



Record of Meeting | May 16, 2024

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Finance & Audit Committee meeting on Thursday, May 16, 2024, 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 Arnaldo Rivera and posted in accordance with the requirements of the Open Meetings Act, 5 ILCS 120/1, et seq.

[Bolded entries indicate issues which may require follow-up to present or report to Directors.]

Call to Order / Roll Call

Committee Chair Perinar called the meeting to order at approximately 10:05 a.m. He asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Gary Perinar
Director James Connolly
Director Jacqueline Gomez
Director Karen McConnaughay
Director Scott Paddock

Other Directors in Attendance:
Director Melissa Neddermeyer
Director James Sweeney
Director Mark Wright
Chairman Arnaldo Rivera

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

Public Comment

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

Committee Chair’s Items

Committee Chair Perinar entertained a motion to approve **Committee Chair’s Item 1**, the minutes of the regular Finance & Audit Committee meeting held on April 18, 2024. Director



McConnaughay made a motion to approve the minutes, seconded by Director Paddock. The motion PASSED unanimously by voice vote.

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

Executive Director

Executive Director Rouse introduced Chief Financial Officer Cathy Williams to present the 2024 First Quarter Budget to Actual (Preliminary and Unaudited). [See attached presentation.](#)

Upon conclusion of the presentation and discussion, Senior Debt Manager William O'Connell provided a *Move Illinois* Program Funding Update. [See attached presentation.](#)

Items for Consideration

Finance

Executive Director Rouse asked Chief Financial Officer Cathy Williams to present the following items for the Committee's consideration:

Item 1: Approval of the purchase of Liability Insurance Program Services from various insurers, through CMS insurance broker, Mesirow Insurance Services, Inc., for a one-year term and a total premium amount not to exceed \$6,000,000.00 (Order Against CMS Master Contract).

Item 2: Authorization of \$1 billion of Revenue Bonds to finance the Move Illinois Program.

Upon conclusion of the presentation of items, Committee Chair Perinar entertained a motion to approve placement of **Finance Item 1** on the May Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director McConnaughay made a motion to approve this item, seconded by Director Paddock. The motion PASSED unanimously by voice vote.

Committee Chair Perinar entertained a motion to approve placement of **Finance Item 2** on the May Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director McConnaughay made a motion to approve this item, seconded by Director Paddock. The motion PASSED unanimously by voice vote.

Adjournment



There being no further Committee business, Committee Chair Perinar entertained a motion to adjourn. Director McConnaughay made a motion to adjourn, seconded by Director Gomez. The motion PASSED unanimously by voice vote.

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

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

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



Move Illinois Program Funding Update

Cathy Williams
May 16, 2024

Bond Authorization Request for *Move Illinois* Program

- To date, \$4.8 billion of bonds have been issued to fund a portion of the *Move Illinois* Program
- Total par amount of \$1.5 billion is expected to complete the portion of the *Move Illinois* Program to be funded by bond proceeds:
 - March 2023 authorization for \$500 million expected to be issued in 2024
 - Requested authorization for up to \$1 billion expected to be issued in 2025



Move Illinois Program Funding Sources

(\$ in millions)

Program Costs by Funding Source

	<u>Total Program Costs</u>	<u>Net Revenues</u>		<u>Bond Proceeds</u>	
2012 - 2023	\$10,705 *	\$5,397	50.4%	\$5,308	49.6%
2024 - 2027 (Est.)	\$4,299	\$2,861	66.6%	\$1,437	33.4%
Total	\$15,003	\$8,258	55.0%	\$6,746	45.0%

*Net of reimbursement received under various intergovernmental agreements totaling \$197 million.



