



2016 Tentative Budget

October 15, 2015

2016 Budget Schedule

October

- ✓ Tentative 2016 Budget presented to Board

November

- ✓ Public review/comment on Tentative 2016 Budget
- ✓ Public comments presented to Board
- ✓ Incorporate changes arising from review process

December

- ✓ Board votes on Final 2016 Budget

2016 Tentative Budget Highlights

Revenue

- ✓ Continues to meet or exceed projections

Maintenance and Operations

- ✓ Modest increase supports *Move Illinois* and consistent with financial plan

Capital Program

- ✓ Continues Tollway's commitment for infrastructure improvements, including investment for the *Move Illinois* and the Congestion-Relief programs

2016 Revenue Sources

<i>Sources of Revenues</i>	FY 2015 Budget	FY 2015 Estimates	FY 2016 Projections
Toll Revenues and Evasion Recovery *	\$1,160	\$1,208	\$1,290
Investment Income	1	1	2
Concessions and Miscellaneous Revenues	9	9	8
Revenues Total	\$1,170	\$1,218	\$1,300

* CDM Smith's expected toll revenue estimate for fiscal year 2016 totals \$1,310 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery. Please refer to pages 175-185 of the 2016 Tentative Budget book for additional information.

2016 Revenue Allocations

MORE THAN 75 PERCENT OF REVENUES ALLOCATED TO SUPPORT INFRASTRUCTURE

(\$ millions)

<i>Allocations of Revenues</i>	FY 2015 Budget	FY 2015 Estimates	FY 2016 Projections
Maintenance and Operations	\$311	\$310	\$322
<i>Funds available from prior year</i>	0	1	0
Debt Service Transfers	362	355	399
Deposits to Renewal and Replacement and Improvement	497	552	579
Allocations Total	\$1,170	\$1,218	\$1,300

2016 Maintenance and Operations

KEY DRIVERS OF OPERATING BUDGET INCREASE OF 3.6 PERCENT

- ✓ **Rising health care costs and retirement contributions**
- ✓ **Increase in credit card company fees associated with higher toll revenue**
- ✓ **Increase in equipment maintenance for toll collection equipment and new back-office software**
- ✓ **Increase in utility costs**
- ✓ **Opening of Illinois Route 390**

Maintenance and Operations

2016 Budget By Category

GROWTH IN OPERATING COSTS – 3.6 PERCENT

<i>(\$ millions)</i> Category	2015 Budget	2016 Budget Request	\$ Change from 2015 Budget	% Change from 2015 Budget
Salary and Wages	\$109.0	\$109.6	\$0.6	0.5%
FICA and Retirement	55.1	57.2	2.1	3.8%
Group Insurance	33.6	36.4	2.8	8.3%
All other Insurance	12.4	12.1	(0.4)	-3.1%
Credit Card Fees and Bank Charges	19.1	22.5	3.4	17.5%
All Other Contractual Services	44.7	44.1	(0.6)	-1.2%
Equipment/ Office Rental/ Maintenance	15.8	17.8	2.0	12.5%
Parts and Fuels	8.1	7.8	(0.3)	-3.3%
Utilities	6.7	8.1	1.4	21.6%
Operational Materials and Supplies	7.6	7.9	0.3	3.4%
Other Miscellaneous Expenses	0.7	0.6	(0.1)	-10.9%
Recovery of Expenses	(2.3)	(2.3)	(0.0)	-0.2%
Total M and O Costs	\$310.6	\$321.8	\$11.2	3.6%

Total may not add due to rounding.

Tollway Headcount – As of 12/31 Each Year

HEADCOUNT REMAINS FLAT DURING RECORD CAPITAL INVESTMENTS AND INCREASED CAPACITY OF THE SYSTEM



2016 Debt Service

NEW DEBT EXPECTED TO PROVIDE ADDITIONAL FUNDING AT RATES BELOW ORIGINAL PLAN

Outstanding debt \$5.4 billion

- ✓ \$400 million new debt issuance expected in December 2015
- ✓ \$600 million new debt issuance in 2016

Transfers for debt service estimated at \$399 million

- ✓ \$298 million interest expense
- ✓ \$109 million principal due January 1, 2017
- ✓ \$7 million other bond-related costs (liquidity, remarketing, etc.)
- ✓ (\$15) million federal Build America Bonds subsidy

Estimated net debt service coverage of 2.6x in 2015 and 2.5x in 2016

Capital Program

KEY CAPITAL HIGHLIGHTS

Jane Addams Memorial Tollway (I-90)

- ✓ Rebuilding and Widening Project - eastern segment roadway completion
- ✓ Interchange improvements

Elgin O'Hare Western Access Project

- ✓ Construction of interchanges
- ✓ Construction of new Illinois Route 390 Tollway to the east

Systemwide Projects

- ✓ Bridge, pavement and interchange improvements
- ✓ Toll collection and information technology improvements

Capital Program

KEY CAPITAL HIGHLIGHTS

Reagan Memorial Tollway (I-88)

- ✓ Resurfacing U.S. Route 52 to U.S. Route 30

Tri-State Tollway (I-94/I-294/I-80)

