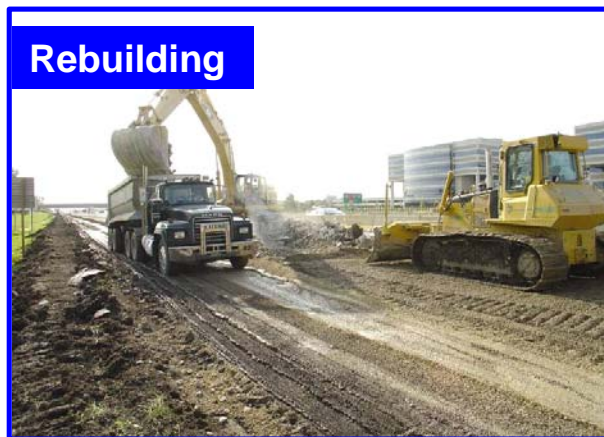
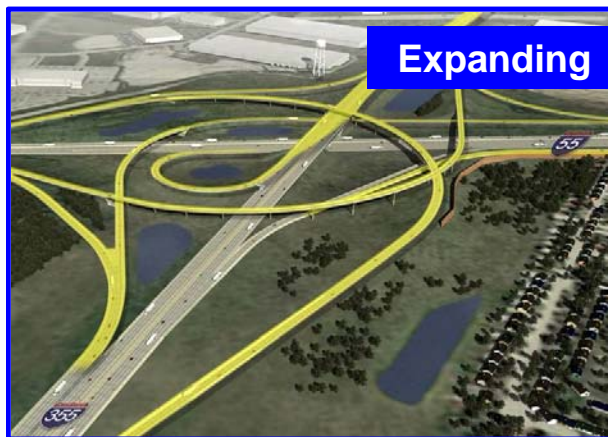


2006 Budget



December 22, 2005

Governor Rod Blagojevich

Chairman John Mitola

Executive Director Jack Hartman

Rod Blagojevich, Governor

Ex-Officio—Member

John Mitola, Chairman

Term expires May 1, 2007

Jack Hartman, Executive Director

David Andalcio, Director

Term expires: May 1, 2007

James Banks, Director

Term expires: May 1, 2005

Steven Harris, Director

Term expires: May 1, 2009

Ronald Materick, Director

Term expires: May 1, 2007

Betty-Ann Moore, Director

Term expires: May 1, 2007

George Pradel, Director

Term expires: May 1, 2007

James Roof, Director

Term expires: May 1, 2009

Carl O. Towns, Director

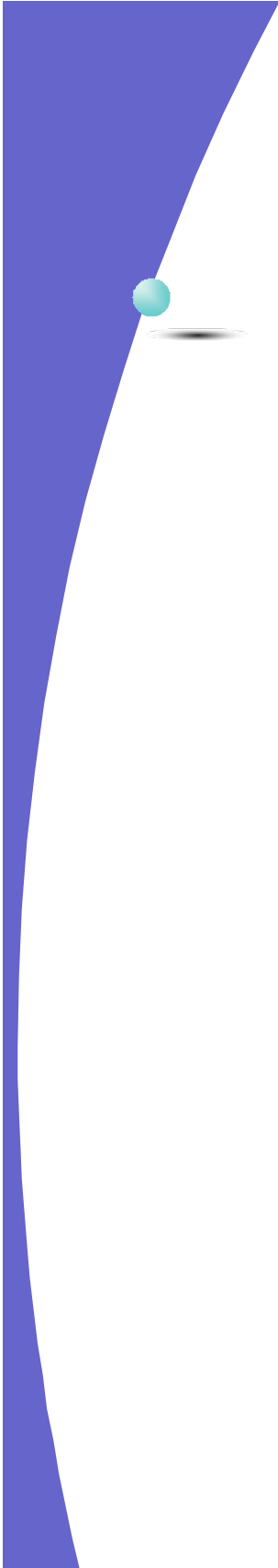
Term expires: May 1, 2009

Timothy Martin, Director IDOT

Ex-Officio—Member

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Executive Letter

Executive Letter

December 22, 2005

To the Honorable Chairman and Board of Directors:

