



Record of Meeting | November 17, 2022

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance, Administration and Operations (“FAO”) Committee meeting on Thursday, November 17, 2022, in the Boardroom of Tollway Headquarters in Downers Grove, Illinois. The meeting was held pursuant to the By-Laws of the Tollway upon call and notice of the meeting executed by Chair Dorothy Abreu 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 9:45 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, Jr.
Director James Sweeney

Committee Members Not Present:
None

Other Directors Present:
Director James Connolly
Chair Dorothy Abreu

The Board Secretary declared a quorum present.

Public Comment

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



Committee Chair's Items

Committee Chair McConnaughay entertained a motion to approve **Committee Chair's Item 1**, the Minutes of the regular FAO Committee meeting held on October 20, 2022, as presented. Director Gallagher made a motion to approve the Minutes, seconded by Director Perinar. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

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

Nays: (0)

The motion PASSED.

Having no further items, Committee Chair McConnaughay called on Executive Director Cassandra Rouse.

Executive Director's Items

Executive Director Rouse introduced Cathy Williams, Chief Financial Officer, to present for the benefit of the Committee the third quarter financial review. [See attached presentation.](#)

Upon conclusion of the presentation, Committee Chair McConnaughay thanked Ms. Williams.

Executive Director Rouse next introduced Terry Miller, Chief of Diversity & Strategic Development, to present for the Committee an overview of the Rolling Owner-Controlled Insurance Program. [See attached presentation.](#)

Upon conclusion of the presentation, Committee Chair McConnaughay thanked Mr. Miller.

Executive Director Rouse noted that the meeting agenda contains 14 items for the Committee's consideration.

Items for Consideration

Finance

Item 1: Amendment to Contract 19-0171 to Mesirow Insurance Services, Inc. for the purchase of Rolling Owner-Controlled Insurance Program (ROCIP) in an additional estimated premium amount of \$857,878.00. The ROCIP will provide General Liability insurance on construction



contracts with small businesses on select construction projects (Order Against CMS Master Contract).

Committee Chair McConnaughay entertained a motion to approve placement of **Finance Item 1** on the November 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 Perinar. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

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

Nays: (0)

The motion PASSED.

Information Technology

Executive Director Rouse called on Mike Shay, Chief Information Officer, to present the following items:

Item 1: Award of Contract 22-0143 to CDW Government LLC for the purchase of NetApp Hardware, Installation Services and Support and Maintenance in an amount not to exceed \$1,187,200.00 (Cooperative Purchase).

Item 2: Award of Contract 22-0121 to Emergent, LLC for the purchase of Red Hat Software Support and Maintenance in an amount not to exceed \$631,414.70 (Tollway Invitation for Bid).

Item 3: Award of Contract 22-0132 to CDW Government LLC for the purchase of Citrix Software Licenses plus Support and Maintenance in an amount not to exceed \$219,055.00 (Cooperative Purchase).

Upon conclusion of the presentation of items, Committee Chair McConnaughay entertained a motion to consolidate for consideration and action Information Technology Items 1-3. Director Gallagher made a motion to consolidate these items, seconded by Director Perinar. Committee Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Perinar, Director Paddock, 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 **Information Technology Items 1-3** on the November 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. Committee Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

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

Nays: (0)

The motion PASSED.

Engineering

Executive Director Rouse asked Manar Nashif, Acting Chief Engineering Officer, to present the following items:

Item 1: Award of Contract I-21-4746 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Roadway Construction on the Elgin O'Hare Western Access Tollway (I-490) at Mile Post 5.75 (Touhy Avenue) in the amount of \$9,910,401.09.

Item 2: Award of Contract RR-21-9244 to John Burns Construction Company for Weigh-In-Motion Installation on the Reagan Memorial Tollway (I-88) between Mile Post 115.4 (Orchard Road) and Mile Post 120.3 (Eola Road) in the amount of \$3,228,784.36.