Bond Financing for *Move Illinois* Program

(\$ in millions)

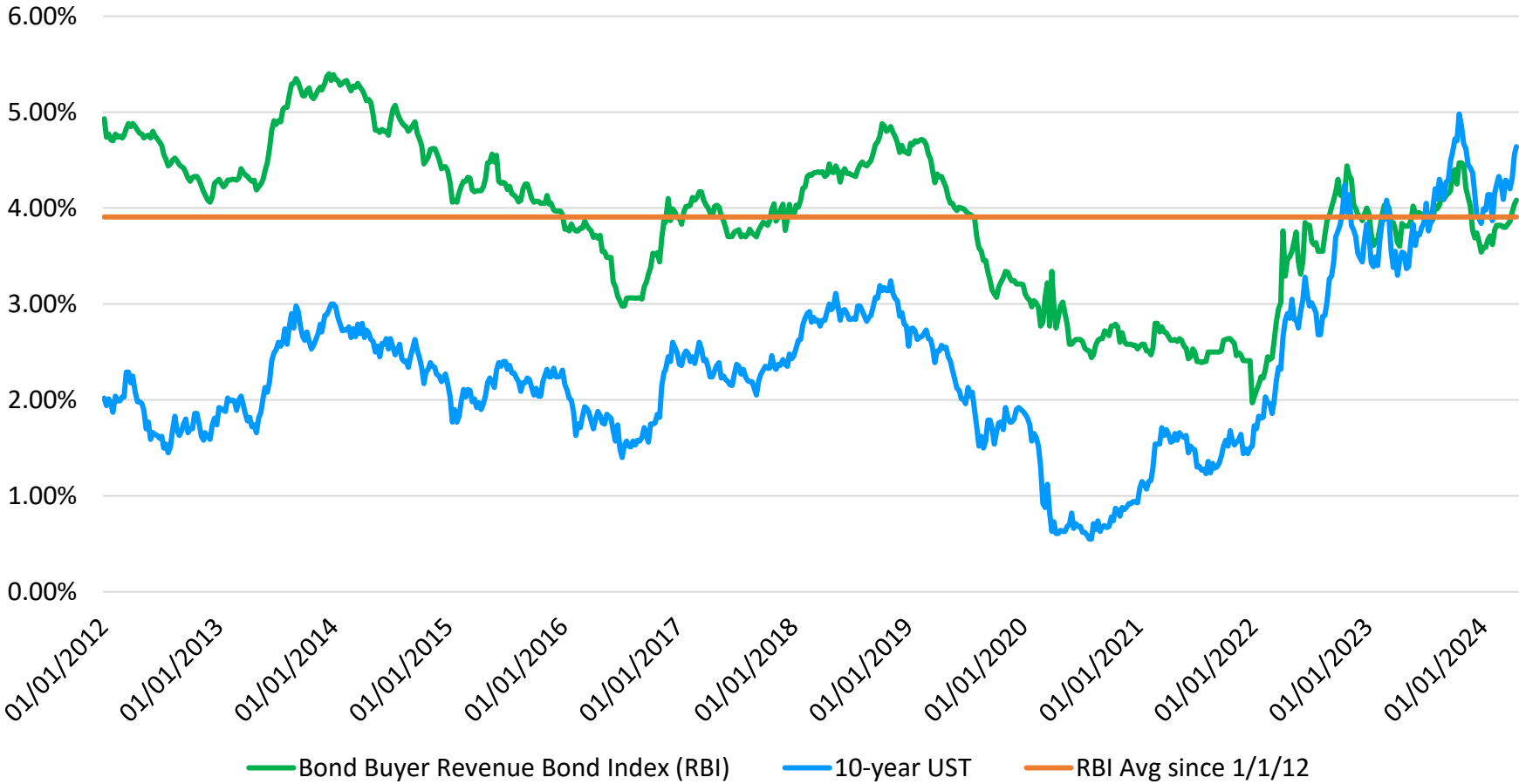
<u>Series</u>	<u>Issuance</u>	<u>Par Amount</u>	<u>Proceeds</u>	<u>YTC</u>	<u>YTM</u>
2013A ¹	May 2023	\$500	\$523	3.29%	3.79%
2014B ¹	Jun 2014	\$500	\$516	3.44%	3.86%
2014C	Dec 2014	\$400	\$424	3.41%	4.07%
2015A	Jul 2015	\$400	\$414	3.80%	4.33%
2015B	Dec 2015	\$400	\$422	3.58%	4.19%
2016B	Jun 2016	\$300	\$342	2.73%	3.68%
2017A	Dec 2017	\$300	\$332	3.06%	3.85%
2019A	Jul 2019	\$300	\$336	2.83%	3.65%
2020A	Dec 2020	\$500	\$625	1.83%	3.16%
2021A	Dec 2021	\$700	\$841	1.86%	3.02%
2023A	May 2023	\$500	\$534	3.77%	4.31%
Total to Date		\$4,800	\$5,308	2.95% *	3.74% *

*Yield-to-Call (YTC) and Yield-to-Maturity (YTM) totals are weighted averages.

