



Record of Meeting | December 5, 2019

The Illinois State Toll Highway Authority’s (“Tollway”) Board of Directors met in regular session on Thursday, December 5, 2019 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 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 the Board.]

Call to Order / Roll Call

Chairman Evans called the meeting to order at approximately 2:26 p.m. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Board Members Present:
Chairman Willard S. Evans, Jr.
Director Jim Connolly
Director Steve Davis
Director Alice Gallagher
Director Karen McConnaughay
Director Scott Paddock <i>[via audio conference]</i>
Director Gary Perinar
Director Jim Sweeney

Board Members Not Present:
Governor JB Pritzker <i>[ex officio]</i>
Acting Secretary Omer Osman <i>[ex officio]</i>

The Board Secretary declared a quorum present.

Chairman Evans stated that given Director Paddock’s advance notice to the Board Secretary of his inability to attend due to conflicting business commitments, and given that a quorum of the Board is physically present, in accordance with Section 7(a) of the Illinois Open Meetings Act, a motion is requested to approve Director Paddock’s participation by audio conference. Director Davis made such a motion, seconded by Director Connolly. The motion was PASSED unanimously. Director Paddock joined the Meeting via audio conference.



Chairman Evans noted the meeting schedule had been changed to allow staff and Directors to attend the roadway dedication ceremony honoring Illinois State Police District 15 Trooper Christopher Lambert. Chairman Evans then requested a moment of silence in honor of Trooper Lambert.

Safety Message

Captain Chiappini reviewed for staff and Directors the following Tollway safety policies:

- A Tollway ID badge must be visible and worn at all times by employees and visitors for the duration of their time within the Central Administration building. Visitors may obtain an ID badge at the reception desk. In the event an employee forgets his/her identification badge, the employee may obtain a temporary ID badge from the HR department.
- With regard to the Concealed Carry Act, concealed firearms are strictly prohibited at all Tollway facilities, including CA, plazas, maintenance sites, warehouse, oases and Tollway vehicles. Tollway parking areas also fall under this policy except as strictly provided in the Concealed Carry Act. The Tollway has a zero tolerance policy and violation of this policy will result in termination and be reported to District 15 law enforcement.

Public Comment

Chairman Evans opened the floor for public comment.

Danielle Steele of Blue Cross Blue Shield of Illinois addressed the Board. Ms. Steele offered comments concerning the Tollway's employee health benefits program and the award of contract 19-0148:

The following individuals addressed the Board, each offering comments concerning the Tollway's diversity record and initiatives:

- Edith De La Cruz, Antigua Construction
- Bob Israel, Save Our Community
- Wali Muhamood, Al-Mizaan Group

Chairman Evans thanked the speakers for their comments.

Chairman's Items

Item 1: Approval of the Minutes of the Regular Board of Directors Meeting held October 17, 2019.



Chairman Evans entertained a motion to approve **Chairman's Item 1**, the Minutes of the regular Board of Directors meeting held on October 17, 2019, as presented. Director Connolly made a motion to approve the Minutes, seconded by Director Perinar. The motion was PASSED unanimously.

Item 2: Approval of the Minutes of the Executive Session of the Regular Board of Directors meeting held October 17, 2019.

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

Item 3: Committee Reports

Chairman Evans dispensed with the committee reports, noting that all Directors were present at the committee meetings.

Item 4: Approval of Two-Year Audit Plan

Chairman Evans stated that without objection, action on Chairman's Item 4, will be deferred until after consideration in Executive Session.

Item 5: Assignment of Board Members to Committees

Chairman Evans entertained a motion to approve **Chairman's Item 5**, the assignment of Board Members to committees. Director Davis made a motion to approve this item, seconded by Director Sweeney. The motion was PASSED unanimously.

Item 6: Approval of 2020 Board and Committee Schedule

Chairman Evans entertained a motion to approve **Chairman's Item 6**. Director McConnaughay made a motion to approve this item, seconded by Director Sweeney. The motion was PASSED unanimously.

Item 7: Approval of 2020 Tollway Holiday Schedule

Chairman Evans entertained a motion to approve **Chairman's Item 7**. Director Perinar made a motion to approve this item, seconded by Director Gallagher. The motion was PASSED unanimously.

Item 8: Additional Items.

