



2012 Tentative Budget

October 27, 2011

2012 Budget Schedule

October

- ✓ Tentative Budget presented to Board

November

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

December 15

- ✓ Board votes on Final Budget

Review of Move Illinois Program Capital Program Budget



Project	Today's Dollars	Actual Dollars*	Tollway Commitment
Existing System Needs	\$6.1 billion	\$8.5 billion	\$8.3 billion
I-294/I-57 Interchange**	\$570 million	\$887 million	\$604 million
Elgin O'Hare West Bypass***	\$2.2 - \$3.6 billion	\$3.4 - \$5.8 billion	\$3.1 billion
Planning for Illinois Route 53 North Extension and the Illiana Expressway	\$100 million	\$126 million	\$126 million
Total	\$9.0 - \$10.4 billion	\$12.9 - \$15.3 billion	\$12.1 billion

*Actual dollars escalated through 2026

**Partially funded by IDOT

***\$300 million funding gap - paid by federal, local contribution or other funding source



Review of Move Illinois Program Financing Proposal



I-PASS Passenger Car Increase	Available Revenue	Bond Proceeds	Total
35 cents*	\$7.9 billion	\$4.8 billion	\$12.7 billion

*Increase ranges from 35 cents to 90 cents for I-PASS passenger vehicles depending on mainline toll plaza. Cash rates continue to be double the I-PASS rates.

Assumptions

1. In escalated dollars
2. Passenger vehicle increase in effect in 2012
3. Previously approved commercial vehicle increase in effect in 2015
4. Includes new revenue from I-90 widening
5. Includes new revenue from Elgin O'Hare (starting 2017)
6. Interest rate – 6 percent
7. Operating expenditure – 4 percent annual growth
8. 25-year bonds

Review of Move Illinois Program Cash Flow Pro Forma



(\$ in Millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2012-2026 TOTAL
Total Revenues	975	1,023	1,064	1,221	1,281	1,389	1,456	1,541	1,578	1,614	1,619	1,678	1,704	1,729	1,762	21,633
Operating Expenses (4%)	265	276	287	298	310	323	336	349	363	377	393	408	425	442	459	5,311
Net Revenue Available for Debt Service	710	747	777	923	971	1,066	1,120	1,192	1,215	1,237	1,226	1,270	1,279	1,287	1,303	16,323
Debt Service	244	307	352	401	440	467	495	510	530	550	586	606	606	611	614	7,317
Revenue Reserved for Current CRP	214	199	219	232	244	-	-	-	-	-	-	-	-	-	-	1,108
Net Revenue Available for New Capital Program	253	241	206	290	288	600	625	683	685	687	640	664	673	676	689	7,898
New Bonds @ 6%	200	800	700	700	600	300	-	500	-	500	500	-	-	-	-	4,800
Total Available Funding for New Capital Program 2012-2026	453	1,041	906	990	888	900	625	1,183	685	1,187	1,140	664	673	676	689	12,698
Cash beginning balance	-	276	338	213	345	395	482	278	780	584	501	351	390	376	429	
Escalated Capital Projected Expenditures (@ 5%)	(177)	(979)	(1,031)	(859)	(837)	(813)	(829)	(680)	(882)	(1,270)	(1,290)	(624)	(688)	(622)	(572)	(12,152)
Cash ending balance (Include DS Reserve)	276	338	213	345	395	482	278	780	584	501	351	390	376	429	546	
Reserved for Debt Service Payments (DSR)	12	60	102	144	180	198	198	228	228	258	288	288	288	288	288	
Cash Balance Available for Projects	264	278	111	201	215	284	80	552	356	243	63	102	88	141	258	
Debt Service Coverage - Net Ratio	2.91	2.44	2.21	2.30	2.21	2.39	2.26	2.30	2.26	2.21	2.12	2.11	2.12	2.12	2.12	

Assumptions

1. Passenger vehicle rates – 35 cent increase for I-PASS in 2012
2. Commercial vehicle rates – Board approved increases in 2015-2017 and CPI begins 2018 for commercial vehicles only
3. Borrowing costs – 6 percent
4. 25-year bonds
5. Operating costs growth rate – 4 percent