- ✓ Master Plan for Central Tri-State Tollway from 95th Street to Balmoral Avenue
- ✓ Design for mile-long bridges

Capital Program Summary

(\$ millions)	2015 Budget	2015 Estimated Expenditures	2016 Request	\$ Change from 2015 Estimate
Existing System Needs	\$1,213.8	\$1,091.7	\$953.3	(\$138.4)
Jane Addams Memorial Tollway (I-90)	839.6	817.4	577.4	(240.0)
Tri-State Tollway (I-94/ I-294/ I-80)	19.0	21.3	68.0	46.8
Veterans Memorial Tollway (I-355)	0.9	3.0	7.7	4.7
Reagan Memorial Tollway (I-88)	107.9	88.9	105.3	16.4
Open Road Tolling (ORT)	5.4	3.4	5.2	1.8
Systemwide Improvements	241.1	157.8	189.7	31.9
System Expansion	\$346.2	\$348.1	\$390.9	\$42.8
Tri-State (I-294)/I-57 Interchange	20.2	15.3	1.5	(13.7)
Elgin O'Hare Western Access	319.8	331.5	383.6	52.1
Planning Studies for Emerging Projects	6.1	1.4	5.8	4.5
Capital Program Sub-Total	\$1,560.0	\$1,439.8	\$1,344.2	(\$95.6)
Other Capital Projects	65.0	58.9	60.0	1.1
Capital Program Total	\$1,625.0	\$1,498.6	\$1,404.2	(\$94.5)

2015 Estimated Expenditures and 2016 Request do not reflect any IGA reimbursements.

2016 Other Capital Projects Budget includes new request of \$60 million and \$58.9 million of carryover from 2015.

Totals may not add due to rounding.

2016 Budget Aligns with the GOMB's Budgeting for Results Outcomes

- ✓ **Increase employment and attract, retain and grow businesses**
- ✓ **Improve infrastructure and create safer communities**
- ✓ **Support basic functions of government**
- ✓ **Strengthen cultural and environmental vitality**

Tentative 2016 Budget Summary

CONSISTENT WITH THE LONG-TERM FINANCIAL PLAN

- ✓ **Fifth year of *Move Illinois* – total 2016 Capital Program more than \$1.4 billion**
- ✓ **Revenue increase 6.8 percent from 2015 estimate**
- ✓ **Operating costs held at 3.6 percent growth**
- ✓ **\$600 million of new bond issuance to provide funding for current and future capital costs**

Appendix

Maintenance and Operations

2016 Budget By Department

(\$ millions)	2015	2016	\$ Change from	% Change from
Department	Budget	Budget Request	2015 Budget	2015 Budget
Administration	\$4.6	\$4.6	\$0.0	0.6%
Business Systems	58.7	65.4	6.7	11.3%
Communications	1.5	1.5	(0.0)	-2.2%
Diversity and Strategic Development	2.6	2.4	(0.1)	-5.7%
Engineering	76.0	78.1	2.1	2.7%
Executive Office and Directors	1.7	1.6	(0.1)	-3.9%
Finance	50.3	52.6	2.3	4.6%
Information Technology	16.4	14.5	(1.9)	-11.5%
Inspector General	0.9	0.9	0.0	3.0%
Internal Audit	0.9	0.9	0.1	7.4%
Legal	1.9	2.0	0.0	2.4%
Procurement	4.6	4.6	0.0	0.6%
State Police	32.6	32.9	0.4	1.1%
Toll Operations	58.0	59.8	1.8	3.1%
Authority Total	\$310.6	\$321.8	\$11.2	3.6%

Totals may not add due to rounding.



Move Illinois Program Summary

(\$ millions)	2014 Actual Expenditures	2015 Budget	2015 Estimated Expenditures	2016 Request	\$ Change from 2015 Estimate
Existing System Needs					
Jane Addams Memorial Tollway (I-90)	\$506.2	\$791.7	\$739.7	\$549.8	(\$189.9)
Tri-State Tollway (I-94/ I-294/ I-80)	2.7	18.1	19.4	65.2	45.9
Veterans Memorial Tollway (I-355)	1.4	0.5	2.2	4.7	2.5
Reagan Memorial Tollway (I-88)	4.4	7.0	1.8	3.9	2.1
Systemwide Improvements	87.9	168.2	100.2	171.0	70.8
Existing System Needs Total	\$602.6	\$985.5	\$863.3	\$794.7	-\$68.6
System Expansion					
Tri-State Tollway (I-294)/I-57 Interchange	\$40.9	\$20.2	\$15.3	\$1.5	(\$13.7)
Elgin O'Hare Western Access	241.7	319.8	331.5	383.6	52.1
Planning Studies for Emerging Projects	1.5	6.1	1.4	5.8	4.5
System Expansion Total	\$284.1	\$346.2	\$348.1	\$390.9	\$42.8
Move Illinois Program Total	\$886.7	\$1,331.7	\$1,211.4	\$1,185.6	(\$25.8)

Notes:

2014 Actual Expenditures reflected cost recoveries of \$12.2 million pursuant to inter-governmental agreements (IGA), and 2015 Estimated Expenditures and 2016 Request do not reflect any IGA reimbursements.

