



2015 Tentative Budget

October 23, 2014

2015 Budget Schedule

October

- ✓ Tentative 2015 Budget presented to Board

November

- ✓ Public review/comment on Tentative 2015 Budget
- ✓ Public comments presented to Board
- ✓ Incorporate changes arising from review process

December

- ✓ Board votes on Final 2015 Budget

2015 Tentative Budget Highlights

2015 BUDGET HIGHLIGHTS

Revenue

- ✓ Continues to meet or exceed projections

Maintenance and Operations

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

Capital Program

- ✓ Largest amount committed for infrastructure improvements in Tollway's history

2015 Revenue Sources

REVENUE CONTINUES TO GROW

(\$ millions)

<i>Sources of Revenue</i>	FY 2014 Budget	FY 2014 Estimates	FY 2015 Projections
Toll Revenue and Evasion Recovery *	\$1,005	\$1,012	\$1,160
Investment Income	2	1	1
Concessions and Miscellaneous Revenue	8	9	9
Revenue Total	\$1,015	\$1,022	\$1,170

* 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 page 183 of the 2015 Tentative Budget book for additional information.

2015 Revenue Allocations

MORE THAN 70 PERCENT OF REVENUE IS ALLOCATED TO SUPPORT INFRASTRUCTURE

(\$ millions)

<i>Allocations of Revenue</i>	FY 2014 Budget	FY 2014 Estimates	FY 2015 Projections
Maintenance and Operations	\$295	\$299	\$311
<i>Funds available from prior year</i>	0	(6)	0
Debt Service Transfer	334	313	362
Deposit to Renewal and Replacement and Improvement	386	416	497
Allocations Total	\$1,015	\$1,022	\$1,170

Note:

2014 M and O supplemental fund includes \$2 million for winter-related roadway materials, \$0.5 million for fuel and \$1 million for payroll related to winter storm events.

2014 Polar Vortex Spending

Costs

✓ Roadway materials	\$4.5M
✓ Replacement parts	0.9
✓ Fuel	1.1
✓ Personnel	1.5
<u>TOTAL</u>	<u>\$8.0M</u>

Resources

✓ <u>Transfers</u>	<u>\$4.5M</u>
Engineering	2.1
IT	1.1
Toll Operations	0.4
Other departments	0.9
✓ <u>Supplemental</u>	<u>\$3.5M</u>
<u>TOTAL</u>	<u>\$8.0M</u>

2015 Maintenance and Operations

KEY DRIVERS OF OPERATING BUDGET INCREASE OF 3.9 PERCENT

- ✓ Rising health care costs and retirement contributions
- ✓ Increase in maintenance fees for growing fiber-optic network and intelligent transportation system
- ✓ Increase in insurance due to growing workers' compensation expenses
- ✓ Increase in credit card company fees associated with higher toll revenue
- ✓ Increased costs for fuel

Maintenance and Operations

2015 Budget By Category

GROWTH IN OPERATING COSTS – 3.9 PERCENT

(\$ millions)

Category	2014 Budget*	2015 Budget Request	\$ Change from 2014 Budget	% Change from 2014 Budget
Salary and Wages	\$109.6	\$111.0	\$1.3	1.2%
FICA and Retirement	51.9	54.2	2.3	4.4%
Group Insurance	30.1	31.6	1.6	5.2%
All Other Insurance	10.5	12.4	2.0	18.7%
Bank Charges (Merchant Card Fees)	16.7	19.1	2.5	14.7%
Contracted Maintenance Services	4.1	5.2	1.1	27.5%
All Other Contractual Services	39.2	39.5	0.2	0.6%
Equipment / Office Rental / Maintenance	15.7	15.8	0.1	0.6%
Parts and Fuels	7.0	8.2	1.2	16.7%
Utilities	6.0	6.7	0.7	12.1%
Operational Materials and Supplies	9.5	8.1	(1.4)	-14.9%
Other Miscellaneous Expenses	1.1	1.1	0.0	0.9%
Recovery of Expenses	(2.4)	(2.3)	0.1	3.7%
Total M and O Costs	\$299.0	\$310.6	\$11.6	3.9%

* 2014 Budget includes supplemental increase of \$3.5 million to the original Engineering budget for winter-related payroll, materials and fuel.