Item 3: Award of Contract RR-22-9267 to Meade, Inc. for Intelligent Transportation System (ITS) Device Installation and Material Fabrication, Systemwide in the amount of \$1,192,676.21.

Item 4: Award of Contract RR-22-9265 to Maintenance Coatings Company for Pavement Marking Installation on the Jane Addams Memorial Tollway (I-90) between Mile Post 18.9 (Kishwaukee River) and Mile Post 78.5 (Des Plaines River) in the amount of \$3,150,779.78.

Item 5: Award of Contract RR-22-9266 to RoadSafe Traffic Systems, Inc. for Pavement Marking Installation, Systemwide in the amount of \$3,883,491.00.

Item 6: Extra Work Order on I-20-4518 to Walsh Construction Company II, LLC for Roadway Reconstruction and Widening on the Tri-State Tollway (I-294) between Mile Post 19.3 (Plaza 39)



and Mile Post 22.3 (75th Street) in the amount of \$840,000.00, increasing the upper limit of compensation from \$74,673,399.18 to \$75,513,399.18.

Item 7: Extra Work Order on I-21-4738 to Lorig Construction Company for Railroad Track Relocation; Retaining Wall Construction; Earthwork Excavation on the Elgin O'Hare Western Access Tollway (I-490) South of Grand Avenue to Irving Park Road (IL 19); Tri-State Tollway (I-294) to Franklin Avenue; Mile Post 5.6 (Touhy Avenue IL 72) to Mile Post 5.75 (Old Higgins Road) in the amount of \$401,000.00, increasing the upper limit of compensation from \$109,379,864.88 to \$109,780,864.88.

Item 8: Change Order / Extra Work Order on I-21-4732 to Walsh Construction Company II, LLC for Railroad Bridge Construction Union Pacific Railroad and Earthwork on the Elgin O'Hare Western Access Tollway (I-490) between Franklin Avenue and South of Irving Park Road (IL-19) and Jane Addams Memorial Tollway (I-90) between Mile Post 62.00 and Mile Post 62.25 (Barrington Road) in the amount of \$5,745,000.00, increasing the upper limit of compensation from \$215,584,837.44 to \$221,329,837.44.

Item 9: Acceptance of Proposal from Legat Architects, Inc. on Contract RR-21-4803 for Facilities Design Services Upon Request, Systemwide in an amount not to exceed \$4,000,000.00.

Item 10: Award of Contract 22-0103 to Morton Salt, Inc., Cargill, Inc. and Compass Minerals America, Inc. for the purchase of Bulk Rock Salt in an aggregate amount not to exceed \$8,841,368.40 (Order Against CMS Master Contract).

Upon conclusion of the presentation and discussion of items, Committee Chair McConnaughay stated that Director Sweeney has indicated in advance his wish to recuse himself on Engineering Item 6. She requested, without objection, that this item be taken first.

Committee Chair McConnaughay entertained a motion to approve placement of **Engineering Item 6** on the November 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 Perinar. Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Perinar, Director, Paddock, Committee Chair McConnaughay (4)

Nays: (0)

Recusals: Director Sweeney (1)

The motion PASSED.



Committee Chair McConnaughay entertained a motion to consolidate for consideration and action Engineering Items 1-5 and 7-10. Director Gallagher made a motion to consolidate these items, seconded by Director Perinar. Committee Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director Perinar, Director Paddock, 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 1-5 and 7-10** on the November 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 Perinar. Committee Chair McConnaughay asked that the roll be called on the motion, the vote of yeas and nays being as follows:

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

Nays: (0)

The motion PASSED.

Adjournment

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

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

Nays: (0)

The motion PASSED.