2012 Tentative Budget Highlights

- **Revenue**

- ✓ Toll increase for passenger vehicles effective January 1, 2012

- **Maintenance and Operations and Capital Program**

- ✓ Impact of Move Illinois Program

- **Operating Reserve**

- ✓ Increase reserve per Board recommendation

- **Priorities**

- ✓ Public safety
- ✓ Customer service
- ✓ Transparency and accountability
- ✓ Green initiatives

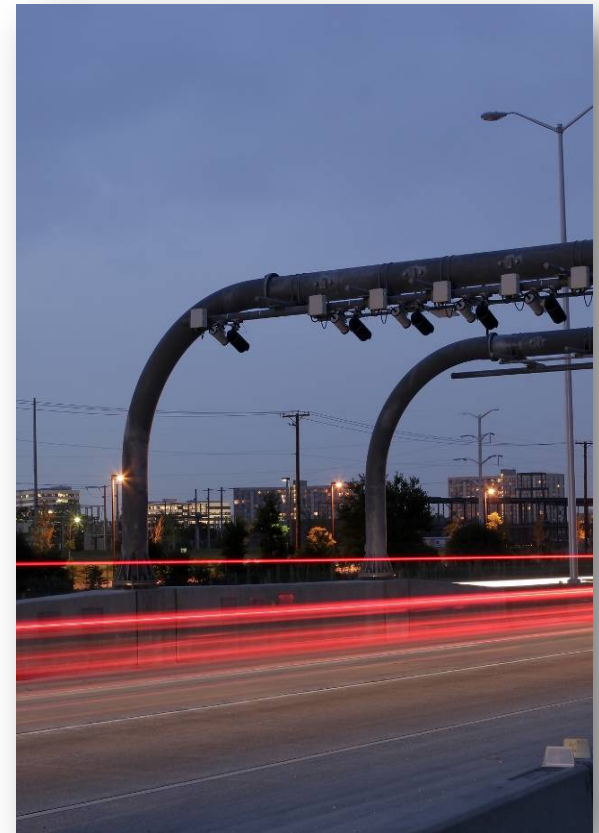
2012 Tentative Budget Overview

Revenue

**Maintenance and Operations
Account**

Debt Service Account

**Renewal and Replacement
and Improvement Accounts**



2012 Revenue Sources and Allocations

(\$ in millions)

	FY 2011 <u>Budget</u>	FY 2011 <u>Estimates</u>	FY 2012 <u>Projections</u>
<u>Sources</u>			
Toll and Evasion Recovery*	\$670	\$670	\$963
Investment Income	2	1	1
Concessions and Miscellaneous	8	9	9
Total	\$680	\$680	\$973
<u>Allocations</u>			
Maintenance and Operations	\$255	\$248	\$266
Operating Reserve	0	0	12
Debt Service Transfer**	251	244	255
Deposit to Renewal and Replacement and Improvement	174	188	440
Total	\$680	\$680	\$973

* Wilbur Smith's expected toll revenue estimate for FY2012 totals \$973 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery. Please refer to Page 139 of the 2012 Tentative Budget book for additional information.

**The primary factors contributing to the increase in the Debt Service Transfer from the Fiscal Year 2011 Estimate to the FY2012 Projection are: (i) \$6 million interest expense for assumed new bond issuance in 2012, and (ii) a carryover from 2011 to 2012 of a \$4 million provision for possible increased debt service from refunding synthetic fixed rate bonds for risk-reduction purposes.