¹The YTC and YTM of the 2013A/2014B Bonds accounts for their 2024 refunding.



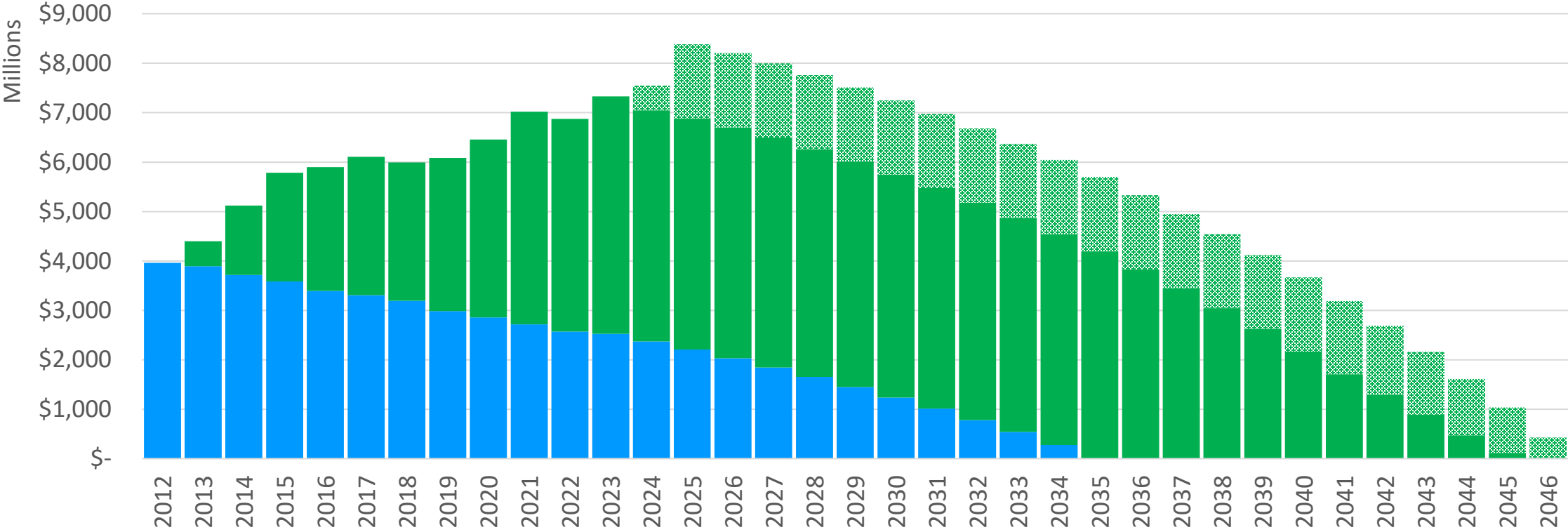
Historical Interest Rates (2012 – Present)



The Bond Buyer Revenue Bond Index (RBI) above shows the average yield on 25 revenue bonds that mature in 30 years and have an average rating equivalent to Moody's A1 and S&P's A+