Having no further items, Chairman Evans turned the floor over to Executive Director José Alvarez.



Executive Director's Items

Executive Director Alvarez presented the December Tollway Video Update, highlighting winter driving tips as part of an ongoing effort to promote safety education to the public. The video also highlighted the roadway dedication for Trooper Ellis, the annual map contest and construction on the Central Tri-State project (I-294).

Mr. Alvarez recognized Tollway employees for their charitable contributions this holiday season to help support the U.S. Marine Reserve "Toys for Tots" Program.

Mr. Alvarez then introduced Shaun Farmer, Chief Internal Auditor, to present an overview of the 2-Year Audit Plan and work of the Internal Audit department. [See attached presentation.](#)

Finally, Executive Director Alvarez thanked Chief Financial Officer, Mike Colsch, Deputy Chief Cathy Williams and staff for their work on the FY2020 Final Budget.

Items for Consideration

Finance

Item 1: Approval of the FY2020 Final Budget.

Item 2: Authorization to extend the Series 2008 A-1b Bondholder Agreement between the Tollway and RBC Municipal Products, LLC for a one-year period through February 3, 2021, at an interest rate equal to the 7-day SIFMA Index plus a spread of 50 basis points (0.50%).

Item 3: Award of Contract 19-0148 to Aetna, Inc. for the Employee Health Benefit Programs 2020-2021 plan year in an estimated amount of \$27,000,000.00 and approval to negotiate and award four one-year renewal options for future plan years (Order Against CMS Master Contract through insurance broker, Mesirow Insurance Services, Inc). These programs provide medical, dental and optical benefits for employees and their qualified dependents.

Chairman Evans entertained a motion to consolidate for consideration and action Finance Items 1 thru 3. Director Connolly made a motion to consolidate these items, seconded by Director Davis. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Chairman Evans entertained a motion to approve **Finance Items 1 thru 3**. Director Connolly made a motion to approve these items, seconded by Director Davis. The motion was PASSED unanimously.



Business Systems

Item 1: Award of Contract 19-0151 to Electronic Transaction Consultants Corporation for the purchase of Toll Revenue Management and Maintenance Program Services in an amount not to exceed \$6,000,000.00 (Tollway Sole Source). This contract provides support and maintenance of the Host System, as well as support and maintenance of the legacy Violation Processing System (and its associated Customer Service Center System).

Chairman Evans entertained a motion to approve **Business Systems Item 1**, as presented. Director Gallagher made a motion to approve this item, seconded by Director McConnaughay. The motion was PASSED unanimously.

Item 2: Award of Contract 18-0093 to IGOR, The Watchdog Corp. for the purchase of I-PASS Distribution and Back-End Support Services in an amount not to exceed \$11,890,000.00 for an initial five-year term (Tollway Request for Proposal). This contract provides services to support the Tollway's I-PASS program including, but not limited to, the distribution of new and replacement transponders and gift cards as well as the disposal of returned transponders associated with the transponder replacement program.

Chairman Evans entertained a motion to approve **Business Systems Item 2**, as presented. Director Davis made a motion to approve this item, seconded by Director Sweeney. The motion was PASSED unanimously.

Information Technology

Item 1: Award of Contract 19-0159 to C.D.S. Office Systems, Incorporated (d.b.a. CDS Office Technologies) for the purchase of the Illinois State Police Panasonic Arbitrator Upgrade Project in an amount not to exceed \$3,351,874.00 (Order Against CMS Master Contract). This contract provides an upgrade of the existing Illinois State Police District 15 in-car digital evidence collection and management video system (Panasonic Arbitrator).

Item 2: Award of Contract 19-0094 to Mythics, Inc. for the purchase of Oracle Software Maintenance and Support in an amount not to exceed \$260,527.48 (Order Against DoIT Master Contract). This contract provides ongoing maintenance and support of the Tollway's existing Oracle software licenses.

Item 3: Award of Contract 19-0163 to CDW Government LLC for the purchase of Cisco SmartNet Software and Hardware Maintenance and Support in an amount not to exceed \$1,935,415.97 (Order Against DoIT Master Contract). This contract provides maintenance and support for the Tollway's existing Cisco network hardware and software.