Maintenance and Operations

2012 Budget Increases

(\$ in millions)

<u>Category</u>	<u>2012 \$ Change</u>
■ Bank charges – credit card fees	\$ 5.3
■ State Employees' Retirement System (SERS) pension contribution rate – average 30.7 percent to 34.6 percent	\$ 4.4
■ Customer Call Center, transponder distribution and collections	\$ 2.1
■ Fuels and oils	\$ 0.5

Maintenance and Operations

2012 Budget Reductions

(\$ in millions)

Category

2012 \$ Change

- **Workers' compensation insurance** **\$(1.1)**
- **Utilities** **\$(1.0)**
- **Contracted maintenance service** **\$(0.5)**

Maintenance and Operations

By Category

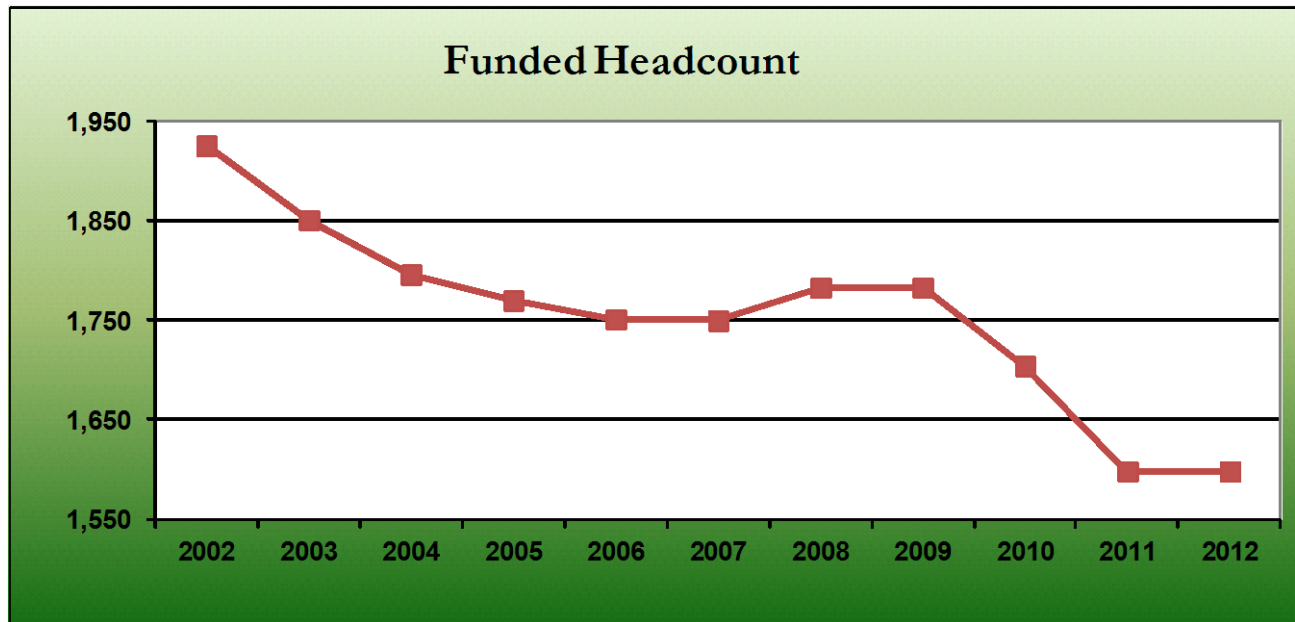
(\$ in millions)

Category	2011 Budget	2012 Budget Request	\$ Change from 2011 Budget	% Change from 2011 Budget
Salary & Wages	\$104.5	\$105.6	\$1.1	1.1%
FICA & Retirement	39.1	43.6	4.5	11.5%
Group Insurance	27.9	27.8	(0.1)	-0.3%
Bank Charges	12.2	17.5	5.3	43.4%
Other Contractual Services	27.0	29.0	2.0	7.4%
Employee Development	0.9	0.9	0.0	0.0%
Utilities	5.1	4.1	(1.0)	-19.6%
Telecommunications	2.3	2.2	(0.1)	-4.3%
Operational Materials & Supplies	8.8	8.9	0.1	1.1%
Parts & Fuels	5.6	6.1	0.5	8.9%
Equipment / Office Rental / Maintenance	13.3	13.0	(0.3)	-2.3%
All Other Insurance	10.7	9.6	(1.1)	-10.3%
Recovery of Expenses	(2.4)	(2.4)	0.0	0.0%
Total M&O Costs	\$255.0	\$266.0	\$11.0	4.3%

