



## Record of Meeting | December 16, 2021

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance, Administration and Operations (“FAO”) Committee meeting on Thursday, December 16, 2021 in the Boardroom of the Tollway headquarters in Downers Grove, IL. The meeting was held pursuant to the By-Laws of the Tollway upon call and notice of the meeting executed by Chairman Willard S. Evans, Jr. and posted in accordance with the requirements of the Open Meetings Act, 5 ILCS 120/1, *et seq.* 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 / Roll Call

Committee Chair McConnaughay called the meeting to order at approximately 10:11 a.m. She then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Karen McConnaughay
Director Alice Gallagher
Director Scott Paddock
Director Gary Perinar
Director James Sweeney
Other Directors Present:
Director James Connolly
Director Jacqueline Gomez
Director Stephen Davis

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

## Public Comment

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



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## Committee Chair's Items

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Committee Chair McConnaughay entertained a motion to approve **Committee Chair's Item 1**, the Minutes of the regular FAO Committee meeting held on November 18, 2021, as presented. Director Gallagher made a motion to approve the Minutes, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Committee Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

Having no further items, Committee Chair McConnaughay called on Executive Director José Alvarez.

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## Executive Director's Items

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Executive Director Alvarez introduced Cathy Williams, Chief Financial Officer, to present to the Committee the Final 2022 Budget. [See attached presentation.](#)

Upon conclusion of the presentation, Executive Director Alvarez stated that the meeting agenda contains 11 items for the Committee's consideration.

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## Items for Consideration

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### Finance

Executive Director Alvarez noted that Finance Item 1, the FY 2022 Final Budget, was just presented for the Committee by Cathy Williams, and asked that she present the remaining item.

*Item 1: Approval of the FY2022 Final Budget.*

*Item 2: Award of Contract 21-0201 to ReliaStar Life Insurance Company for the Employee Life Insurance Benefit Program in an amount estimated at \$514,188.00 for a three-year period.*

Upon conclusion of the item presentation, Committee Chair McConnaughay entertained a motion to approve placement of **Finance Item 1** on the December Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Gallagher made a



motion to approve this item, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Committee Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

Committee Chair McConnaughay entertained a motion to approve placement of **Finance Item 2** on the December Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Gallagher made a motion to approve this item, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Committee Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

### **Information Technology**

Executive Director Alvarez called on Joe Kambich, Chief of Information Technology, to present the following item:

*Item 1 - Option A: Award of Contract 21-0180 to Presidio Networked Solutions Group LLC for the purchase of Maintenance and Support of Cisco Software and Hardware in an amount not to exceed \$2,973,270.80 (Cooperative Purchase).*

*Item 1 - Option B: Award of Contract 21-0180 to Presidio Networked Solutions Group LLC for the purchase of Maintenance and Support of Cisco Software and Hardware in an amount not to exceed \$2,948,776.18 (Order Against DoIT Master Contract).*

Upon conclusion of the item presentation, Committee Chair McConnaughay entertained a motion to approve placement on the December Board meeting agenda of **Information Technology Item 1**, Options A and B, dependent upon the State's execution of a Master Contract. Director Gallagher made a motion to approve this item, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:



Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Committee Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

### Engineering

Executive Director Alvarez called on Manar Nashif, Acting Chief Engineering Officer, to present the following items:

*Item 1: Award of Contract I-21-4745 to Martinez Frogs, Inc. for Concrete Pipe Management on the Elgin O'Hare Western Access Tollway (I-490) from Mile Post 0.42 to Mile Post 0.62 in the amount of \$232,153.00.*

*Item 2: Award of Contract I-21-4737 to Judlau Contracting, Inc. for Railroad Retaining Wall Construction on the Elgin O'Hare Western Access Tollway (I-490) between Mile Post 0.9 (Canadian Pacific Railway Bensenville Yard) and Mile Post 1.8 (Irving Park Road (IL 19)) in the amount of \$37,785,426.29.*

*Item 3: Award of Contract I-21-4598 to Martam Construction Inc. for Roadway Reconstruction and Bridge Rehabilitation on the Tri-State Tollway (I-294) between Mile Post 27.4 and Mile Post 28.2 (Ogden Avenue) in the amount of \$4,107,792.29.*