Bonds Outstanding

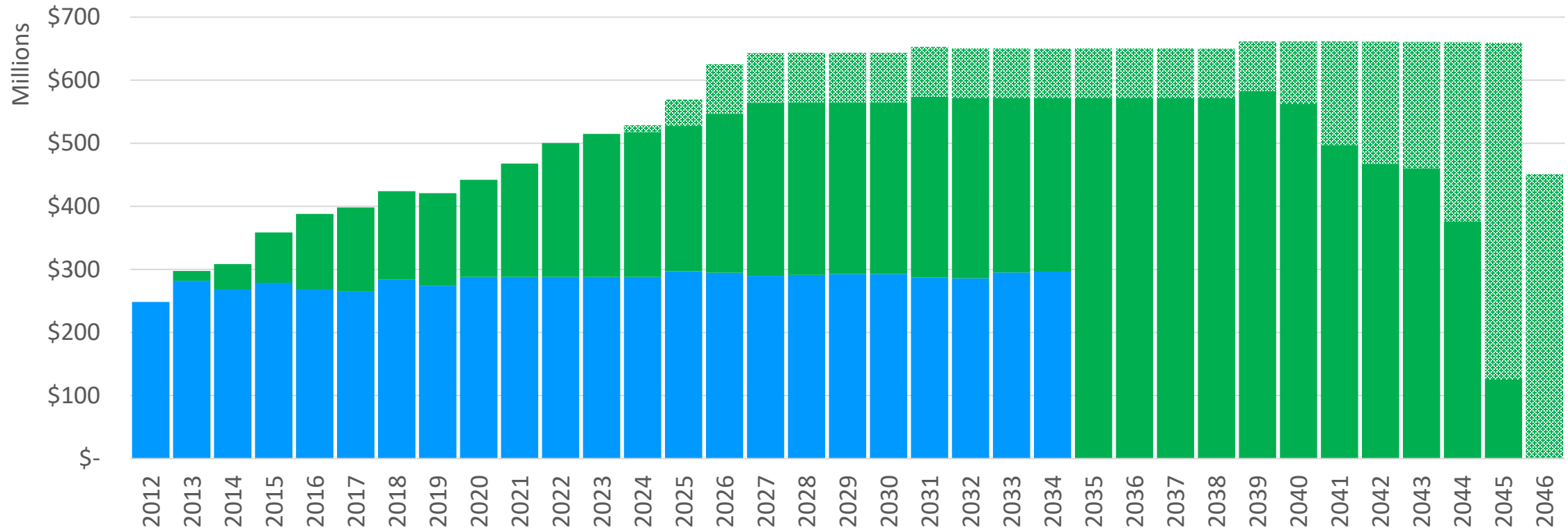


Outstanding Principal Issued to Fund Portions of:

■ Congestion Relief
 ■ Move Illinois (2013-2023)
 ■ Move Illinois Projected



Annual Debt Service Requirements



Debt Service for Bonds Issued to Fund Portions of:

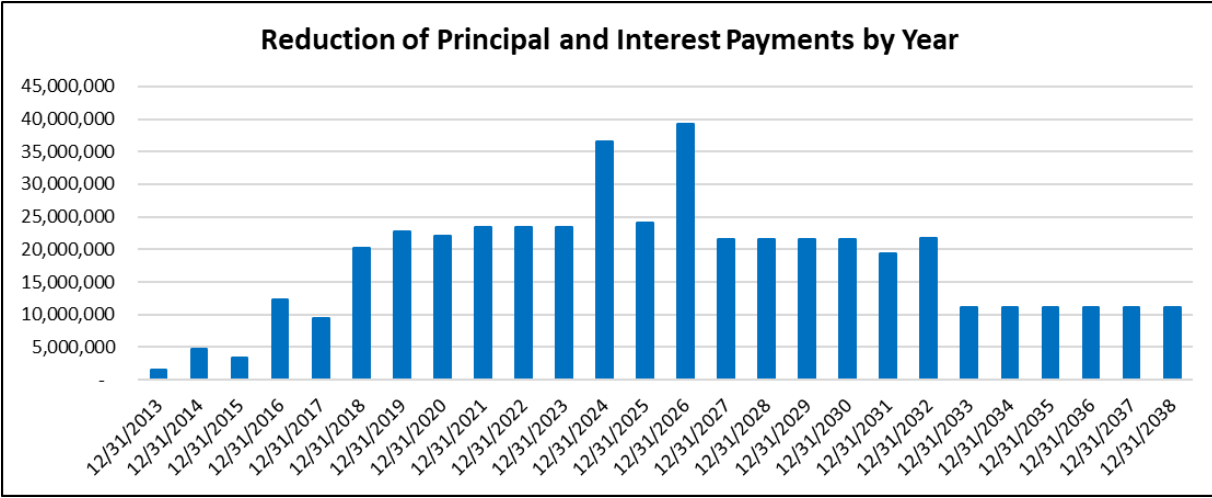
■ Congestion Relief
 ■ Move Illinois (2013-2023)
 ■ Move Illinois Projected