Totals may not add due to rounding.

Tollway Headcount – As of 12/31 Each Year

**HEADCOUNT REMAINS FLAT WHILE DELIVERING
RECORD CAPITAL PROGRAM**



2015 Debt Service

***NEW DEBT PROVIDES ADDITIONAL FUNDING
FOR MOVE ILLINOIS AT HISTORICAL LOW INTEREST RATES***

**Outstanding debt \$5.048 billion
\$800 million new debt issuance**

Transfers for debt service estimated at \$362 million

- ✓ \$268 million interest expense
- ✓ \$103 million principal due January 1, 2016
- ✓ \$7 million other bond-related costs (liquidity, remarketing, etc.)
- ✓ (\$15) million federal Build America Bonds subsidy

**Estimated net debt service coverage of 2.4x in each of
FY2014 and FY2015, respectively**

Capital Program Summary

LARGEST AMOUNT COMMITTED FOR INFRASTRUCTURE IMPROVEMENTS IN TOLLWAY'S HISTORY

(\$ millions)

	2014 Budget	2014 Estimated Expenditures	2015 Request	\$ Change from 2014 Estimate
Existing System Needs	\$1,012.5	\$846.6	\$1,213.8	\$367.3
Jane Addams Memorial Tollway (I-90)	729.2	646.1	839.6	193.6
Tri-State Tollway (I-94/ I-294/ I-80)	9.4	9.3	19.0	9.7
Veterans Memorial Tollway (I-355)	10.1	5.0	0.9	(4.1)
Reagan Memorial Tollway (I-88)	10.6	11.4	107.9	96.5
Open Road Tolling (ORT)	4.0	2.7	5.4	2.7
Systemwide Improvements	249.2	172.2	241.1	68.9
System Expansion	\$367.9	\$284.6	\$346.2	\$61.6
Tri-State (I-294)/I-57 Interchange	80.1	46.4	20.2	(26.2)
Elgin O'Hare Western Access	282.8	235.5	319.8	84.3
Illinois Route 53/120/Other Planning Studies	5.0	2.7	6.1	3.4
Capital Program Sub-Total	\$1,380.4	\$1,131.1	\$1,560.0	\$428.8
"Other" Capital Projects	55.0	55.4	65.0	9.6
Capital Program Total	\$1,435.4	\$1,186.5	\$1,625.0	\$438.5

2014 Estimated Expenditures and 2015 Request do not reflect any IGA reimbursements.

2015 "Other" Capital Projects Budget includes new request of \$65 million and \$31.2 million of carryover from 2014.

Capital Program

KEY CAPITAL HIGHLIGHTS

Jane Addams Memorial Tollway (I-90)

- ✓ Rebuilding and Widening Project - eastern segment

Elgin O'Hare Western Access Project (Illinois Route 390)

- ✓ Construction of interchanges
- ✓ Rebuilding and widening of the existing Illinois Route 390

Systemwide Projects

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

Reagan Memorial Tollway (I-88)

- ✓ Resurfacing Illinois Route 251 to U.S. Route 30

Capital Program

KEY CAPITAL HIGHLIGHTS

Tri-State Tollway(I-294)/I-57 Interchange

- ✓ Project close out and landscaping

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

- ✓ Master Plan 95th Street to Balmoral Avenue
- ✓ Design for mile-long bridges

Planning Studies

- ✓ Illinois Route 53/120 Project
- ✓ Other emerging projects

2015 Budget Aligned with Tollway Priorities

Furthering transparency and accountability

- ✓ Support the development of an enterprise resource planning (ERP) system
- ✓ Invest in state-of-the-art cameras to ensure accuracy of toll violations

Enhancing customer service and public safety

- ✓ Provide additional capacity at the I-PASS Customer Service Call Center
- ✓ Sufficient supply of winter-related material
- ✓ Full complement of Illinois State Police District 15 for construction zones

2015 Budget Aligned with Tollway Priorities

Promoting economic growth

- ✓ Continue to support congestion relief and improved regional mobility in Northern Illinois with the largest infrastructure investment in Tollway's history

Increasing collaboration

- ✓ Transit opportunities with Pace and the Regional Transportation Authority (RTA)
- ✓ Support and expand workforce development and technical assistance programs

