



2013 Tentative Budget

October 17, 2012

2013 Budget Schedule

October

- ✓ Tentative Budget presented to Board

November 13 and 14

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

December

- ✓ Board votes on Final Budget

2013 Tentative Budget Priorities

2013 BUDGET ALIGNED WITH TOLLWAY PRIORITIES

■ **Priorities**

- ✓ Public safety
- ✓ Customer Service
- ✓ Promote the regional economy
- ✓ Foster environmental responsibility and sustainability
- ✓ Collaborate with regional transportation planning agencies
- ✓ Transparency and accountability

2013 Tentative Budget Highlights

2013 BUDGET HIGHLIGHTS

- **Revenue**
 - ✓ Modest but steady growth
- **Maintenance and Operations**
 - ✓ Increase supports *Move Illinois*
 - ✓ Reclassification of Capital support activities to M and O
- **Capital Program**
 - ✓ Year two of the *Move Illinois* Program

2013 Tentative Budget Overview

REVENUES ALLOCATED TO ENSURE A BALANCED BUDGET

REVENUE



Maintenance and Operations

(Increased \$15.9 million including \$5.2 million of items previously allocated to Other Capital)



Debt Service



Renewal and Replacement

(Other Capital reduced by items newly allocated to M and O)



Improvement

Revenue Sources

REVENUES SHOW STEADY GROWTH

(\$ millions)

<i>Sources of Revenue</i>	FY 2012 Budget	FY 2012 Estimates	FY 2013 Projections
Toll Revenue and Evasion Recovery *	\$963	\$951	\$977
Investment Income	1	1	1
Concessions and Miscellaneous Revenue	9	8	8
Revenue Total	\$973	\$960	\$986

* CDM Smith's expected toll revenue estimate for fiscal year 2013 totals \$990 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery. Please refer to page 134 of the 2013 Tentative Budget Book for additional information.

* An adjustment for a change in accounting treatment reduces fiscal year 2012 revenue by \$12 million.

Revenue Allocations

REVENUE ALLOCATIONS TO M AND O, DEBT SERVICE AND CAPITAL SUPPORT TOLLWAY'S LONG-RANGE PLAN

(\$ millions)

	FY 2012 Budget	FY 2012 Estimates	FY 2013 Projections
Maintenance and Operations	\$268	\$260	\$283 *
Operating Reserve	10	10	0
Debt Service Transfer	255	242	317
Deposit to Renewal and Replacement and Improvement	440	448	386
Allocation Total	\$973	\$960	\$986

*2013 M and O budget includes accounting classification changes.

Maintenance and Operations

2013 Budget Changes

EFFECTS OF RECLASSIFICATION OF CAPITAL COSTS TO M AND O

	(\$ millions)	
	2013 M and O	
	<u>\$ Change</u>	<u>% Change</u>
Maintenance and Operations increase	\$15.9	5.9%
✓ Accounting classification changes (a corresponding reduction in “Other” Capital reflects this shift) and Congestion-Relief Program construction audit	<u>5.2</u>	
Maintenance and Operations base growth	\$10.7	4.0%
✓ Retirement contribution	3.4	
✓ All other increases	7.3	2.7%