Economic Refundings During *Move Illinois* Program

Series	Series Refunded	Par Amount Issued	Par Amount Refunded	Net Present Value (NPV) Savings	NPV Savings as % of Bonds Refunded
2013B-1	2005A (partial)	\$ 217,390,000	\$ 228,195,000	\$ 13,221,252	5.8%
2014A	2005A (partial)	378,720,000	436,545,000	44,102,767	10.1%
2014D	2006A	264,555,000	291,660,000	32,979,075	11.3%
2016A	2008B	333,060,000	350,000,000	50,899,934	14.5%
2019B	2010A-1	225,245,000	276,560,000	61,421,085	22.2%
2024A	2013A & 2014B	873,710,000	1,000,000,000	151,840,122	15.2%
TOTALS		\$ 2,292,680,000	\$ 2,582,960,000	\$ 354,464,235	13.7%

*NPV Savings are the total cash flow savings present-valued at the refunding bond yield.





THANK YOU

2024 First Quarter Budget to Actual (Preliminary and Unaudited)

Cathy Williams
May 16, 2024



First Quarter 2024 – Budget vs. Actual

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Revenue	\$379	\$399	\$20	5.4%
M&O Expenditures	\$114	\$105	(\$8)	(7.3%)
Debt Service Transfers	\$128	\$116	(\$11)	(8.9%)
Capital Expenditures	\$189	\$256	\$67	35.5%

Key Drivers

Revenue

- 5.4 percent above budget due to toll revenue and evasion recovery surpassing expectations and investment income also exceeding budget

M&O

- 7.3 percent below budget largely attributed to unfilled positions and the reorganization of personnel related to Illinois State Police.

Debt Service

- 8.9 percent below budget due to savings from a January refunding of Series 2013A and 2014B bonds

Capital Expenditures

- 35.5 percent more than budget primarily due to timing of CDA payment for the I-490 Tollway Project being made earlier than projected