Fostering environmental responsibility

- ✓ Increase E-85 annual fuel usage from 120,000 to 275,000 gallons per Governor's Executive Order #11
- ✓ Research program to study environmental and roadway safety initiatives

Tentative 2015 Budget Summary

CONSISTENT WITH THE LONG-TERM FINANCIAL PLAN

- ✓ Fourth year of *Move Illinois* – total 2015 Capital Program more than \$1.6 billion
- ✓ Revenue increase 14.5 percent reflecting commercial vehicle toll increase approved in 2008
- ✓ Operating costs held at 3.9 percent growth
- ✓ \$800 million of new bond issuance to provide funding for current and future capital costs

Appendix

Maintenance and Operations

2015 Budget By Department

Department	2014 Budget*	2015 Budget Request	(\$ thousands)	
			\$ Change from 2014 Budget	% Change from 2014 Budget
Administration	\$4,439	\$4,595	\$157	3.5%
Business Systems	54,974	58,702	3,727	6.8%
Communications	1,449	1,516	67	4.6%
Diversity & Strategic Development	1,997	2,576	579	29.0%
Engineering	75,900	78,001	2,101	2.8%
Executive Office and Directors	1,661	1,682	21	1.3%
Finance	45,414	48,328	2,914	6.4%
Information Technology	15,745	16,377	632	4.0%
Inspector General	813	888	75	9.2%
Internal Audit	785	854	69	8.7%
Legal	1,857	1,931	74	4.0%
Procurement	4,356	4,552	196	4.5%
State Police	32,302	32,587	285	0.9%
Toll Operations	57,262	57,990	729	1.3%
Total	298,956	310,579	11,623	3.9%

* 2014 Budget includes supplemental increase of \$3.5 million to the original Engineering budget for winter-related payroll, materials and fuel.

Move Illinois Program Summary

	2013 Actual Expenditures	2014 Budget	2014 Estimated Expenditures	2015 Request	(\$ millions) \$ Change from 2014 Estimate
Existing System Needs					
Jane Addams Memorial Tollway (I-90)	\$283.4	\$593.0	\$494.3	\$791.7	\$297.4
Tri-State Tollway (I-94/ I-294/ I-80)	14.9	3.7	5.1	18.1	13.0
Veterans Memorial Tollway (I-355)	18.0	9.2	4.1	0.5	(3.6)
Reagan Memorial Tollway (I-88)	1.6	3.5	4.7	7.0	2.3
Systemwide Improvements	74.8	158.4	100.1	168.2	68.1
Existing System Needs Total	\$392.7	\$767.8	\$608.3	\$985.5	\$377.2
System Expansion					
Tri-State Tollway (I-294)/I-57 Interchange	\$55.4	\$80.1	\$46.4	\$20.2	(\$26.2)
Elgin O'Hare Western Access	53.1	282.8	235.5	319.8	84.3
Illinois Route 53/120/Other Planning Studies	1.0	5.0	2.7	6.1	3.4
System Expansion Total	\$109.4	\$367.9	\$284.6	\$346.2	\$61.6
<i>Move Illinois</i> Program Total	\$502.2	\$1,135.7	\$892.9	\$1,331.7	\$438.8

Notes:

2013 Actual Expenditures reflected cost recoveries of \$4.5 million pursuant to inter-governmental agreements (IGA), and 2014 Estimated Expenditures and 2015 Request do not reflect any IGA reimbursements.

Totals may not add due to rounding.



Congestion-Relief Program/Other Capital Summary

	(\$ millions)				
	2013 Actual Expenditures	2014 Budget	2014 Estimated Expenditures	2015 Request	\$ Change from 2014 Estimate
Congestion-Relief Program (CRP)					
Jane Addams Memorial Tollway (I-90)	\$14.7	\$136.2	\$151.8	\$47.9	(\$103.8)
Tri-State Tollway (I-94/ I-294/ I-80)	25.9	5.8	4.2	0.9	(3.3)
Veterans Memorial Tollway (I-355)	2.0	0.9	0.8	0.4	(0.4)
Reagan Memorial Tollway (I-88)	4.1	7.1	6.6	100.8	94.2
Open Road Tolling (ORT)	3.1	4.0	2.7	5.4	2.7
Systemwide Improvements	24.6	90.8	72.1	72.9	0.8
Congestion-Relief Program Subtotal	\$74.4	\$244.8	\$238.2	\$228.3	(\$9.9)
"Other" Capital Projects Subtotal *	43.0	55.0	55.4	65.0	9.6
CRP and "Other" Capital Projects Total	\$117.5	\$299.8	\$293.6	\$293.3	(\$0.3)