Tollway Headcount

As of 12/31 each year

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Funded Positions	1926	1851	1796	1770	1751	1750	1783	1783	1704	1598	1598



Debt Service

- **Outstanding debt \$3.96 billion**
 - ✓ After January 1, 2012, principal payments

- **Debt service of \$259.9 million**
 - ✓ \$199.56 million interest expense
 - Includes an estimated \$6 million interest on new debt
 - ✓ \$56.37 million principal due January 1, 2012
 - ✓ \$4.00 million contingency for restructuring synthetic fixed rate bonds

- **Debt service net of \$16.2 million federal Build America Bonds subsidy is \$243.7 million**

- **Estimated net debt service coverage of 1.8x and 2.9x in FY2011 and FY2012, respectively**

Capital Program Summary

Capital Program Budget Summary Fiscal Year 2012 (\$ Millions)

	2012 Request
Move Illinois Program	
Existing System Needs	\$214.1
System Expansion	26.8
Move Illinois Program Total	\$240.9
Congestion-Relief Program and "Other" Capital Projects	
Congestion-Relief Program	\$290.6
"Other" Capital Projects*	76.0
Congestion-Relief Program and "Other" Capital Projects	\$366.6
Capital Program Total	\$607.5

* "Other" Capital Projects Budget includes \$41.3 million new and \$33.7 million carryover.
2012 Request totals \$76 million, of which \$60 million is estimated to be earned in 2012.



Capital Program Summary 2011-2012

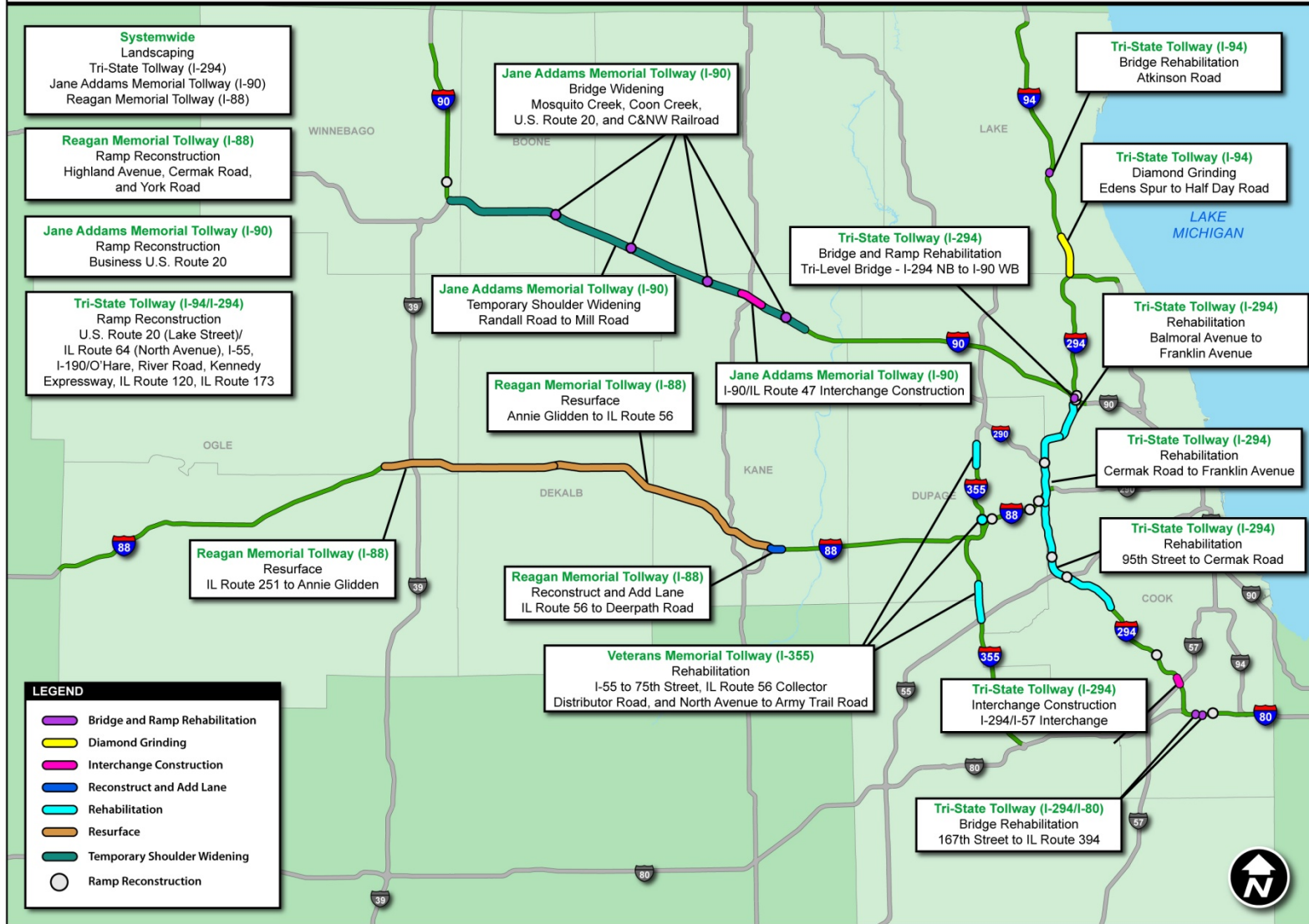
(\$ in millions)