The Meeting was adjourned at approximately 10:40 a.m.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

2022 Third Quarter Budget to Actual

(Preliminary and Unaudited)

Cathy Williams
November 17, 2022



Third Quarter YTD 2022 – Budget vs. Actual

CATEGORY	(\$ millions)				% CHANGE
	ORIGINAL BUDGET	REVISED ESTIMATE	ACTUAL	\$ CHANGE	
Revenue	\$1,118 ¹	\$1,165 ¹	\$1,185	\$20	1.7%
M&O Expenditures	\$307	\$307	\$276	(\$31)	(10.0%)
Debt Service Transfers	\$369	\$363	\$363	\$0	0.0%
Capital Expenditures	\$1,027	\$887	\$812	(\$75)	(8.4%)

Key Drivers

Revenue

- Revenue is 1.7 percent higher than the Budget due to higher-than-expected toll evasion recovery and investment income

M&O

- M&O is below budget due to unfilled positions and lower customer service cost

Capital Expenditures

- Primarily due to timing of utility and land acquisition payments, railroad coordination, material supply delays and slower spending on Fleet and IT projects

Note: The budget was revised in October 2022. Numbers may not add to totals due to rounding.

¹ Original Budget and Forecast Toll Revenue is based on expected toll revenue estimates from CDM Smith, Traffic Engineer

REVENUE



Third Quarter YTD 2022 - Revenue

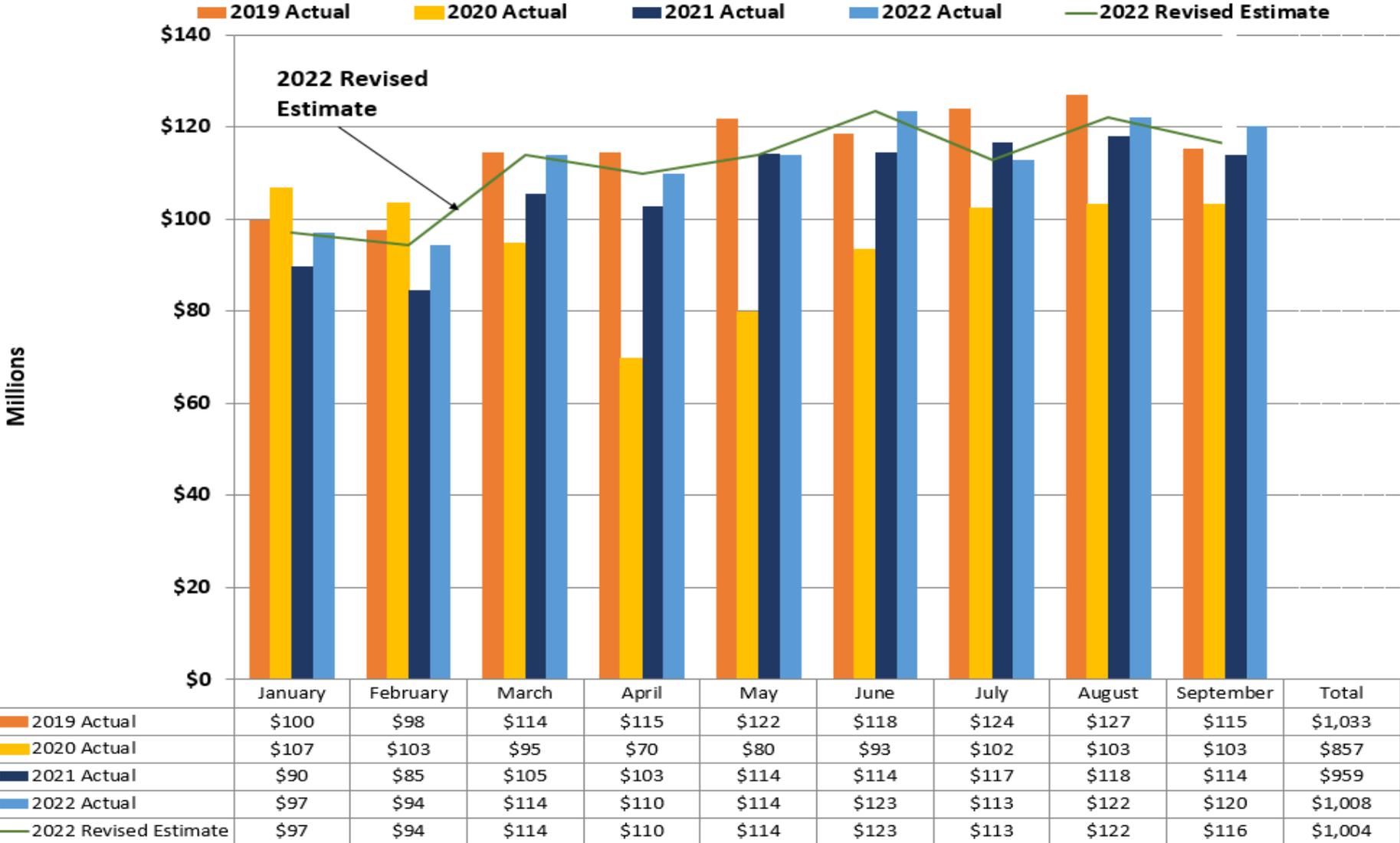
CATEGORY	(\$ millions)			% CHANGE
	REVISED ESTIMATE ¹	ACTUAL	\$ CHANGE	
Total Revenue	\$1,165.1	\$1,184.5	\$19.4	1.7%
Toll Revenue and Evasion Recovery	\$1,127.2	\$1,144.5	\$17.3	1.6%
Concessions and Miscellaneous Income	\$29.2	\$28.5 ²	(\$0.7)	(8.5%)
Investments	\$8.7	\$11.5	\$2.8	125.1%

