6.7	35.1	103.1	23.7	(79.4)
Reagan Memorial Tollway (I-88)	15.7	175.0	165.4	66.6	(98.8)
Systemwide Improvements	208.7	323.5	345.3	397.6	52.3
<b>Existing System Needs Total</b>	<b>\$425.5</b>	<b>\$796.1</b>	<b>\$916.1</b>	<b>\$945.2</b>	<b>\$29.1</b>
<b>System Expansion</b>					
Tri-State Tollway (I-294)/I-57 Interchange	\$0.9	\$0.0	\$0.4	\$28.0	\$27.7
Elgin O'Hare Western Access Project	318.2	375.9	247.7	423.3	175.6
Other Emerging Projects	2.5	9.7	9.4	10.7	1.3
<b>System Expansion Total</b>	<b>\$321.5</b>	<b>\$385.6</b>	<b>\$257.4</b>	<b>\$462.0</b>	<b>\$204.6</b>
<b>Move Illinois Program Total</b>	<b>\$747.0</b>	<b>\$1,181.8</b>	<b>\$1,173.5</b>	<b>\$1,407.2</b>	<b>\$233.8</b>



# Debt Service Schedule

(\$millions) Fiscal Year	Principal	Interest	Total Debt Service
2018	124	300	424
2019	130	318	448
2020	138	321	458
2021	144	314	458
2022	151	306	458
2023	159	299	458
2024	168	290	458
2025	189	283	471
2026	241	275	516
2027	258	263	521
2028	269	252	521
2029	280	241	521
2030	292	229	521
2031	302	219	521
2032	318	203	521
2033	335	187	521
2034	354	167	521
2035	374	147	521
2036	393	128	521
2037	413	108	521
2038	426	88	513
2039	447	66	513
2040	322	44	366
2041	257	28	285
2042	148	15	163
2043	155	8	163

Note: Numbers may not add to totals due to rounding

## NOTES:

- √ Includes existing debt service plus debt service on: (i) \$300 million of new money bonds expected to be sold by 2018 year end; and (ii) \$400 million of new money bonds assumed issued July 1, 2019.
- √ Debt service due January 1 of a given calendar year is included in the prior fiscal year, per the Trust Indenture.
- √ Debt service does not include liquidity or remarketing costs for Tollway variable rate bonds. Such costs are currently approximately \$5 million annually.
- √ Interest expense does not net out anticipated federal subsidies related to Build America Bonds, expected to total approximately \$15 million in each of 2018/2019.
- √ Interest expense on variable rate bonds is estimated at the synthetic fixed rates on such bonds, incorporating payments on associated interest rate hedge agreements (aka swaps).







THANK YOU