Maintenance and Operations

2013 Budget By Category

M AND O BASE GROWTH - 4 PERCENT

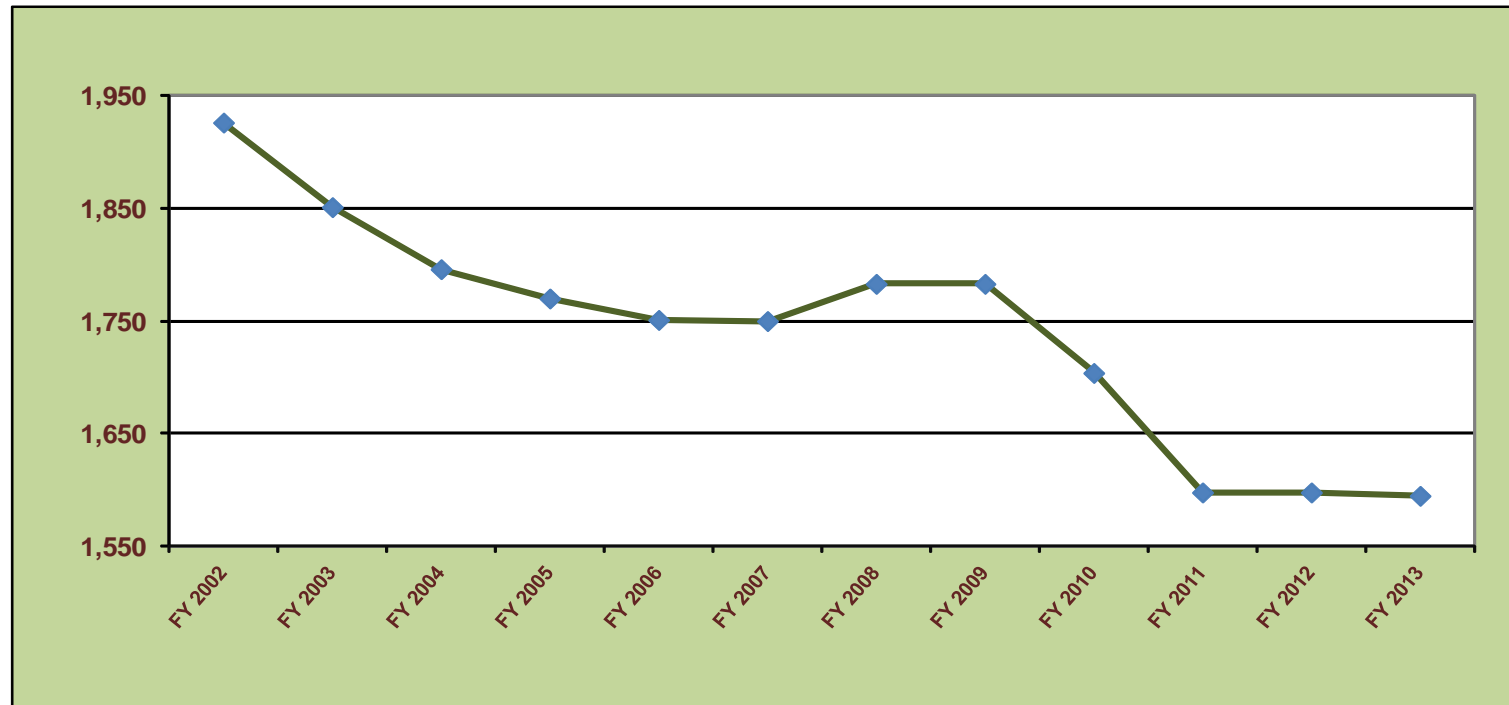
(\$ millions)

<i>Category</i>	2012 Budget	2013 Budget Request	\$ Change from 2012 Budget	% Change from 2012 Budget
Salary & Wages	\$105.6	\$106.4	\$0.8	0.8%
FICA & Retirement	45.1	48.5	3.4	7.6%
Group Insurance	27.8	29.2	1.3	4.8%
Contractual Services (contracted maintenance, consulting, outsides services and credit card fees)	47.3	54.3	7.1	15.0%
Employee Development	0.9	1.0	0.1	6.5%
Utilities/ Telephone	6.1	5.6	(0.5)	-8.4%
Operational Materials & Supplies	8.0	8.3	0.3	3.4%
Parts & Fuels	6.1	7.1	0.9	15.5%
Equipment and System Maintenance	12.8	14.8	2.0	15.7%
All Other Insurance	9.6	9.9	0.3	2.9%
Office/ Equipment Rentals	0.5	0.7	0.2	52.3%
Recovery of Expenses	(2.4)	(2.4)	(0.1)	-2.6%
Total M&O Costs	\$267.5	\$283.4	\$15.8	5.9%