Notes: ¹ Original Budget and Forecast Toll Revenue is based on expected toll revenue estimates from CDM Smith, Traffic Engineer

² Includes proceeds from the sale of property of \$18.7 million in February 2022.

Numbers may not add due to rounding

Monthly Toll Revenue 2019 – 2022



Third Quarter YTD 2022 – Maintenance and Operations

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Total M&O	\$306.6	\$276.1	(\$30.6)	(10.0%)
Payroll and Related Costs	\$142.9	\$131.4	(\$11.5)	(8.1%)
Contractual Services	\$83.2	\$71.4	(\$11.8)	(14.2%)
Group Insurance	\$24.9	\$24.9	\$0.0	0.0%
Other Post Employment Benefits	\$6.1	\$2.7	(\$3.4)	(55.7%)
Equipment Maintenance	\$23.3	\$23.6	\$0.3	1.5%
All Other Insurance	\$10.6	\$5.8	(\$4.8)	(45.4%)
Materials/Operational Supplies/Other Expenses	\$6.0	\$4.6	(\$1.4)	(23.8%)
Utilities	\$4.9	\$4.9	\$0.0	0.0%
Parts and Fuel	\$5.0	\$7.7	\$2.7	54.4%
Other Miscellaneous Expenses	(\$0.2)	(\$0.8)	(\$0.6)	NA

Note: Numbers may not add to totals due to rounding

Key Drivers

Payroll and Related Costs

- Vacant positions

Contractual Services

- Decrease in call minutes
- Timing due to contract delays

Other Post Employment Benefit

- \$3.3 million credit adjustment for retiree health insurance

All Other Insurance

- \$3.8 million credit adjustment to workers compensation based on actuarial study

Material/Operational Supplies/Other Expenses

- Timing due to contract delays

Parts and Fuel

- Increase in the price of fuel
- Higher replacement parts costs due to inflation, transportation, and supply chain issues