Chairman Evans entertained a motion to consolidate for consideration and action Information Technology Items 1 thru 3. Director McConnaughay made a motion to consolidate these items, seconded by Director Gallagher. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Chairman Evans entertained a motion to approve **Information Technology Items 1 thru 3**. Director Sweeney made a motion to approve these items, seconded by Director McConnaughay. The motion was PASSED unanimously.

Operations

Item 1: Amendment to Contract 15-0081 with Old Veteran Construction, Inc.; Anchor Mechanical, Inc.; AGAE Contractors, Inc.; McDonagh Demolition, Inc.; Robe, Inc.; and F.H. Paschen, S.N. Nielsen & Associates LLC for the purchase of Job Order Contracting for General Construction Services in an amount not to exceed \$7,500,000.00 (Tollway Invitation for Bid). This contract provides a continued source for general construction work in accordance with the Job Order Contracting (“JOC”) procurement system.

Chairman Evans entertained a motion to approve **Operations Item 1**. Director Gallagher made a motion to approve this item, seconded by Director McConnaughay. The motion was PASSED unanimously.

Procurement

Item 1: Renewal of Contract 16-0147 with Logsdon Stationers, Inc. (d.b.a. Logsdon Office Supply) for the purchase of Office Supplies in an amount not to exceed \$380,000.00 (Order Against CMS Master Contract). This contract provides a continued source for the purchase of general use office supplies which will be ordered on an as-needed basis.

Chairman Evans entertained a motion to approve **Procurement Item 1**. Director Davis made a motion to approve this item, seconded by Director Sweeney. The motion was PASSED unanimously.

Engineering

Chairman Evans stated that because Director Davis indicated in advance his wish to recuse himself on Engineering Items 1, 2, 3, 4 and 8, the Board will consider these Engineering items separately.

Item 1: Award of Contract I-19-4464 to Judlau Contracting, Inc. for I-57 Roadway and Bridge Widening and I-294 Ramp Construction, on the Tri-State Tollway (I-294) from Mile Post 7.0 to



Mile Post 8.5 and Interstate 57 from Mile Post 349.2 to Mile Post 350.6, in the amount of \$64,352,559.20.

Chairman Evans called for a motion to approve **Engineering Item 1**, as presented. Director Connolly made a motion to approve this item, seconded by Director McConnaughay. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Connolly, Director McConnaughay, Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chairman Evans (7)

Nays: (0)

Recusals: Director Davis (1)

The motion was PASSED.

Item 2: Award of Contract I-19-4449 to Plote Construction, Inc. / Dunnet Bay Construction Company, JV for Roadway and Bridge Widening and Rehabilitation, on the Tri-State Tollway (I-294) Mile Post 36.3 (Wolf Road) to Mile Post 39.8 (Balmoral Avenue), in the amount of \$61,884,856.35.

Chairman Evans called for a motion to approve **Engineering Item 2**, as presented. Director Sweeney made a motion to approve this item, seconded by Director McConnaughay. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Sweeney, Director McConnaughay, Director Connolly, Director Gallagher, Director Paddock, Director Perinar, Chairman Evans (7)

Nays: (0)

Recusals: Director Davis (1)

The motion was PASSED.

Item 3: Award of Contract RR-19-4474 to Plote Construction, Inc. for Pavement and Structure Reconstruction and Rehabilitation, on the Reagan Memorial Tollway (I-88) from Mile Post 118.06 (Aurora Plaza 61) to Mile Post 123.46 (IL 59), in the amount of \$33,191,521.17.

Chairman Evans called for a motion to approve **Engineering Item 3**, as presented. Director Gallagher made a motion to approve this item, seconded by Director McConnaughay. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gallagher, Director McConnaughay, Director Connolly, Director Paddock, Director Perinar, Director Sweeney, Chairman Evans (7)



Nays: (0)

Recusals: Director Davis (1)

The motion was PASSED.

Item 4: Acceptance of Proposal from AAA Engineering, Ltd., on RR-19-4460 for Facilities, Design Services Upon Request, Systemwide, in an amount not to exceed \$5,000,000.00.

Chairman Evans called for a motion to approve **Engineering Item 4**, as presented. Director Sweeney made a motion to approve this item, seconded by Director McConnaughay. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Sweeney, Director McConnaughay, Director Connolly, Director Gallagher, Director Paddock, Director Perinar, Chairman Evans (7)

Nays: (0)

Recusals: Director Davis (1)

The motion was PASSED.