	2011 Budget	2011 Estimate Earned	2012 Request
Existing System Needs			
Tri-State Tollway (I-94/ I-294/ I-80)	\$ 14.4	\$ 21.2	\$ 156.4
Jane Addams Memorial Tollway (I-90)	104.9	72.3	98.8
Reagan Memorial Tollway (I-88)	7.6	6.0	90.5
Veterans Memorial Tollway (I-355)	5.2	6.3	23.7
Open Road Tolling	0.5	4.4	2.0
Systemwide Improvements	59.4	46.3	133.3
Sub-Total	\$ 192.0	\$ 156.5	\$ 504.7
System Expansion			
I-294/ I-57 Interchange	-	-	\$ 11.9
* Elgin O'Hare West Bypass	-	-	14.9
Sub-Total	\$ -	\$ -	\$ 26.8
Capital Program Subtotal	\$ 192.0	\$ 156.5	\$ 531.5
"Other" Capital Projects Subtotal	86.9	45.8	76.0
TOTAL CAPITAL PROGRAM	\$ 278.9	\$ 202.3	\$ 607.5

* Additional cost participation will be made by IDOT.



2012 Illinois Tollway Construction



Public Hearing Dates

- **Public Hearing**

- ✓ November 15, 2011 – 6:00 p.m.
- ✓ Illinois Tollway - Central Administration Building

- **Open House**

- ✓ November 16, 2011 – 3:00 p.m. – 6:00 p.m.
- ✓ Chicago Southland Lincoln Oasis

Appendix

2012 Projected Revenue

Current Toll Rates vs. Increased Toll Rates

(\$ in millions)

	<u>without</u> <u>Toll Increase</u>	<u>with</u> <u>Toll Increase</u>	<u>\$ Change</u>
Toll and Evasion Recovery	\$701	\$973	\$272
Investment Income	1	1	-
Concessions and Miscellaneous	9	9	-
Operating Expenditure	(259)	(266)	(7)
Debt Service	(238)	(244)	(6)
Net Revenue	\$214	\$473	\$259

Maintenance and Operations

By Department

(\$ in thousands)

Department	2011 Budget	2012 Budget Request	\$ Change from 2011 Budget
Administration	\$3,946	\$3,945	(\$0)
Business Systems	44,945	50,845	5,900
Communications	1,338	1,315	(23)
Engineering	61,710	64,925	3,215
Executive Office and Directors	1,587	1,599	12
Finance	42,186	42,139	(47)
Information Technology	9,888	10,548	660
Inspector General	768	768	(0)
Internal Audit	1,015	996	(18)
Legal	1,602	1,614	12
Procurement	3,730	3,952	223
State Police	26,814	27,883	1,069
Toll Operations	55,465	55,448	(17)
Total	\$254,994	\$265,978	\$10,984