CAPITAL PROGRAM



Third Quarter YTD 2022 - Capital Program

CATEGORY	REVISED ESTIMATE	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Tri-State (I-94/I-294/I-80)	\$461.8	\$421.3	(\$40.5)	(8.8%)
Reagan Memorial (I-88)	\$2.0	\$0.9	(\$1.2)	(56.7%)
Jane Addams Memorial (I-90)	\$0.6	\$0.2	(\$0.4)	(65.5%)
Veterans Memorial (I-355)	\$1.6	\$1.3	(\$0.3)	(19.7%)
Systemwide Improvements	\$147.4	\$131.6	(\$15.8)	(10.7%)
Tri-State (I-294)/I-57 Interchange	\$29.4	\$27.6	(\$1.8)	(6.1%)
Elgin O'Hare Western Access	\$249.8	\$235.9	(\$13.9)	(5.6%)
Total Capital Expenditures	\$894.1	\$819.6	(\$74.4)	(8.3%)
Agreement Reimbursements and Other Adjustments	(\$7.2)	(\$7.3)	(\$0.1)	(0.9%)
Total Capital with Reimbursements	\$886.8	\$812.3	(\$74.5)	(8.4%)

Key Drivers

Central Tri-State

- Construction spending below forecast due to the timing of utility and land acquisition payments, railroad coordination and material supply delays

Systemwide

- Underspend in various bridge, pavement and ramp repairs partially due material fabrication issues and slower spending on Fleet and IT projects

EOWA Project

- Spending below forecast primarily due to less progress than anticipated largely related to railroad and utility coordination

Note: Numbers may not add to totals due to rounding.



THANK YOU



APPENDIX

2022 vs 2021 Results



Third Quarter YTD 2022 – Maintenance and Operations – 2022 vs 2021

CATEGORY	(\$ millions)					
	2021		2022		2022 ACTUAL/ 2020 ACTUAL CHANGE	
	BUDGET	ACTUAL	BUDGET	ACTUAL	\$ CHANGE	% CHANGE
Payroll and Related Costs	\$136.7	\$133.6	\$142.9	\$131.4	(\$2.3)	(1.7%)
Contractual Services	\$75.2	\$70.1	\$83.2	\$71.4	\$1.3	1.8%
Group Insurance	\$21.6	\$25.9	\$24.9	\$24.9	(\$1.0)	(3.9%)
Other Post Employment Benefits	\$3.0	\$5.4	\$6.1	\$2.7	(\$2.7)	(50.0%)
Equipment Maintenance	\$25.6	\$23.1	\$23.3	\$23.6	\$0.5	2.2%
All Other Insurance	\$8.5	\$7.9	\$10.6	\$5.8	(\$2.1)	(27.0%)
Materials/Operational Supplies/Other Expenses	\$5.6	\$5.7	\$6.0	\$4.6	(\$1.1)	(19.6%)
Utilities	\$5.9	\$5.2	\$4.9	\$4.9	(\$0.2)	(4.7%)
Parts and Fuel	\$4.3	\$6.3	\$5.0	\$7.7	\$1.4	21.9%
Other Miscellaneous Expenses	(\$0.6)	(\$0.8)	(\$0.2)	(\$0.8)	(0.0)	0.0%
Total Maintenance and Operations Expenditures	\$285.7	\$282.4	\$306.6	\$276.1	(\$6.3)	(2.2%)

