



2016 Budget

December 9, 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**

Changes from the Tentative Budget

Changes resulting from the review process

- ✓ Increased Diversity and Strategic Development Department budget by \$150,000
- ✓ Offset provided by a reduction in estimated retirement contributions

Additional information

- ✓ Performance metrics
- ✓ Demographic information
- ✓ Departmental positions/titles

2016 Revenue Sources and Allocations

MORE THAN 75 PERCENT IS ALLOCATED TO SUPPORT INFRASTRUCTURE

| <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 |

| <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/Replacement and Improvement | 497 | 552 | 579 |
| Allocations Total | \$1,170 | \$1,218 | \$1,300 |

* CDM Smith's expected toll revenue estimate for fiscal year 2015 totals \$1,178 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery. Please refer to the 2016 Budget Book for additional information



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 | 2.6 | 0.0 | 0.1% |
| Engineering | 76.0 | 77.9 | 1.9 | 2.5% |
| 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) \$400 million 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