The Illinois Tollway continues to blaze a new trail toward congestion relief as the Tollway enters the second year of *Open Roads for a Faster Future*, the largest, fastest and most innovative overhaul of the Tollway in nearly 50 years. Governor Rod R. Blagojevich's comprehensive plan to reduce congestion and travel times is well on its way toward the goal of bringing quality-of-life improvements to drivers, residents, businesses and local municipalities in the 12 Northern Illinois counties served by the Tollway.

The Tollway has already achieved key milestones during the first year of the *Open Roads* Congestion-Relief Plan that will shave travel times for Tollway customers in the second most congested city in the nation. In 2006, drivers will be enjoying the following improvements that are reducing congestion and enhancing safety.

New Open Road Tolling Lanes

They'll be breezing through new Open Road Tolling lanes delivered to 9 mainline toll plazas. Drivers with I-PASS no longer have to slow down, merge, change lanes, or stop to pay tolls, since their tolls are being collected electronically by monotubes overhead.

Improvements on Reagan Memorial

Drivers heading to and from the western suburbs and beyond will be traveling on rebuilt pavement widened to four lanes on the Reagan Memorial Tollway (I-88) between IL Route 59 and Naperville Road.

Farther west on I-88, drivers will be driving on rehabilitated pavement resulting from construction that saved time and money by using a unique Rubblization technique. Crews completed the job in less than six months on a 30-mile stretch of the Reagan Memorial between IL 251 and US 30.

Progress on I-355 South Extension

Meanwhile, communities in Bolingbrook, Lemont and southward charted the steady and on-time progress of crews moving earth and grading the land for the new 12.5 mile South Extension of the North-South Tollway (I-355) from the Stevenson Expressway (I-55) to I-80.

To date, the Tollway has awarded more than \$1.4 billion in contracts to fund the myriad construction projects of the *Open Roads* plan, pumping the equivalent of \$4 billion in benefits to local economies. The promise of good-paying jobs has become a reality for the hard-working men and women who've helped keep the capital plan on target during its first year.

Executive Letter

In 2006, crews and the staff who support them will be funded to ensure additional progress to meet the Governor's demands to provide additional congestion relief as soon as possible.

- Delivering Open Road Tolling (ORT) lanes to remaining mainline toll plazas, for a total of 20 plazas converted to ORT by the end of 2006.
- Completing the rebuild and widening of the 5.4 mile southern leg of the South Tri-State from 167th St. to IL 394, where the Tollway meets the Kingery Expressway (I-80/94). Work on the northbound lanes began in 2005; the southbound lanes will be rebuilt and widened during 2006.
- Beginning Phase II of rebuilding and widening to four lanes the South Tri-State Tollway from 167th Street to 95th Street.
- Rebuilding and widening to four lanes in each direction the Tri-State Tollway from Balmoral Avenue to Dempster Street.
- Rebuild and widening to four lanes the five-mile section of the Reagan Memorial Tollway (I-88) from Washington Street to Finley Road.

Virtually all the initiatives in the 2006 budget are aimed at providing the necessary construction support for the Congestion-Relief Plan; serving and supporting the growing population of 2.4 million I-PASS transponders -- the Tollway's most effective congestion-relief tool; and improving operations through vigilant adherence to the Governor's Tollway reform agenda.

Customer Service Intelligent Transportation System (ITS)

Funds are devoted to purchasing/distributing new transponders as the Tollway expects continued demand for I-PASS as customers realize the congestion-relief benefits of the new ORT lanes and the advantages of using I-PASS on the Chicago Skyway and the E-ZPass system on the East Coast.