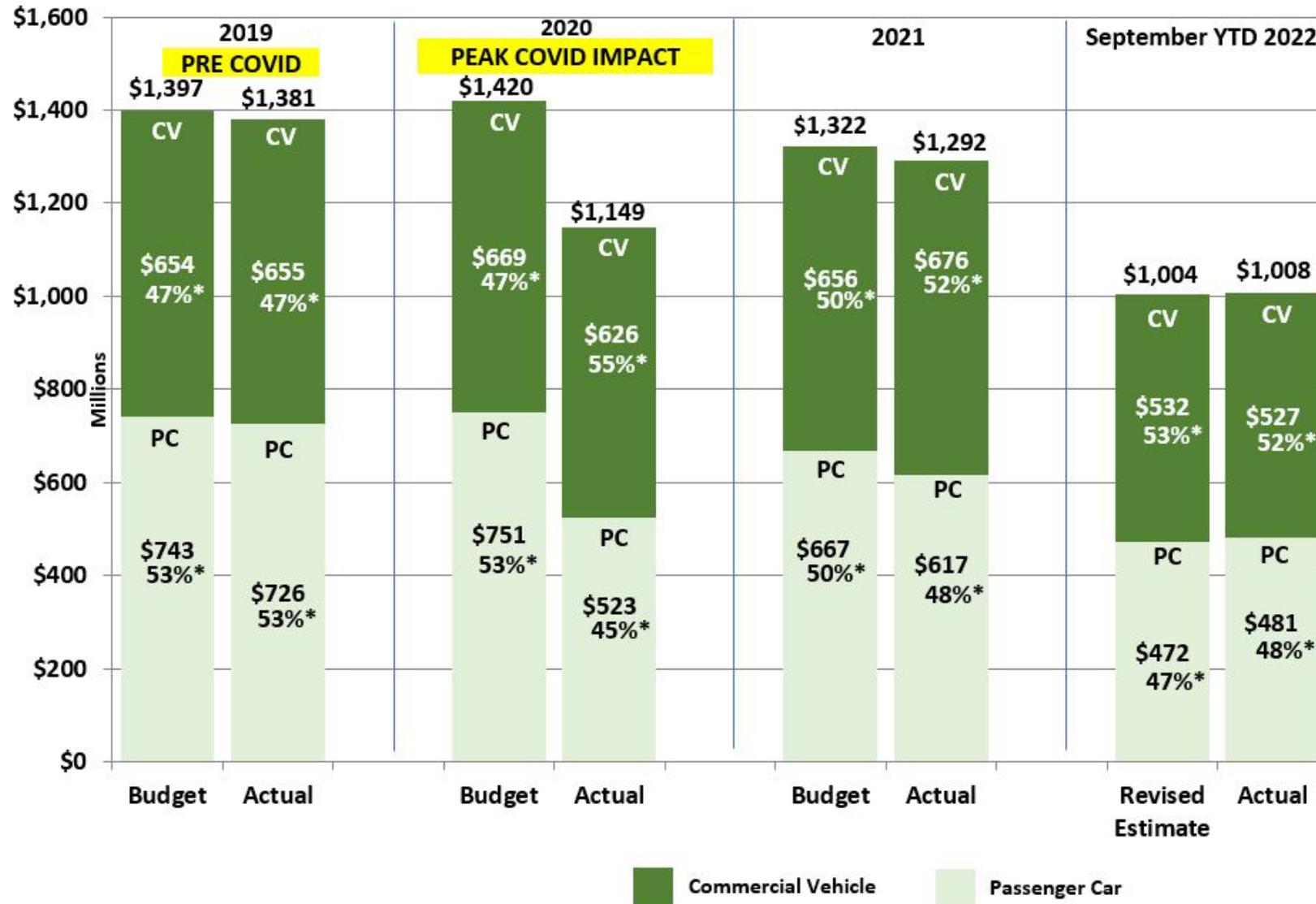
Note: Numbers may not add to totals due to rounding