*Item 4: Award of Contract RR-20-4342R to Foundation Mechanics, LLC for Ramp Queue Detection, Systemwide in the amount of \$1,836,499.70.*

*Item 5: Award of Contract RR-21-4591 to Aldridge Electric, Inc. for Systemwide Sign Structure and Dynamic Message Sign Improvements on the Reagan Memorial Tollway (I-88) at Mile Post 78.6 (I-39); Veterans Memorial Tollway (I-355) at Mile Post 21.8 and Mile Post 25.4; Jane Addams Memorial Tollway (I-90) from Mile Post 36.0 to Mile Post 36.4 (IL 23) and Mile Post 46.9 (IL 47) and Mile Post 78.45 in the amount of \$2,858,552.91.*

*Item 6: Acceptance of Proposal from Ciorba Group/Peralte-Clark, LLC on Contract I-21-4733 for Design Engineering Services, Elgin O'Hare Western Access (I-490) – York Road in an amount not to exceed \$2,270,092,83.*

*Item 7: Award of Contract 21-0142 to Cicero Mfg. & Supply Co. Inc. for the purchase of Traffic Control Channelizers in an amount not to exceed \$190,770.00 for an initial term of three years*



*and a possible three-year renewal term in an amount not to exceed \$209,842.50 (Tollway Invitation for Bid).*

Upon conclusion of the presentation of items, Committee Chair McConnaughay entertained a motion to consolidate for consideration and action Engineering Items 1 thru 7. Director Gallagher made a motion to consolidate these items, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Committee Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

The motion to consolidate these items having carried, Committee Chair McConnaughay entertained a motion to approve placement of **Engineering Items 1 thru 7** on the December Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Gallagher made a motion to approve these items, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Committee Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

## Legal

Executive Director Alvarez requested that consideration of Legal Item 1 be deferred until the Executive Session of the full Board of Directors meeting.

*Item 1: Authorization to Enter into Litigation Settlement Agreement – Tollway Parcel WA-3D-12-003. Cost to Tollway: As discussed in Executive Session.*

Without objection, Committee Chair McConnaughay deferred consideration of Legal Item 1 until the Executive Session of the full Board of Directors meeting.

## Adjournment

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There being no further Committee business, Committee Chair McConnaughay entertained a motion to adjourn. Director Gallagher made a motion to adjourn, seconded by Director Paddock. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Committee Chair McConnaughay (5)

Nays: (0)

The motion PASSED.

The Meeting was adjourned at approximately 10:45 a.m.

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

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority

# 2022 Budget

Cathy Williams  
Chief Financial Officer  
December 16, 2021



# 2022 Revenue and Allocations

## MORE THAN 72 PERCENT IS ALLOCATED TO SUPPORT THE CAPITAL PROGRAM

(\$ millions)	FY 2021 Budget	FY 2021 Estimates	FY 2022 Projections
<b>Sources of Revenues FY 2020 - FY 2022</b>			
Toll Revenues & Evasion Recovery	\$1,395	\$1,447	\$1,477
Misc plus Concessions	10	10	11
Investments	10	2	3
<b>Revenues Total</b>	<b>\$1,415</b>	<b>\$1,459</b>	<b>\$1,491</b>

<b>Allocation of Revenues FY 2020 - FY 2022</b>			
Maintenance & Operations	\$380	\$373	\$411
Debt Service Transfer	468	457	486
Deposits to Renewal & Replacements & Improvements	567	629	594
<b>Allocations Total</b>	<b>\$1,415</b>	<b>\$1,459</b>	<b>\$1,491</b>

Note: CDM Smith's expected toll revenue estimate for fiscal year 2022 totals \$1,538.7 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery



# Changes From the Tentative Budget

- **The Debt Management section has been updated to reflect the issuance of \$700 million of bonds vs. \$600 million originally planned**
  - Allocation of revenue has been revised to reflect slightly lower debt service transfers and corresponding increase to Renewal and Replacement and Improvement account
- **Strategic plans and performance metrics**
- **Population and Demographics section provided by CDM Smith**



# Other Post-Employment Benefits

## Per a recent audit the following adjustments were made to the Tollway's 2020 Audited Financial Statements

- An adjustment to other post-employment benefits (OPEB), resulting in a beginning balance restatement reduced the Tollway's unrestricted net position by approximately \$506 million. This item was recorded in the Statement of Net Position within the Tollway financials.
- An adjustment of approximately \$18 million to record a net underpayment of contributions to State Employees Group Insurance Program (SEGIP) for years 7/1/2017 – 12/31/2020 was made. An adjustment of \$4.9 million has been included in the 2022 Operating Budget.