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

REVENUE

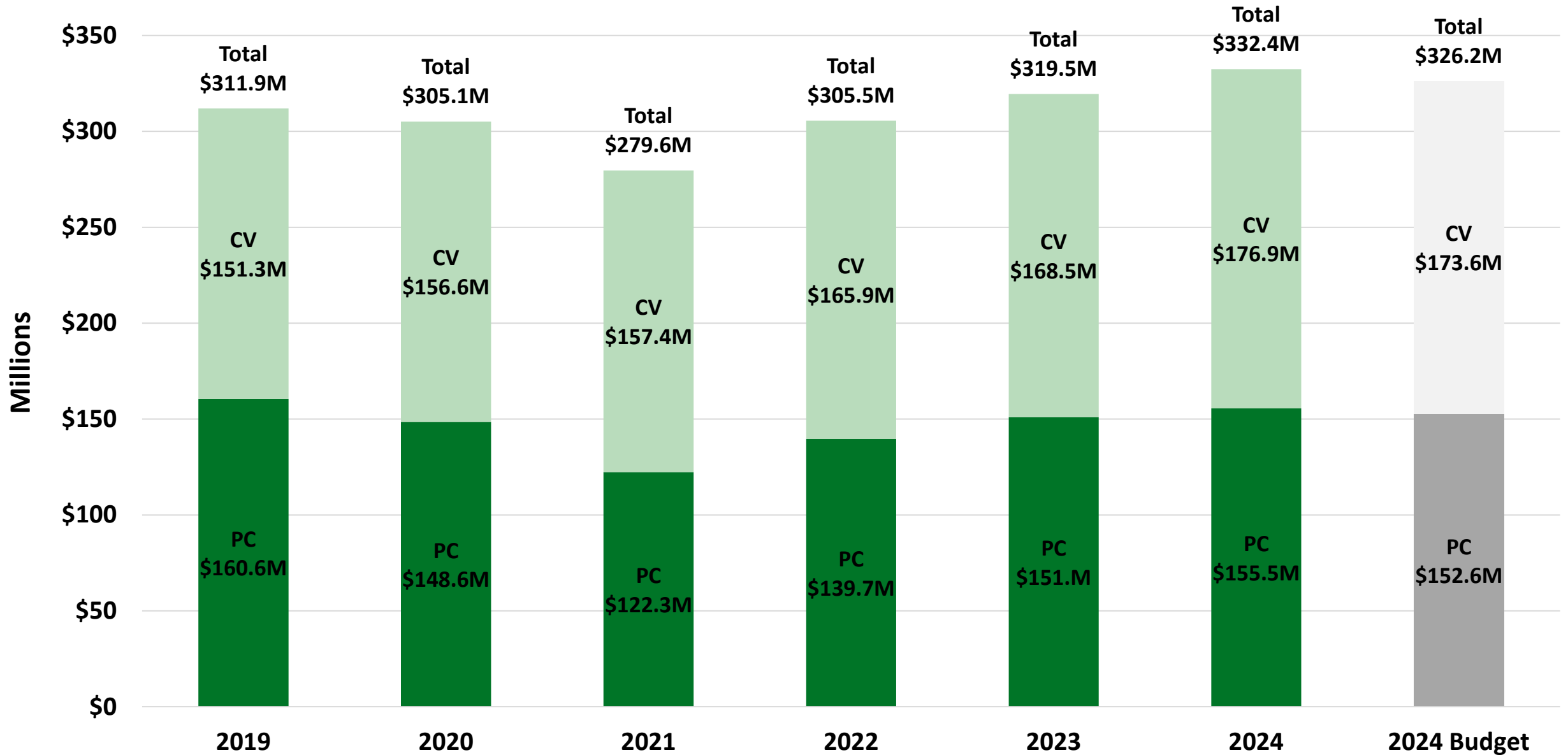


First Quarter 2024 - Revenue

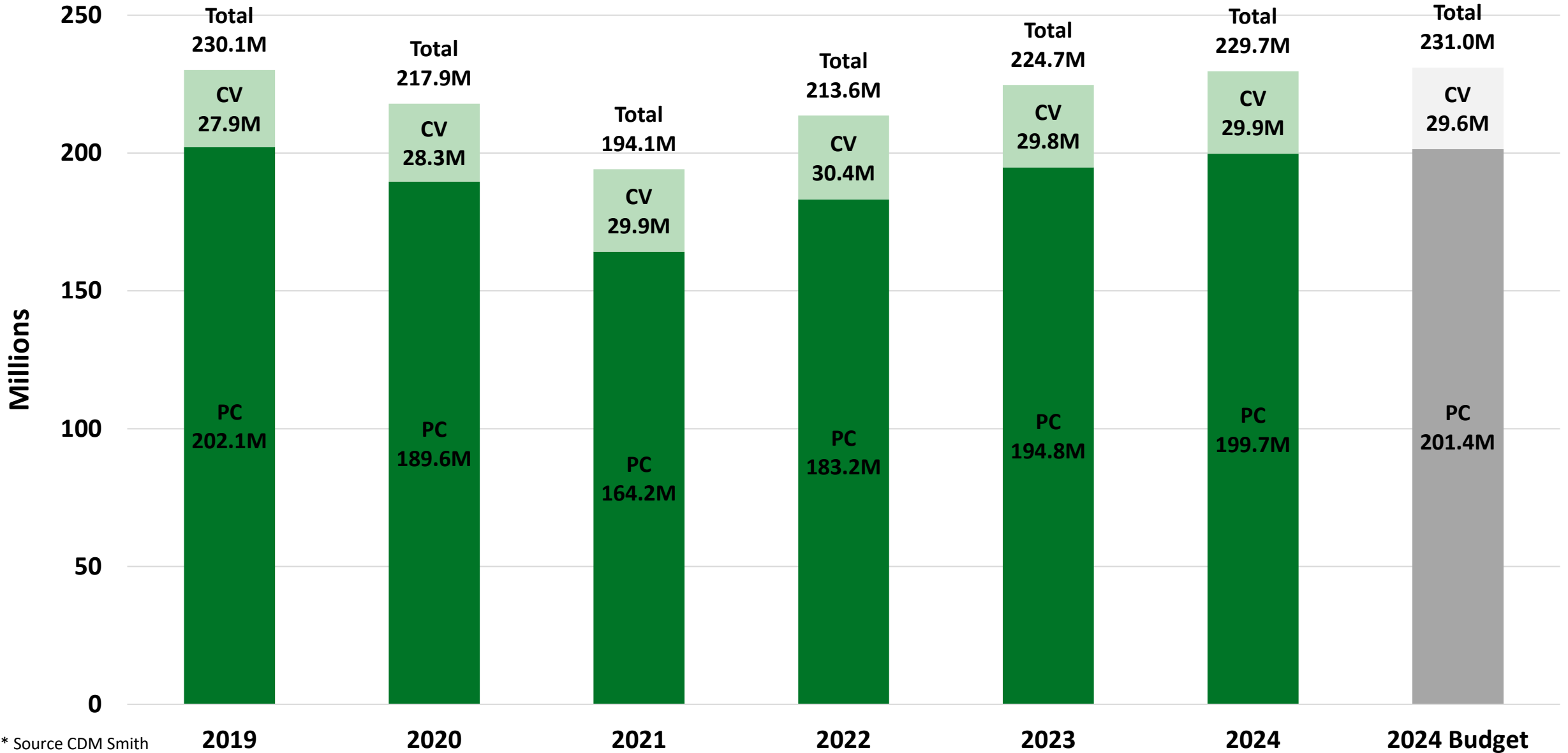
CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Total Revenue	\$378.8	\$399.2	\$20.4	5.4%
Toll Revenue and Evasion Recovery	\$362.8	\$375.6	\$12.8	3.5%
Concession and Miscellaneous Income	\$1.1	\$0.9	(\$0.1)	(13.2%)
Investments	\$15.0	\$22.7	\$7.7	51.1%