Tollway Headcount — As of 12/31 Each Year

HEADCOUNT REMAINS FLAT

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Funded Positions	1926	1851	1796	1770	1751	1750	1783	1783	1704	1598	1598	1595



2013 Debt Service

NEW DEBT PROVIDES FUNDING FOR MOVE ILLINOIS

- **Outstanding debt \$3.91 billion**
 - ✓ After January 1, 2013 principal payments
- **As much as \$1 billion new debt issuance**
- **Debt service transfers of \$316.6 million**
 - ✓ \$229.2 million interest expense*
 - Includes an estimated \$33.8 million interest on new debt
 - ✓ \$92.9 million principal due January 1, 2014
 - ✓ \$10.9 million other credit enhancement costs
 - ✓ (\$16.2) million federal Build America Bonds subsidy
- **Estimated net debt service coverage of 3.0x and 2.3x in FY2012 and FY2013, respectively**

*\$5.0 million contingency for debt service on the synthetic fixed rate bonds

CAPITAL PROGRAM SUMMARY

MOVE ILLINOIS PROGRAM – 2ND YEAR

(\$ millions)

	2012 Budget	2012 Estimated Expenditures	2013 Request
Existing System Needs			
Tri-State Tollway (I-94/ I-294/ I-80)	156.4	123.1	36.9
Jane Addams Memorial Tollway (I-90)	98.8	73.9	415.2
Reagan Memorial Tollway (I-88)	90.5	71.0	5.5
Veterans Memorial Tollway (I-355)	23.7	2.7	23.2
Open Road Tolling	2.0	0.8	4.1
Systemwide Improvements	133.3	70.9	218.0
Sub-Total	504.7	342.4	702.9
System Expansion			
I-294/ I-57 Interchange	11.9	14.9	66.7
Elgin O'Hare Western Access	14.9	20.4	95.6
Illinois Route 53 Extension / Illiana Expressway Studies	-	0.2	6.8
Sub-Total	26.8	35.4	169.1
Capital Program Sub-total	531.5	377.9	872.0
* "Other" Capital Projects Sub-total	60.0	41.0	50.0
TOTAL CAPITAL PROGRAM	591.5	418.9	922.0

* "Other" Capital Projects 2012 Budget included \$43.5 million new and \$33.7 million carryover totaling \$77.2 million, of which \$60 million was estimated to be expended.

* "Other" Capital Projects 2013 Request includes \$44.2 million new and \$35.2 million carryover totaling \$79.3 million, of which \$50 million is estimated to be expended.

Capital Program

KEY CAPITAL PROJECTS - 2013

Jane Addams Memorial (I-90) – \$415.2 million

- Reconstructing and widening, including bridges
 - ✓ Elgin Plaza - Illinois Route 47 (eastbound)
 - C&NW Railroad
 - Powers Road
 - ✓ Illinois Route 47 – I-39 (eastbound)
 - Kishwaukee River
 - Mosquito Creek
 - Coon Creek
 - U.S. Route 20

- Reconstruction
 - Lee Street Interchange

Capital Program (continued)

KEY CAPITAL PROJECTS - 2013

Tri-State Tollway (I-94/I-294/I-80) – \$36.9 million

- Completion of roadway resurfacing and bridge repairs
 - ✓ 95th Street to Balmoral Avenue
- I-294/I-57 Interchange Project
 - ✓ Relocation and restoration of Dixie Creek to be completed end of 2013
- Bridge and ramp repairs
 - ✓ Corridor wide

Capital Program (continued)

KEY CAPITAL PROJECTS - 2013

Reagan Memorial Tollway (I-88) – \$5.5 million

- Completion of rehabilitation and repairs of pavement and bridges
 - ✓ Illinois Route 251 to Illinois Route 56

Veterans Memorial Tollway (I-355) – \$23.2 million

- Resurfacing pavement
 - ✓ I-55 to Army Trail Road
- Replacing underpass lighting
 - ✓ Under Reagan Memorial Tollway (I-88)