Move Illinois Program

(\$ in millions)

	2012 Request
2012 Existing System Needs	
Jane Addams Memorial Tollway (I-90)	\$78.1
Tri-State Tollway (I-94/I-294/I-80)	16.6
Veterans Memorial Tollway (I-355)	18.7
Reagan Memorial Tollway (I-88)	20.3
Systemwide Improvements	80.4
Existing System Needs Total	\$214.1
2012 System Expansion	
I-294/I-57 Interchange	\$11.9
Elgin O'Hare West Bypass	14.9
System Expansion Total	\$26.8
2012 Move Illinois Program Total	\$240.9



Congestion-Relief Program

Fiscal Year 2012

(\$ Millions)

	2010 Actual Earned	2011 Estimate Earned	2012 Request
Tri-State Tollway (I-94/I-294/I-80)	\$57.8	\$21.2	\$139.8
Jane Addams Memorial Tollway (I-90)	16.7	72.3	20.7
Reagan Memorial Tollway (I-88)	7.5	6.0	70.2
Veterans Memorial Tollway (I-355)	52.3	6.3	5.0
Open Road Tolling	0.7	4.4	2.0
Systemwide Improvements	50.9	46.3	52.9
Congestion-Relief Program Subtotal	\$185.9	\$156.5	\$290.6
"Other" Capital Projects Subtotal *	37.8	45.8	76.0
CRP and "Other" Capital Projects Total	\$223.7	\$202.3	\$366.6

* 2012 Request includes \$42.3 million new and \$33.7 million carryover, of which \$60 million estimated to be earned in 2012.

Awards through September 2011

- **Construction** - \$3.9 billion
- **Design, inspection and other engineering services** - \$781.7 million
- **Other costs (utilities, ROW, misc.)** - \$150.7 million

Capital Program

(\$ in millions)

Jane Addams Memorial (I-90) – \$98.8 million

- **Design to reconstruct and widen** **\$ 76.0**
 - ✓ Kennedy Expressway to I-39
 - ✓ Advanced work - temporary shoulder widening
 - Randall Road to I-39

- **Roadway rehabilitation** **\$ 20.7**
 - ✓ Illinois Route 53 to Newburg Road

- **Ramp pavement reconstruction** **\$ 2.1**
 - ✓ U.S. Business 20

Capital Program (continued)

(\$ in millions)

Tri-State Tollway (I-94/I-294/I-80) – \$156.4 million

- **Roadway resurfacing and bridge repairs** **\$ 112.6**
 - ✓ 95th Street to Balmoral Avenue

- **I-57 Interchange** **\$ 17.7**
 - ✓ Relocate Dixie Creek

- **Ramp pavement reconstruction** **\$ 16.6**
 - ✓ I-55 to Illinois Route 173

- **Roadway resurfacing** **\$ 8.1**
 - ✓ Edens Spur to Half Day Road

Capital Program (continued)

(\$ in millions)

Reagan Memorial Tollway (I-88) – \$90.5 million

- **Reconstruct and widen** **\$ 60.0**
 - ✓ Illinois Route 56 to Deerpath Road

- **Bridge rehabilitation** **\$ 15.0**
 - ✓ Illinois Route 251 to Illinois Route 56

- **Rehabilitate pavement and reconstruct ramps** **\$ 5.3**
 - ✓ Illinois Route 251 to Illinois Route 56

Capital Program (continued)

(\$ in millions)

Veterans Memorial Tollway (I-355) – \$23.7 million

- Resurfacing pavement/collector distributor \$ 18.7
 - ✓ I-55 to Army Trail Road
- Underpass lighting under I-88 \$ 5.0