Totals may not add due to rounding.



Congestion-Relief Program/Other Capital Summary

(\$ millions)	2014 Actual Expenditures	2015 Budget	2015 Estimated Expenditures	2016 Request	\$ Change from 2015 Estimate
Congestion-Relief Program (CRP)					
Jane Addams Memorial Tollway (I-90)	\$109.2	\$47.9	\$77.7	\$27.6	(\$50.1)
Tri-State Tollway (I-94/ I-294/ I-80)	0.2	0.9	1.9	2.8	0.9
Veterans Memorial Tollway (I-355)	(1.8)	0.4	0.8	3.0	2.2
Reagan Memorial Tollway (I-88)	9.1	100.8	87.0	101.3	14.3
Open Road Tolling (ORT)	1.9	5.4	3.4	5.2	1.8
Systemwide Improvements	63.6	72.9	57.6	18.6	(39.0)
Congestion-Relief Program Subtotal	182.2	228.3	228.4	\$158.6	(\$69.8)
Other Capital Projects Subtotal *	50.5	65.0	58.9	60.0	1.1
CRP and Other Capital Projects Total	232.6	293.3	287.3	\$218.6	(\$68.7)

Notes:

1. 2014 Actual Expenditures reflected cost recoveries of \$2.5 million pursuant to intergovernmental agreements (IGA); 2015 Estimated Expenditures and 2016 Request do not reflect any IGA reimbursements.
2. 2016 Other Capital Projects Budget includes new request of \$59.7 million and \$41.7 million of carryover from 2015; approximately \$60 million is projected to be spent in 2016.

Totals may not add due to rounding.



Capital Program

KEY CAPITAL PROJECTS - 2016

Jane Addams Memorial Tollway (I-90) – \$577.4 million

✓ **Eastern segment**

- Elgin Toll Plaza to Tri-State Tollway (I-294) - Rebuilding and widening inside lanes
- Elgin Toll Plaza to Kennedy Expressway - Reconstruction of bridges, interchanges and ramps

✓ **Watermain relocation**

✓ **Fiber-optic and utility relocation**

✓ **ITS elements**

Capital Program (continued)

KEY CAPITAL PROJECTS - 2016

Elgin O'Hare Western Access Project - \$383.6 million

- ✓ I-290 Interchange construction
- ✓ Construction of Elmhurst Road Interchange at I-90
- ✓ Construction of new Illinois Route 390 Tollway to the east
- ✓ Interchange improvements
 - Park Boulevard, Arlington Heights Road and Wood Dale Road
- ✓ Bridge construction
- ✓ Watermain relocation
- ✓ Right-of-way purchases

Capital Program (continued)

KEY CAPITAL PROJECTS - 2016

Reagan Memorial Tollway (I-88) – \$105.3 million

- ✓ Resurfacing
 - U.S. Route 52 to U.S. Route 30

Tri-State Tollway (I-94/I-294/I-80) – \$68.0 million

- ✓ Master Plan for Central Tri-State Tollway reconstruction from 95th Street to Balmoral Avenue
- ✓ Design for reconstruction
 - Mile-long Bridge over the Des Plaines River
 - BNSF Railroad Bridge over I-294

Capital Program (continued)

KEY CAPITAL PROJECTS - 2016

Systemwide – \$189.7 million

- ✓ Bridge and pavement improvements
- ✓ Interchange improvements
- ✓ Toll collection
- ✓ IT related improvements
- ✓ Maintenance facilities improvements
- ✓ Program support

“Other” Capital Projects Highlights

KEY CAPITAL PROJECTS - 2016

Other capital projects – \$60 million

(\$ millions)

✓ General consulting services	\$ 22
✓ Technology	13
✓ Roadway vehicle and equipment	8
✓ Enterprise resource planning (ERP) system	5
✓ Intelligent transportation systems (ITS)	5
✓ Building repairs and maintenance	4
✓ Roadway signage and pavement marking	3

Debt Service Schedule

(\$ millions)

Fiscal Year	Principal	Interest	Total Debt Service
2015	103	256	359
2016	104	298	405
2017	109	307	416
2018	124	301	426
2019	130	295	426
2020	138	289	426
2021	144	282	426
2022	151	275	426
2023	159	267	426
2024	168	258	426
2025	189	251	439
2026	246	243	489
2027	258	231	489
2028	269	220	489
2029	280	209	489
2030	293	197	489
2031	303	187	489
2032	319	170	489
2033	337	152	489
2034	357	132	489
2035	366	112	478
2036	384	94	478
2037	403	75	478
2038	393	54	448
2039	395	35	429
2040	299	15	314

NOTES:

- √ Includes existing debt service plus assumed new money issuance of: (i) \$400M during the remainder of 2015; and (ii) \$600M during 2016.
- √ 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, which such costs are currently approximately \$6.5 million annually.
- √ Interest expense does not net out anticipated federal subsidies related to Build America Bonds.
- √ Interest expense on variable rate bonds is estimated at the fixed swap rates for those bonds.



THANK YOU