Item 8: Acceptance of Proposal from Rubinos & Mesia Engineers, Inc., on I-19-4469 for Design Services for Systemwide Bridge Reconstruction, on the Jane Addams Memorial Tollway (I-90) at Mile Post 19.8 (Bypass U.S. 20), in an amount not to exceed \$2,278,626.27.

Chairman Evans called for a motion to approve **Engineering Item 8**, as presented. Director Connolly made a motion to approve this item, seconded by Director McConnaughay. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Connolly, Director McConnaughay, Director Gallagher, Director Paddock, Director Perinar, Director Sweeney, Chairman Evans (7)

Nays: (0)

Recusals: Director Davis (1)

The motion was PASSED.

Item 5: Acceptance of Proposal from American Veteran Industries, LLC/ Bravo Company Engineering, Inc., on RR-19-4461 for Facilities, Construction Management Services Upon, Systemwide, in an amount not to exceed \$3,000,000.00.



Item 6: Acceptance of Proposal from SE3, LLC, on I-19-4462 for Construction Management Services on the Tri-State Tollway (I-294) at Mile Post 20.5 (Archer Avenue Bridges), in an amount not to exceed \$6,170,163.00.

Item 7: Acceptance of Proposal from Clark Dietz, Inc., on I-19-4463 for Construction Management Services Upon Request on the Tri-State Tollway (I-294), in an amount not to exceed \$7,500,000.00.

Chairman Evans then entertained a motion to consolidate for consideration and action Engineering Items 5, 6 and 7. Director Perinar made a motion to consolidate these items, seconded by Director McConnaughay. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Chairman Evans entertained a motion to approve **Engineering Items 5, 6 and 7**. Director Davis made a motion to approve these items, seconded by Director Sweeney. The motion was PASSED unanimously.

Legal

Chairman Evans stated that without objection, action on Legal items 2 and 3 will be deferred until after consideration in Executive Session.

Item 1: Approval of an Intergovernmental Agreement with the Village of Justice providing Tollway cost participation for a new interchange along the Tri-State Tollway (I-294) at 88th Avenue/Cork Avenue. Cost to the Tollway: \$1,215,750.00 (Estimated).

Chairman Evans called for a motion to approve **Legal Item 1**, as presented. Director McConnaughay made a motion to approve this item, seconded by Director Connolly. The motion was PASSED unanimously.

Executive Session

Chairman Evans called for a motion to enter Executive Session pursuant to exceptions provided in Sections 2(c)5, 21 and 29 of the Open Meetings Act (5 ILCS 120/2(c)5, 21 and 29) to consider Tollway matters related to the purchase or lease of real property, the minutes of closed meetings and internal audit controls. Director Davis made a motion, pursuant to the sections specified, to enter Executive Session, seconded by Director Gallagher. The motion was PASSED unanimously.

At approximately 3:13 p.m., the Board entered into Executive Session.



Return from Executive Session and Action (if any)

At approximately 3:20 p.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 October 17, 2019.

Chairman Evans entertained a motion to approve **Chairman's Item 2**, the Minutes of the Executive Session of the Board of Directors meeting held on October 17, 2019. Director McConnaughay made a motion to approve the Minutes, seconded by Director Sweeney. The motion was PASSED unanimously.

Chairman's Item 4: Approval of Two-Year Audit Plan.

Chairman Evans entertained a motion to approve **Chairman's Item 4**, the Two-Year Audit Plan. Director Davis made a motion to approve this item, seconded by Director Connolly. The motion was PASSED unanimously.

Legal Item 2: Amendment to Land Acquisition Resolution 21208 for the Jane Addams Memorial Tollway Project (I-90) to amend Exhibit A, adding 1 parcel that may need to be acquired by condemnation. See ISTHA v. DiBenedetto. Cost to the Tollway: As discussed in Executive Session.

Chairman Evans entertained a motion to approve **Legal Item 2**, as presented. Director Davis made a motion to approve this item, seconded by Director McConnaughay. The motion was PASSED unanimously.