Capital Program (continued)

KEY CAPITAL PROJECTS - 2013

System Expansion Needs - \$169.1 million

- Tri-State Tollway (I-294)/I-57 Interchange
- Elgin O'Hare Western Access
- Illinois Route 53/120 and Illiana Expressway Studies

Capital Program (continued)

KEY CAPITAL PROJECTS - 2013

Systemwide – \$218.0 million

- Illinois Route 47 Interchange Project
- Bridge improvements
- Pavement improvements
- Toll collection technology
- Maintenance facilities improvements
- Program support

2013 “Other” Capital Projects Highlights

KEY CAPITAL PROJECTS - 2013

(\$ millions)

“Other” – \$79.3 million

✓ Program support costs	\$ 23.3
✓ Technology	\$ 22.5
✓ Building repairs and maintenance	\$ 9.9
✓ Roadway vehicle and equipment	\$ 7.9
✓ Intelligent Transportation Systems	\$ 5.6
✓ Environmental/ Research	\$ 1.8

"Other" Capital Projects 2013 Request includes \$44.2 million new and \$35.2 million carryover totaling \$79.3 million, of which \$50 million is estimated to be expended.

2013 TENTATIVE BUDGET - Summary

KEY HIGHLIGHTS – 2013 BUDGET

- Revenues continue to show steady growth
- 2nd year of *Move Illinois* – total 2013 Capital Program \$922 million
- Base operating cost consistent with plan at 4 percent growth
- \$1 billion of new bond issuance to provide funding for current and future capital costs
- Technology investments support improved customer service

Appendix

Maintenance and Operations

2013 Budget By Department

(\$ thousands)

Department	2012 Budget	2013 Budget Request	\$ Change from 2012 Budget	% Change from 2012 Budget
Administration	\$3,975	\$4,132	\$157	4.0%
Business Systems	50,714	52,203	1,489	2.9%
Communications	1,296	1,360	64	4.9%
Diversity & Strategic Development	783	1,396	614	78.4% (1)
Engineering	64,850	71,908	7,058	10.9% (2)
Executive Office and Directors	1,613	1,662	48	3.0%
Finance	42,176	43,779	1,603	3.8%
Information Technology	10,617	12,176	1,559	14.7% (3)
Inspector General	775	812	37	4.8%
Internal Audit	1,005	1,046	41	4.1%
Legal	1,628	1,750	122	7.5%
Procurement	3,993	4,231	238	6.0%
State Police	28,146	29,633	1,487	5.3%
Toll Operations	55,952	57,329	1,377	2.5%
Total	\$267,523	\$283,418	\$15,895	5.9%

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

(1) Reflects new Technical Assistance Program for Small Business - \$300 thousand.

(2) Accounting classification changes - \$4.3 million.

(3) Reflects funding for TRMMP software license renewals previously funded out of Business Systems - \$1.4 million



Capital Program Summary

(\$ millions)

	2012 Budget	2012 Estimated Expenditures	2013 Request
Move Illinois Program			
Existing System Needs	\$214.1	\$100.6	\$601.8
System Expansion	26.8	35.4	169.1
Move Illinois Program Total	\$240.9	\$136.0	\$770.9
Congestion-Relief Program and "Other" Capital Projects			
Congestion-Relief Program	\$290.6	\$241.9	\$101.1
"Other" Capital Projects *	60.0	41.0	50.0
Congestion-Relief Program and "Other" Capital Projects Total	\$350.6	\$282.9	\$151.1
Capital Program Total	\$591.5	\$418.9	\$922.0

* "Other" Capital Projects 2012 Budget included \$43.5 million new and \$33.7 million carryover totaling \$77.2 million, of which \$60 million was estimated to be expended.

"Other" Capital Projects 2013 Request includes \$44.2 million new and \$35.2 million carryover totaling \$79.3 million, of which \$50 million is estimated to be expended.