Notes:

2013 Actual Expenditures reflected cost recoveries of \$7.7 million pursuant to intergovernmental agreements (IGA); 2014 Estimated Expenditures and 2015 Request do not reflect any IGA reimbursements.

2015 "Other" Capital Projects Budget includes new request of \$65 million and \$31.2 million of carryover from 2014.

Totals may not add due to rounding.



Capital Program

KEY CAPITAL PROJECTS - 2015

Jane Addams Memorial Tollway (I-90) – \$839.6 million

✓ **Eastern segment**

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

✓ **Western segment**

- Illinois Route 47 to I-39
 - Reconstruction of bridges and interchanges

✓ **Watermain relocation**

✓ **Fiber-optic and utility relocation**

✓ **ITS elements**

Capital Program (continued)

KEY CAPITAL PROJECTS - 2015

Elgin O'Hare Western Access Project (Illinois Route 390) - \$319.8 million

- ✓ I-290 Interchange construction
- ✓ Construction of Elmhurst Road Interchange at I-90
- ✓ Reconstruction and widening
 - Existing portion of the Illinois Route 390
- ✓ Interchange improvements
 - Park Boulevard and Arlington Heights Road
- ✓ Bridge construction
- ✓ Watermain relocation
- ✓ Right-of-way purchases

Capital Program (continued)

KEY CAPITAL PROJECTS - 2015

Tri-State Tollway (I-294)/I-57 Interchange – \$20.2 million

- ✓ Closeout phase one and complete landscaping

Tri-State Tollway (I-94/I-294/I-80) – \$19.0 million

- ✓ Master Plan for reconstruction 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 - 2015

Reagan Memorial Tollway (I-88) – \$107.9 million

- ✓ Resurfacing
 - Illinois Route 251 and U.S. Route 30

Illinois Route 53/120 Project and other planning studies - \$6.1 million

Open Road Tolling - \$5.4 million

- ✓ Toll Revenue Management and Maintenance Program (TRMMP)

Capital Program (continued)

KEY CAPITAL PROJECTS - 2015

Systemwide – \$241.1 million

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

“Other” Capital Projects Highlights

KEY CAPITAL PROJECTS - 2015

“Other” capital projects – \$65 million

(\$ millions)

✓ Program support costs	\$ 22
✓ Roadway vehicle and equipment	\$ 12
✓ Technology	\$ 11
✓ Enterprise resource planning (ERP) system	\$ 6
✓ Building repairs and maintenance	\$ 5
✓ Intelligent transportation systems (ITS)	\$ 4
✓ Environmental/research	\$ 2

Debt Service Schedule

Fiscal Year	Principal	Interest	Debt Service
2014	98	218	316
2015	103	266	369
2016	104	283	387
2017	108	278	386
2018	134	273	407
2019	131	266	397
2020	137	260	396
2021	143	253	396
2022	150	246	396
2023	174	238	412
2024	174	228	402
2025	189	221	409
2026	236	213	449
2027	247	202	449
2028	257	191	449
2029	268	180	449
2030	280	169	449
2031	289	160	449
2032	305	143	449
2033	322	126	449
2034	341	107	449
2035	348	88	436
2036	366	70	437
2037	385	52	437
2038	374	33	407
2039	282	14	297
2040	398	129	527
2041	381	107	488
2042	379	86	465
2043	354	65	420
2044	334	46	380
2045	346	27	373
2046	152	8	160

NOTES:

- √ Includes existing debt service plus assumed new money issuance of \$800M during 2015
- √ Debt service due January 1 of a given calendar year is included in the prior fiscal year, per the Trust Indenture
- √ Interest expense does not reflect federal subsidies related to Build America Bonds
- √ Interest expense includes on Series 1998B, 2007A and 2008A estimated at synthetic fixed rates



THANK YOU