System Expansion Needs - \$26.8 million

- Elgin O'Hare West Bypass \$ 14.9
- Tri-State (I-294)/I-57 Interchange \$ 11.9

Capital Program (continued)

(\$ in millions)

Systemwide – \$133.3 million

- | | |
|---|---------|
| ■ I-90/Illinois Route 47 Interchange | \$ 47.2 |
| ■ Pavement improvements | \$ 28.0 |
| ■ Program support | \$ 24.0 |
| ✓ Program management office | |
| ✓ Personal services | |
| ✓ Design/construction management services | |
| ■ Bridge improvements | \$ 12.4 |

“Other” Capital Projects Highlights

(\$ in millions)

- **Program support costs** **\$ 24.3**
 - ✓ General engineering consultant
 - ✓ Enterprise Resource Planning (ERP) implementation services
 - ✓ Traffic engineering consultant
 - ✓ Pavement and roadway management/quality assurance

- **Technology** **\$ 17.9**
 - ✓ Transponders
 - ✓ Disaster recovery system
 - ✓ IT infrastructure modernization
 - ✓ Web and e-commerce

“Other” Capital Projects Highlights (continued)

(\$ in millions)

- **Building repairs and maintenance** **\$ 11.0**

- **Roadway vehicle and equipment** **\$ 8.4**
 - ✓ Traffic and Information Management System (TIMS)
 - ✓ Dynamic message signs (DMS)
 - ✓ Ramp queue detectors
 - ✓ Closed circuit television (CCTV)

- **Miscellaneous roadway repairs and maintenance** **\$ 4.3**

Capital Program Fund Balances

(\$ in millions)

	FY 2011 <u>Estimates</u>	FY 2012 <u>Projections</u>
Beginning Balance	\$301	\$309
Deposit to Renewal and Replacement and Improvement	188	440
Bond Proceeds	0	188
Expenditures*	(181)	(592)
Total	\$309	\$345

*Expenditures for FY 2011 Estimates reflect cost recoveries to date in 2011 of \$0.2 million for the Renewal and Replacement Account and \$21.5 million for the Improvement Account pursuant to Intergovernmental Agreements.

Debt Service Schedule

Estimated Debt Service Schedule

Fiscal Year	Principal	Interest	Debt Service
2012	\$56,365,000	\$199,558,831	\$255,923,831
2013	92,855,000	202,458,756	295,313,756
2014	97,795,000	197,518,681	295,313,681
2015	102,910,000	192,315,256	295,225,256
2016	107,850,000	187,472,581	295,322,581
2017	114,315,000	182,547,181	296,862,181
2018	140,785,000	176,849,096	317,634,096
2019	148,640,000	169,765,162	318,405,162
2020	155,695,000	163,177,415	318,872,415
2021	162,980,000	155,349,178	318,329,178
2022	170,615,000	147,152,409	317,767,409
2023	179,660,000	138,583,209	318,243,209
2024	185,605,000	128,551,020	314,156,020
2025	193,350,000	120,076,829	313,426,829
2026	203,565,000	111,807,412	315,372,412
2027	213,045,000	102,351,482	315,396,482
2028	222,850,000	93,543,766	316,393,766
2029	233,550,000	84,259,631	317,809,631
2030	243,295,000	74,461,548	317,756,548
2031	245,545,000	66,848,800	312,393,800
2032	259,790,000	52,843,972	312,633,972
2033	272,665,000	38,026,004	310,691,004
2034	290,000,000	21,182,800	311,182,800
2035	70,000,000	4,200,000	74,200,000
	\$4,163,725,000	\$3,010,901,019	\$7,100,426,019

NOTES

- Includes existing debt service plus \$200M assumed new money issuance on July 1, 2012.
- 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 net out expected federal subsidies related to the Series 2009A and 2009B Build America Bonds, expected to be 35% of interest due, or \$16.2M in each of FY 2012-2018 and smaller amounts thereafter as principal is amortized.
- Interest expense includes interest on Series 1998B, 2007A and 2008A estimated at their synthetic fixed rates.



THANK YOU