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

March YTD Toll Revenue 2019 - 2024



March YTD Vehicle Transactions 2019 - 2024



* Source CDM Smith

First Quarter 2024 – Maintenance and Operations

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Total M&O	\$113.7	\$105.4	(\$8.3)	(7.3%)
Payroll and Related Costs	\$44.3	\$42.7	(\$1.6)	(3.7%)
Contractual Services	\$35.7	\$29.8	(\$5.9)	(16.5%)
Group Insurance	\$8.5	\$7.9	(\$0.6)	(6.7%)
Other Post Employment Benefits	\$2.3	\$2.3	\$0.0	0.0%
Equipment Maintenance	\$10.8	\$10.7	(\$0.1)	(0.5%)
All Other Insurance	\$3.7	\$3.8	\$0.1	1.8%
Materials/Operational Supplies/Other Expenses	\$3.7	\$3.5	(\$0.2)	(6.4%)
Utilities	\$2.3	\$2.3	\$0.0	0.2%
Parts and Fuel	\$2.3	\$2.4	\$0.2	6.8%
Other Miscellaneous Expenses	\$0.1	\$0.0	(\$0.1)	NA

Key Drivers

Payroll and Related Cost

- \$1.6 million below budget due to unfilled positions

Contractual Services

- \$5.9 million below budget mostly due to the reorganization of personnel related to Illinois State Police.

Note: Numbers may not add to totals due to rounding

CAPITAL PROGRAM



First Quarter 2024 - Capital Program

CATEGORY	BUDGET	(\$ millions)		% CHANGE
		ACTUAL	\$ CHANGE	
Tri-State (I-94/I-294/I-80)	\$79.7	\$83.8	\$4.0	5.1%
Reagan Memorial (I-88)	\$0.7	\$0.5	(\$0.2)	(23.5%)
Jane Addams Memorial (I-90)	\$0.3	\$1.3	\$1.0	NA
Veterans Memorial (I-355)	\$0.6	\$0.9	\$0.3	46.9%
Systemwide Improvements	\$53.2	\$37.6	(\$15.6)	(29.3%)
Tri-State (I-294)/I-57 Interchange	\$0.1	\$1.6	\$1.5	NA
Elgin O'Hare Western Access	\$52.7	\$128.2	\$75.5	143.2%
Total Capital Expenditures	\$188.7	\$255.8	\$67.0	35.5%
Agreement Reimbursements and Other Adjustments	\$0.0	(\$0.1)	(\$0.1)	NA
Total Capital with Reimbursements	\$188.7	\$255.7	\$67.0	35.5%

Key Drivers

EOWA Project

- \$75.5 million higher due to timing of right-of-way payment to Chicago Department of Aviation.