Legal Item 3: Amendment to Land Acquisition Resolution 21902 for the Tri-State Tollway Project (I-294) to amend Exhibit A, adding 14 parcels that may need to be acquired by condemnation. See ISTHA v. DiBenedetto. Cost to the Tollway: As discussed in Executive Session.

Chairman Evans called for a motion to approve **Legal Item 3**, as presented. Director Perinar made a motion to approve this item, seconded by Director McConnaughay. Chairman Evans asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Perinar, Director McConnaughay, Director Connolly, Director Davis, Director Paddock, Director Sweeney, Chairman Evans (7)

Nays: (0)

Recusals: Director Gallagher (1)

The motion was PASSED.



Adjournment

There being no further business before the Board, Chairman Evans entertained a motion to adjourn. A motion to adjourn was made by Director Davis, seconded by Director Sweeney. The motion was PASSED unanimously.

The Meeting was adjourned at approximately 3:30 p.m.

A handwritten signature in cursive script that reads "Christi Regnery".

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

INTERNAL AUDIT UPDATE

Shaun Farmer, *Chief Internal Auditor*
December 5, 2019

AGENDA

- Audit Committee Schedule**
- Internal Audit Charter**
- Internal Audit Resources**
- Audit Plan Considerations**
- Internal Audit Plan**
- Next Steps**



AUDIT COMMITTEE SCHEDULE

April 2020

- Summary of IA's purpose, authority and responsibility
- IA's results relative to approved Audit Plan
- Results from prior year
- Governance issues/concerns

August 2020

- Results of the annual external audit

November 2020

- Current state of Internal Audit resources
- Approval of two-year Audit Plan
- Audit Charter review and approval