The Tollway is leveraging the power of technology to improve incident management and customer communications by funding ITS. This will include maintenance and operating funds for the network of 33 over-the-road Dynamic Message signs, adding 72 new fixed cameras for a total of 222 closed-circuit cameras and a new automatic vehicle location tool to improve maintenance of traffic through expanded monitoring of incidents, traffic and conditions.

Public Safety

Increasing the presence of Illinois State Police District 15 and enforcing speed limits continue to be priorities. By the end of 2006, 30 new State Police cadets will be serving and protecting customers. State Police will also have 55 new patrol vehicles and a new tool to nab speeders – LIDAR guns, which offer greater accuracy in catching speeders, even when approaching a patrol car from the rear.

Executive Letter

Supporting the Congestion-Relief Plan

The Tollway Congestion-Relief Plan is on track and under budget and initiatives are being funded to ensure continued progress in the Capital Program while progressing the reform mandates. Expertise and support will be expanded in Engineering, Finance, IT and Violation Enforcement.

The Tollway's Disadvantaged Business Enterprise program continues finding innovative ways to provide opportunities for women and minority-owned firms by developing a Mentor/Protégé initiative. Funds are also being allocated to ensure contractors, unions and other participants are keeping their commitments to disadvantaged firms and/or disenfranchised workers involved in various Tollway projects.

Business Efficiencies

Making government run like a business is one of the guiding principles of the Tollway reform agenda, so in 2006 funds will support equipment, software and administrative costs to improve management of toll violations and bring in a new partner, Electronic Transaction Consultants Corp. (ETC) to take over management of the Violation Enforcement System (VES).

The Tollway is overhauling its Information Technology (IT) network and the variety of systems that handle key functions such as budgeting, accounting, purchasing, human resources, fleet, road maintenance and payroll. Implementation of the new Enterprise Resource Planning system, the IT network infrastructure upgrade, and the capacity boost to the highly-visited Tollway web site – www.illinoistollway.com -- are aimed at increasing operating efficiencies and improving service to the Tollway's external and internal customers.

The following pages demonstrate that the Fiscal Year 2006 budget gives priority to the continued and much-needed improvements that will deliver congestion relief to the drivers on the Tollway's 274 mile system. It will also reflect the Tollway's unwavering commitment to reforming the Illinois Tollway and transforming it into a prototype of tollway design and construction for the 21st century.

Sincerely,



Jack Hartman
Executive Director



Executive Summary

Executive Summary

Budget Fiscal Year 2006 – *Open Roads for a Faster Future* Year Two of Systemwide Rebuild Continues

In 2006, the rebuilding of the Illinois Tollway continues as we enter the second year of Governor Rod Blagojevich's Congestion-Relief Plan (CRP) *Open Roads for a Faster Future*. This \$5.3 billion plan to rebuild the Tollway to reduce travel times continues its first major phase of work to:

- Rebuild/restore 90 percent of the system;
- Add lanes to 117 miles of existing roads;
- Convert 20 mainline toll plazas to Open Road Tolling by 2006; and
- Build the long-awaited I-355 South Extension by 2007

The Tollway is on schedule and well on its way to making the systemwide improvements initiated during the first year of the CRP. While designers, engineers, construction crews and support staff work together on multiple road projects, the Tollway is committed to following the principles of the Governor's reform agenda launched nearly three years ago.

Like all operations at the Tollway, the CRP is driven by the goals of increasing accountability, implementing business efficiencies and improving customer service. In the second year of the CRP, the Tollway will continue to devote resources to provide all the necessary support for employees who serve our customers—whether they're rebuilding roads to reduce congestion, providing the most up-to-date construction-related traffic information, helping stranded motorists, or assisting I-PASS customers.

2005 Accomplishments

ACCOUNTABILITY

The Tollway continued efforts to increase accountability and fulfill the pledge to act as a trustworthy steward of toll revenues.