Third Quarter YTD - Capital Program 2022 vs 2021

CATEGORY	(\$ millions)					
	2021		2022		2022 ACTUAL/ 2021 ACTUAL CHANGE	
	REVISED ESTIMATE	ACTUAL	REVISED ESTIMATE	ACTUAL	\$ CHANGE	% CHANGE
Tri-State (I-94/I-294/I-80)	\$508.6	\$487.0	\$461.8	\$421.3	(\$65.7)	(13.5%)
Reagan Memorial (I-88)	\$14.5	\$16.6	\$2.0	\$0.9	(\$15.7)	(94.7%)
Jane Addams Memorial (I-90)	\$1.6	\$1.0	\$0.6	\$0.2	(\$0.8)	(78.8%)
Veterans Memorial (I-355)	\$9.4	\$5.0	\$1.6	\$1.3	(\$3.7)	(74.8%)
Systemwide Improvements	\$171.6	\$161.6	\$147.4	\$131.6	(\$30.0)	(18.6%)
Tri-State (I-294)/I-57 Interchange	\$56.4	\$61.0	\$29.4	\$27.6	(\$33.4)	(54.8%)
Elgin O'Hare Western Access	\$174.7	\$161.4	\$249.8	\$235.9	\$74.5	46.1%
Total Capital Expenditures	\$938.5	\$894.7	\$894.1	\$819.6	(\$75.1)	(8.4%)
Agreement Reimbursements and Other Adjustments	(\$10.4)	(\$4.1)	(\$7.2)	(\$7.3)	(\$3.2)	(79.0%)
Total Capital with Reimbursements	\$928.1	\$890.7	\$886.8	\$812.3	(\$78.3)	(8.8%)

Note: Numbers may not add to totals due to rounding

Toll Revenue 2019 – 2022



*Percentage of total expected revenue for passenger cars and commercial vehicles



Illinois Tollway
DIVERSITY

Driving Economic Opportunities

ROLLING OWNER-CONTROLLED INSURANCE PROGRAM (ROCI[®])

Terry Miller, Chief of Diversity and Strategic Development

Paula Blonski, Sr. Manager of Insurance and Risk and Loss Control

November 17, 2022

OVERVIEW



**Removes barrier
to prime
contracting
opportunities
for small
businesses**



**Allows more
contractors
to pursue
prime
opportunities**



**Increases pool of
small and
diverse firms
competing for
Tollway contracts**

ADVANTAGES

- ▶ Control of insurance coverage, including limits purchased and claim handling
- ▶ Solution for insurance availability problems for small contractors
- ▶ Complements/supplements contractors' existing programs
- ▶ Enhances Tollway ability to use small contractors
- ▶ Aligns with current Tollway small business programs while being flexible enough to be used for emerging and future programs



PRIME CONTRACTOR ELIGIBILITY

REQUIREMENTS

- ✔ **Must be an Illinois-registered small business**
Annual gross revenues of \$14 million or less
- ✔ **Must meet Small Business Initiative Program contract requirements**
 - Perform up to 40 percent of project scope
 - Meet diversity goals on eligible contracts
 - Only subcontract remaining work to Illinois registered small businesses



BY THE NUMBERS

43 contracts awarded with Tollway's ROCIP insurance since 2021

More than
\$64 million
In Small Business
contracts covered by
ROCIP



Nearly
70 unique firms
Have worked on ROCIP
contracts to date

CONTRACTS AWARDED WITH ROCIP INCLUDE **6 FIRST-TIME PRIMES**, ALL OF WHICH ARE CERTIFIED DBE FIRMS

TESTIMONIALS

FOUNDATION MECHANICS

- ✓ ROCIP "evens the playing field" for small businesses by reducing insurance costs



CARDINAL STATE CONSTRUCTION

- ✓ Benefits contractors because they do not have to purchase \$15 million in umbrella limits



AREATHA CONSTRUCTION

- ✓ ROCIP is a great because it eliminates the administration required to purchase insurance



TYPES OF COVERAGE

TYPES OF INSURANCE INCLUDED

- ✓ **Commercial General Liability**
\$2 million per occurrence, \$4 million aggregate
- ✓ **Excess Liability**
Up to \$25 million per occurrence, \$25 million aggregate
- ✓ **On-Site**
\$2 million per occurrence, \$4 million aggregate

FEATURES

Coverage for all enrolled contractors and subcontractors with **on-site exposure**

Limits are on a per-project basis

Enrollment is mandatory for all contractors and subs

CGL and Excess Liability-only contractors will still be required to maintain coverages for auto liability, workers compensation and contractors' pollution liability for on-site and off-site exposures and CGL and excess liability for off-site exposures



CONCLUSION/ WRAP UP





QUESTIONS?