Systemwide

- \$9.6 million less than planned on Systemwide projects due to timing of construction activities
- \$6 million less than planned due to timing of non-roadway projects

Central Tri-State

- \$4 million more than forecast due to timing of construction activities on the mainline and ramp construction at the I-290/I-88 Interchange

Note: Numbers may not add to totals due to rounding

THANK YOU



APPENDIX

2024 vs 2023 Results



Maintenance and Operations – 2024 vs 2023

CATEGORY	(\$ millions)					
	2023*		2024		2024 ACTUAL/ 2023 ACTUAL CHANGE	
	BUDGET	ACTUAL	BUDGET	ACTUAL	\$ CHANGE	% CHANGE
Payroll and Related Costs*	\$41.7	\$37.3	\$44.3	\$42.7	\$5.4	14.5%
Contractual Services*	\$34.7	\$34.3	\$35.7	\$29.8	(\$4.5)	(13.2%)
Group Insurance	\$7.9	\$8.0	\$8.5	\$7.9	(\$0.1)	(1.8%)
Other Post Employment Benefits	\$2.0	\$2.3	\$2.3	\$2.3	\$0.0	0.0%
Equipment Maintenance	\$12.8	\$12.7	\$10.8	\$10.7	(\$2.0)	(15.8%)
All Other Insurance	\$3.1	\$3.1	\$3.7	\$3.8	\$0.7	21.4%
Materials/Operational Supplies/Other Expenses	\$4.2	\$4.1	\$3.7	\$3.5	(\$0.6)	(15.0%)
Utilities	\$2.1	\$2.1	\$2.3	\$2.3	\$0.2	10.8%
Parts and Fuel	\$2.2	\$2.2	\$2.3	\$2.4	\$0.2	10.2%
Other Miscellaneous Expenses	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0	NA
Total Maintenance and Operations Expenditures	\$110.7	\$106.2	\$113.7	\$105.4	(\$0.8)	(0.7%)

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

*All ISP expenses have been reclassified from other categories to contractual services in 2023.

Capital Program 2024 vs 2023

CATEGORY	(\$ millions)					
	2023		2024		2024 ACTUAL/ 2023 ACTUAL CHANGE	
	BUDGET	ACTUAL	BUDGET	ACTUAL	\$ CHANGE	% CHANGE
Tri-State (I-94/I-294/I-80)	\$119.1	\$99.1	\$79.7	\$83.8	(\$15.4)	(15.5%)
Reagan Memorial (I-88)	\$1.0	\$0.1	\$0.7	\$0.5	\$0.4	NA
Jane Addams Memorial (I-90)	\$0.4	\$0.3	\$0.3	\$1.3	\$1.0	NA
Veterans Memorial (I-355)	\$1.2	\$0.1	\$0.6	\$0.9	\$0.8	NA
Systemwide Improvements	\$52.2	\$45.0	\$53.2	\$37.6	(\$7.3)	(16.3%)
Tri-State (I-294)/I-57 Interchange	\$4.8	\$2.6	\$0.1	\$1.6	(\$1.0)	(38.6%)
Elgin O'Hare Western Access	\$93.2	\$27.9	\$52.7	\$128.2	\$100.3	NA
Total Capital Expenditures	\$273.0	\$175.2	\$188.7	\$255.8	\$80.5	46.0%
Agreement Reimbursements and Other Adjustments	\$0.0	(\$4.6)	\$0.0	(\$0.1)	\$4.5	98.9%
Total Capital with Reimbursements	\$273.0	\$170.6	\$188.7	\$255.7	\$85.1	49.9%

Note: Numbers may not add to totals due to rounding