# APPENDIX



# 2022 Budget Highlights

## Revenue

- 2022 budgeted revenue is 2.2 percent above 2021 estimate and 5.4 percent above the 2021 budget
- Continued anticipated impacts of pandemic and economic recovery

## Maintenance and Operations

- 8.3 percent increase over 2021 budget (6.3 percent excluding accounting adjustments-OPEB)
- Investments in new technology that will help to reduce long term costs and gain efficiencies
- Demonstrates a commitment to customer service, safety and security, employee development and improving governance and internal controls

## Capital Program

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



# 2022 Budget

## Focus on Customer Service

- The Illinois Tollway serves 1.6 million daily drivers and 91 percent of all transactions are I-PASS/E-ZPass transactions
- \$147.3 million to support customer service and enhancements systemwide for the Tollway's tolling operations and business systems
- \$51 million for Roadway Maintenance to provide a safe means of travel and a great driving experience for customers

## Focus on Safety and Security

- Illinois State Police District 15 is responsible for providing comprehensive law enforcement services to the Tollway system
- Security and Safety is newly formed department established to centralize management of OSHA related training requirements as well as security at all Tollway facilities
- \$46.6 million for State Police District 15 services and security and safety management

# 2022 Budget

## Focus on Employees

- Strategies to create a culture of employee growth and development through programs and initiatives that celebrate and appreciate diversity, equity and inclusiveness
- Enhanced wellness and work-life programs, services and activities that improve, employee health and well-being and promote a healthy lifestyle and work environment
- \$42 million in employee benefits including group insurance

## Focus on Governance and Internal Controls

- The 2022 Operating and Capital Budgets include \$81.4 million to ensure the Tollway's Information Technology Department has the resources necessary to implement systems and further integrate business and enterprise resource planning processes across the agency. These changes aim to expand the agency's data accuracy, integrity and information transparency
- \$20.2 million for new technology costs
- \$3.6 million in audit and internal controls

2022 Budget includes Operating and Capital



# 2022 Bond Issuance and Debt Service

## \$7.0 billion outstanding bonds at January 1, 2022

- Includes \$700 million bond issuance scheduled to close Dec 16, 2021

## \$400 million new bond issuance expected in 2022

## \$486 million estimated transfers for debt service

- Principal: \$139.2 million
- Interest: \$346.8 million (*this amount is net of \$13.6 million from federal subsidies of a portion of interest on Build America Bonds*)

## Estimated debt service coverage

- 2.3x in 2021
- 2.1x in 2022

Current Long Term Credit Ratings: Fitch AA –; Moody's Aa3; S&P AA –



# 2022 Maintenance and Operations By Category

Category (\$ thousands)	2020 Actual Expenditures	2021 Budget Request	2022 Request	\$ Change from 2021 Budget	% Change from 2021 Budget
Salary and Wages	\$111,022	\$112,869	\$117,525	\$4,656	4.1%
FICA and Retirement	66,311	68,984	72,638	3,654	5.3%
Group Insurance Premium	31,656	28,800	32,363	3,563	12.4%
Other Post Employment Benefits*	8,133	4,000	8,900	4,900	122.5%
All Other Insurance	10,864	11,099	12,900	1,801	16.2%
Credit Card Fees and Bank Charges	26,443	30,200	32,850	2,650	8.8%
All Other Contractual Services	55,615	69,776	80,828	11,052	15.8%
Equipment/ Office Rental/ Maintenance	32,067	32,895	32,260	(635)	(1.9%)
Parts and Fuels	5,437	5,940	6,071	132	2.2%
Utilities	8,145	8,093	7,435	(658)	(8.1%)
Operational Materials and Supplies	5,547	7,606	7,109	(497)	(6.5%)
Other Miscellaneous Expenses	678	960	1,064	103	10.8%
Employee Training	181	489	926	437	89.4%
Recovery of Expenses	(1,896)	(2,194)	(1,996)	198	(9.0%)
<b>Total M and O Expenditures</b>	<b>\$360,202</b>	<b>\$379,516</b>	<b>\$410,873</b>	<b>\$31,357</b>	<b>8.3%</b>