Move Illinois Program Summary

(\$ millions)

	2012 Budget	2012 Estimated Expenditures	2013 Request
Existing System Needs			
Jane Addams Memorial Tollway (I-90)	\$78.1	\$50.4	\$411.7
Tri-State Tollway (I-94/ I-294/ I-80)	16.6	1.4	18.1
Veterans Memorial Tollway (I-355)	18.7	0.1	19.5
Reagan Memorial Tollway (I-88)	20.3	2.0	0.0
Systemwide Improvements	80.4	46.7	152.5
Existing System Needs Total	\$214.1	\$100.6	\$601.8
System Expansion			
Tri-State (I-294)/ I-57 Interchange	\$11.9	\$14.9	\$66.7
Elgin O'Hare Western Access	14.9	20.4	95.6
Illinois Route 53/ Illiana Expressway Studies	0.0	0.2	6.8
System Expansion Total	\$26.8	\$35.4	\$169.1
Move Illinois Program Total	\$240.9	\$136.0	\$770.9

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



Congestion-Relief Program Summary

(\$ millions)

	2012 Budget	2012 Estimated Expenditures	2013 Request
Congestion-Relief Program (CRP)			
Tri-State Tollway (I-94/ I-294/ I-80)	\$139.8	\$121.7	\$18.8
Jane Addams Memorial Tollway (I-90)	20.7	23.5	3.5
Reagan Memorial Tollway (I-88)	70.2	69.0	5.5
Veterans Memorial Tollway (I-355)	5.0	2.5	3.7
Open Road Tolling (ORT)	2.0	0.8	4.1
Systemwide Improvements	52.9	24.2	65.4
Congestion-Relief Program Subtotal	\$290.6	\$241.9	\$101.1
"Other" Capital Projects Subtotal *	60.0	41.0	50.0
CRP and "Other" Capital Projects Total	\$350.6	\$282.9	\$151.1

* "Other" Capital Projects 2012 Budget included \$43.5 million new and \$33.7 million carryover totaling \$77.2 million, of which \$60 million was estimated to be expended.

"Other" Capital Projects 2013 Request includes \$44.2 million new and \$35.2 million carryover totaling \$79.3 million, of which \$50 million is estimated to be expended.



Debt Service Schedule

Estimated Debt Service Schedule

Fiscal Year	Principal	Interest	Debt Service
2013	\$92,855,000	\$224,208,756	\$317,063,756
2014	97,795,000	230,518,681	328,313,681
2015	123,446,000	225,315,256	348,761,256
2016	129,322,000	219,548,461	348,870,461
2017	133,753,000	213,656,821	347,409,821
2018	161,231,000	207,129,026	368,360,026
2019	169,142,000	199,170,022	368,312,022
2020	176,299,000	191,719,685	368,018,685
2021	184,736,000	183,039,268	367,775,268
2022	193,575,000	173,938,479	367,513,479
2023	202,878,000	164,411,079	367,289,079
2024	204,139,000	153,424,080	357,563,080
2025	213,258,000	144,295,859	357,553,859
2026	229,909,000	135,310,582	365,219,582
2027	240,889,000	124,774,172	365,663,172
2028	252,262,000	114,818,476	367,080,476
2029	263,600,000	104,315,801	367,915,801
2030	275,057,000	93,285,468	368,342,468
2031	279,097,000	84,363,430	363,460,430
2032	293,212,000	68,968,762	362,180,762
2033	308,041,000	52,796,804	360,837,804
2034	327,418,000	34,511,680	361,929,680
2035	113,306,000	15,995,070	129,301,070
2036	118,406,000	10,896,300	129,302,300
2037	123,734,000	5,568,030	129,302,030
	\$4,907,360,000	\$3,375,980,048	\$8,283,340,048

NOTES

- Includes existing debt service plus assumed new money issuance of \$500M in the first quarter and \$500M in the second quarter, both at 5%.
- 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