The nation's top three rating agencies responded positively to the Tollway's reform agenda in their reviews conducted before the sale of \$770 million in Tollway bonds required to help finance the CRP. Moody's Investors Service upgraded Tollway bonds to an Aa3 rating with stable outlook from an A1 rating with stable outlook. Fitch Ratings confirmed its AA– rating and improved the Tollway's rating outlook to stable. In addition, Standard & Poor's confirmed its AA– rating with a stable outlook.

All the agencies commended the Tollway's new management team, reform agenda and Congestion-Relief Plan. Their positive responses (in excerpts below) contributed to the Tollway obtaining favorable interest rates when bonds were issued in June.

Fitch Ratings

"...the new management team has made considerable strides in gaining community and political support by incorporating their input into decision-making..."

Executive Summary

Standard & Poor's

(We are) "encouraged in management's hands-on approach to managing the program, which includes rigorous project management oversight systems and careful phasing of construction projects to limit traffic disruptions."

Moody's Investor's Service

"The stable outlook is based on Moody's expectation that the Authority will be able to implement its (Plan) on time and within budget and that the toll increase together with continued growth in traffic will provide revenues sufficient to sustain the Authority's record of sound financial operations."

The Tollway continued to find innovative ways to increase diversity among the firms seeking to do business with the agency. The Tollway initiated a Disadvantaged Business Enterprise (DBE) Program and increased DBE participation in construction contracts from 1.5 percent in 2004 to 15 percent in 2005. Participation from Minority and Women-owned Business Enterprises (M/WBE) seeking professional services consultant contracts increased from 15 percent to 30 percent during the same period.

For the second straight year, the Government Finance Officers Association (GFOA) awarded the Illinois Tollway with its GFOA Distinguished Budget Presentation Award for the 2005 Budget submitted to the Board, made available to the public through public meetings and posted on the Internet. The Illinois Tollway is the only Tollway listed in the GFOA Annual Report as winning this award.

In September, the Illinois Tollway further demonstrated that it is accountable to customers by obtaining ISO 9001:2000 Certification from the International Organization for Standardization (ISO). The Tollway's ISO Certification for Program Management Services capped a year-long application and review process to prove that it is following international standards for quality management throughout the process of producing and delivering quality products to customers. The Tollway is the first tollway in the nation to receive ISO Certification and the only state-level highway agency to receive it for Program Management.

BUSINESS EFFICIENCIES

Since I-PASS continues to be the Tollway's most effective congestion-relief tool, the Tollway continued its unique public-private partnership to sell I-PASS at more than 200 Jewel-Osco stores in the Chicago metropolitan area, Northwest Indiana, and along the Illinois-Wisconsin border.

Additionally, customers in cars were encouraged to buy an I-PASS in order to avoid the toll rate increase that took effect on January 1, 2005. As a result of these efforts, 2.3 million transponders — an increase of 1 million or 78.2 percent over August 2004 to August 2005 — have been distributed. The majority of purchases were made through the Tollway's retail partners, while transponders were also sold online at www.getipass.com, at the Tollway's Customer Care Center, and through the I-PASS

Executive Summary

Customer Call Center. I-PASS usage is now 74 percent overall.

In May, the Tollway reached an agreement with the Chicago Skyway so I-PASS customers can use their transponders on the 7.8 mile bridge that connects the Dan Ryan Expressway (I-94) with the Indiana Toll Road.

In an effort to make interstate travel smoother, the Tollway also integrated with the E-Z Pass system in September. I-PASS customers can now use their transponders on all 22 U.S. Tollways, bridges and tunnels in 11 states that accept E-ZPass (mostly on the East Coast), and E-ZPass is now accepted on the Illinois Tollway.

The Tollway's award-winning Violation Enforcement System (VES) continued working on behalf of 96 percent of honest toll-paying customers who pay their fair share to ride the system. As of October 15, 2005, VES collections totaled \$44.4 million. And the program is meeting its primary goal of deterrence. The toll violation rate remains steady at just under 4 percent, despite an increase in unattended lanes that provide more opportunities to cheat.