INTERNAL AUDIT CHARTER

Purpose

Accountability and authority

Responsibilities

Scope of work

Independence

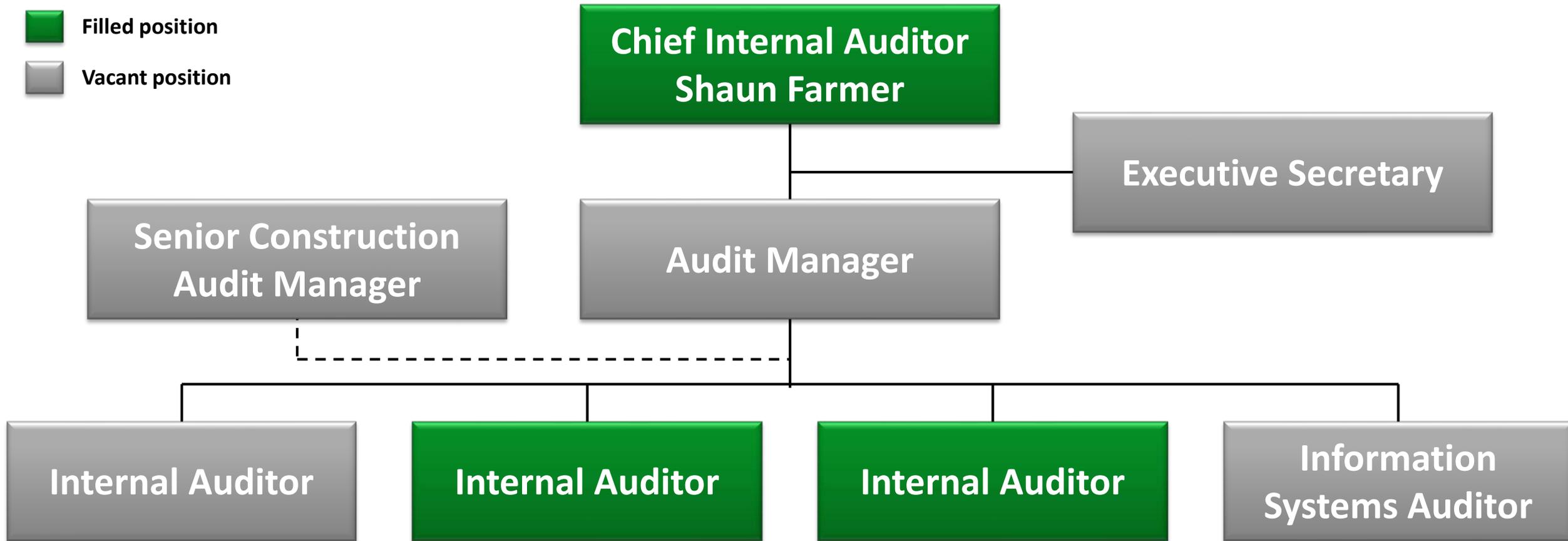
Reporting process

Periodic assessments



DEPARTMENT ORGANIZATION

-  Filled position
-  Vacant position

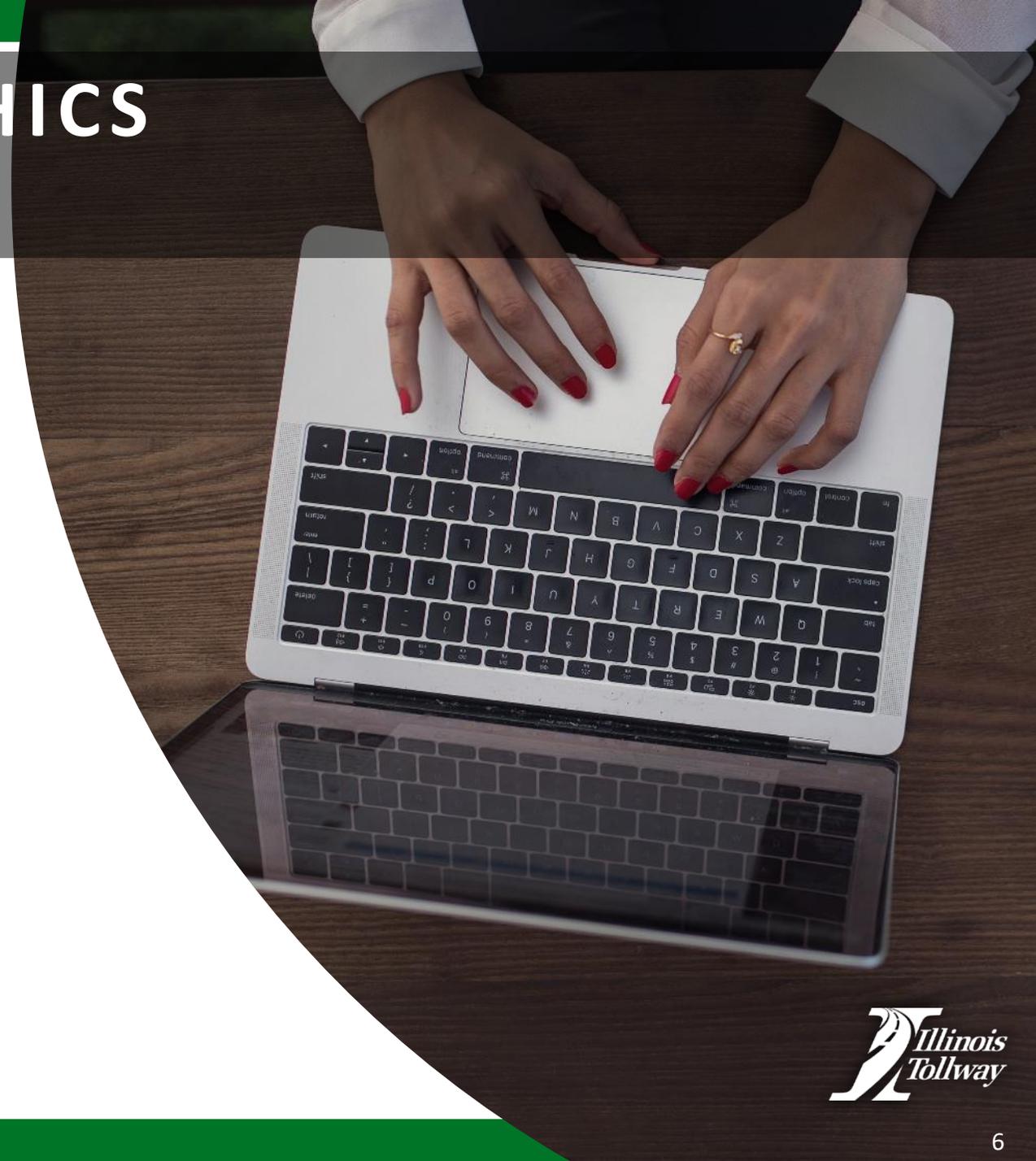


Organization chart is included annually with Internal Audit's Annual September 30th Report to the Executive Director



INDEPENDENCE AND ETHICS

Internal Audit confirms that there are no significant facts or matters that impact or impair our independence as auditors.