\*Accounting adjustment for OPEB charges



# 2022 Capital Program Summary

(\$ millions)	2012-2020 Expenditures	2021 Estimated Expenditures	2022 Request	Remaining 2023-2027	Move Illinois Program 2012 -2027
<b>Existing System Needs</b>	<b>\$5,454.0</b>	<b>\$983.7</b>	<b>\$997.1</b>	<b>\$2,893.4</b>	<b>\$10,328.1</b>
Jane Addams Memorial Tollway (I-90)	2,330.4	2.4	3.7	22.7	2,359.2
Tri-State Tollway (I-94/ I-294/ I-80)	1,237.0	713.3	690.1	1,611.0	4,251.5
Veterans Memorial Tollway (I-355)	154.9	10.0	1.1	13.4	179.3
Reagan Memorial Tollway (I-88)	283.5	18.8	5.5	50.1	357.8
Systemwide Improvements	1,448.2	239.2	296.8	1,196.3	3,180.4
<b>System Expansion</b>	<b>\$2,107.8</b>	<b>\$353.5</b>	<b>\$489.3</b>	<b>\$976.3</b>	<b>\$3,926.9</b>
Tri-State (I-294)/I-57 Interchange	179.0	75.7	46.2	25.5	326.5
Elgin O'Hare Western Access	1,908.9	275.0	439.9	917.7	3,541.6
Other Emerging Projects	19.9	2.7	3.1	33.1	58.8
<b><i>Move Illinois</i> Program Total</b>	<b>\$7,561.8</b>	<b>\$1,337.2</b>	<b>\$1,486.4</b>	<b>\$3,869.7</b>	<b>\$14,255.0</b>
<b>Agreement Reimbursements and Other Adjustments</b>	<b>(\$152.6)</b>	<b>(\$10.4)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$163.0)</b>
<b>Capital Program Total</b>	<b>\$7,409.2</b>	<b>\$1,326.8</b>	<b>\$1,486.4</b>	<b>\$3,869.7</b>	<b>\$14,092.0</b>



# Key 2022 Capital Program Highlights

## Elgin O'Hare Western Access Project – \$439.9 million

- Construction of new I-490 Tollway and interchanges connecting I-490 to the Tri-State Tollway (I-294), the Jane Addams Memorial Tollway (I-90) and the Illinois Route 390 Tollway
- Right-of-way acquisition and utility relocation

## Central Tri-State Tollway (I-294) Project – \$690.1 million

- Roadway widening and reconstruction between 95th Street and the I-55 ramps will continue
- Construction will continue to reconstruct and widen the mainline roadway between St. Charles Road and Wolf Road, including the I-490/I-294 Interchange
- Construction will be completed on the southbound Mile Long Bridge and the Burlington Northern Santa Fe Railway Bridge over I-294

## Systemwide – \$296.8 million

- Bridge, pavement and maintenance facility improvements
- Investment in new technology, replacing fleet and other systemwide needs

## Tri-State Tollway (I-294)/I-57 Interchange Project – \$46.2 million

- The second phase of interchange construction began in 2019
- Ongoing construction of I-57 roadway and bridge widening between Kedzie Avenue and the CXS Railroad and several new I-294/I-57 ramps



# 2022 Budget Summary

**The Illinois Tollway's budget is focused on improving the customer experience, security and safety, employee development, governance and internal controls**

**The Tollway's budget is consistent with the long-term financial plan**

- Eleventh year of *Move Illinois* Capital Program projected to be \$1.5 billion
- 73 percent of the spending, or \$10.2 billion, will be spent on *Move Illinois* Program by end of 2022

**2022 budgeted revenue is 2.2 percent above 2021 estimate and 5.4 percent above the 2021 budget**

Operating costs – consistent with long term goals

Debt service coverage projected at 2.1x in 2022





# THANK YOU