AUDIT PLAN

- **Annual ongoing risk-based exercise to identify concerns and potential risk areas to be considered for inclusion in the Annual Audit Plan**
- **Resource constraints and skill set mix of the existing Internal Audit staff**
- **Key factors considered:**
 - Potential for impact on agency wide policies and procedures
 - Changes in systems, processes, policies or procedures
 - Results and time since last audit engagement
 - Extent of government regulation
 - Information and communication
 - Transaction volume
 - Staffing levels



CYCLE AUDIT SCHEDULE

2020

Administrative Support Services

Budget, Accounting and Reporting

Property, Equipment and Inventory

Revenues and Receivables

Electronic Data Processing

Grant Administration *(if Tollway receives any grants)*

Petty Cash *(if disbursements exceed \$5,000)*

Agency Organization and Management

2021

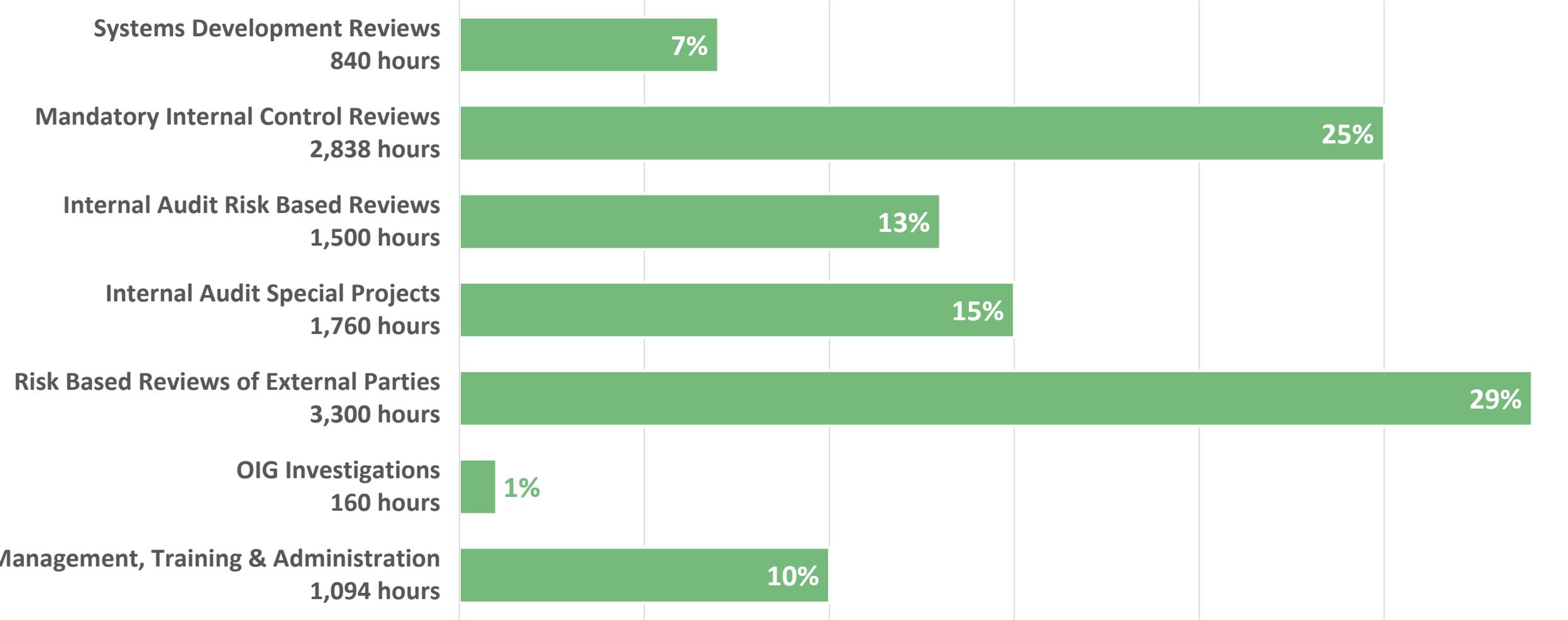
Purchasing, Contracting and Leasing

Expenditure Control

Personnel and Payroll

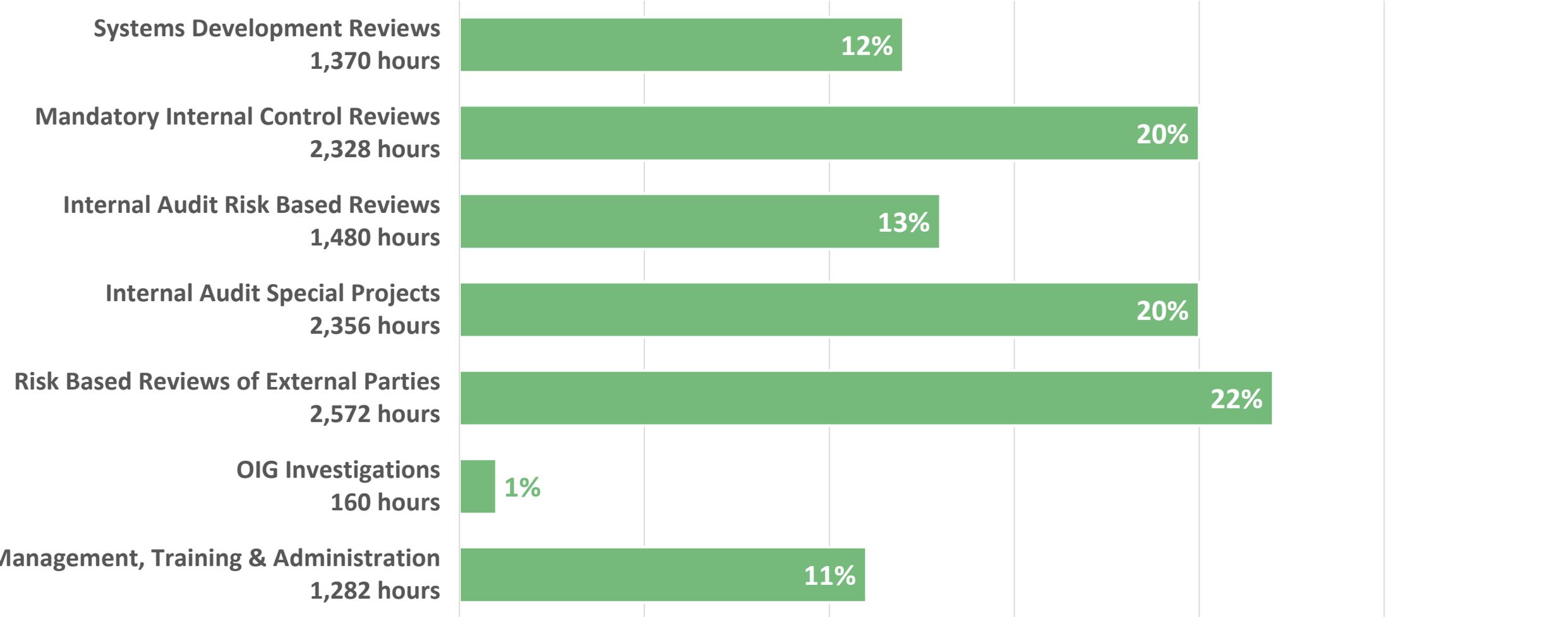
2020 INTERNAL AUDIT PLAN

Allocation of available hours



2021 INTERNAL AUDIT PLAN

Allocation of available hours



2019 AUDIT ACTIVITY HIGHLIGHTS

- Completed all statutorily required cycle audits
- Obtained highest rating from the State Internal Audit Advisory Board (SIAAB)
- Performed review of construction processes
- On-time submittal of the Annual Internal Control Certification Letter
- Followed-up on all open prior years audit findings
- Liaison for the 2018 Annual External Audit (Financial, Compliance, IT)
- Implemented TeamMate+ Internal Audit management software
- Oversight of Tollway's annual PCI Review
- Annual September 30th Letter to the Executive Director



NEXT STEPS

**Approval of the 2020-2021 two-year
Tollway Audit Plan**

THANK YOU