In late August, the Tollway launched a 60-day Toll Violation Amnesty Program that took effect after the Governor signed the Tollway Reform Bill. The Amnesty Program collected \$1.7 million from toll violators who chose to clean their slate at a reduced rate in order to avoid stiffer sanctions that were in force when the Amnesty Program expired on October 21, 2005.

CUSTOMER SERVICE

In 2005, four shiny new Oases served as bright, inviting beacons to travelers seeking food and retail services. Representing the new era of customer service at the Illinois Tollway, the newly redeveloped DesPlaines, Lake Forest, and Hinsdale Oases opened on the Tri-State, while the DeKalb Oasis opened on the far western stretch of the Reagan Memorial. The Tollway, along with its partner Wilton Partners, is now operating a total of six Oases, while construction progresses at the last oasis to be opened next spring—the Lincoln Oasis on the South Tri-State.

The new oasis tenants meeting the needs of our customers include: McDonalds; Stonebridge Café; McTreat; Travel Mart; Starbucks, Panda Express; Krispy Kreme Doughnuts; Famous Famiglia, Nickels & Dimes, Massage in a Minute, Foto Fantasy, Mrs. Fields Cookies, Oasis Cellular, Auntie Anne's, Connexus, Music Recyclery, Tobacco Room, Tropicana Smoothies; Subway, and Fifth Third Bank.

The Oasis Redevelopment Project is a 25-year public private venture under which Wilton Partners and ExxonMobil can invest as much as \$100 million to rebuild and modernize the Tollway's seven Oases at no cost to Tollway customers.

To improve on-the-road customer communications, the Tollway added 12 more over-the-road Dynamic Message Signs (DMS), for a total of 33 signs aimed at sharing travel time information and reducing delays caused by weather or traffic-related incidents.

Executive Summary

CONGESTION-RELIEF PLAN—YEAR ONE

Open Road Tolling

The Tollway kicked off work to convert traditional barrier toll plazas to Open Road Tolling (ORT), the cornerstone of the CRP. Work began to deliver ORT at 9 mainline toll plazas by year's end: Boughton Rd. and Army Trail Rd. plazas on the North-South Tollway (I-355), and Touhy Ave., 82nd St., 83rd St., Cermak Rd., Irving Park Rd., and Edens Spur Toll plazas on the Tri-State Tollway (I-94/294), and Aurora toll plaza on the Reagan Memorial Tollway (I-88).

Work also began on most of the remaining mainline plazas where ORT conversion is scheduled to be completed by 2006: South Beloit, Belvidere, Marengo, Elgin, Devon Ave., and River Rd. on the Northwest Tollway (I-90), and Meyers Rd. on the Reagan Memorial Tollway (I-88).

South Tri-State

The massive South Tri-State project continued with the rebuild and widening of 5.4 miles of the northbound lanes from I-394 to 167th St. The reconstruction of the Cal-Sag Bridge was also completed in 2005.

Reagan Memorial Tollway

The 5-mile washboard on I-88 was widened and reconstructed from IL 59 to Naperville Road, which included the reconstruction of the Mill Street Bridge.

The Tollway will complete the 32-mile rubblization on the west end of I-88 from IL 251 to U.S. Rt. 30. Part of this project includes the installation of Barrier Median Cable to improve safety and prevent cross-over accidents. This new device is also being installed on the west end of I-90.

I-355 Extension

Major clearing and earthwork continued on the I-355 South Extension. Construction entrances were also built to move equipment at Cedar Rd., IL Route 6, Bruce Rd., 167th St., Gougar Rd., 163rd St., and 159th St.

SUPPORTING THE CONGESTION-RELIEF PLAN

With major construction projects underway on virtually every segment of the system, the Tollway invested considerable resources in 2005 to ensure that road work projects remained within budget and on schedule. At the same time, initiatives were launched to inform customers about upcoming roadwork and minimize the inconveniences that often accompany major road projects.

The Tollway progressed the development of its Infrastructure Management Services to store, retrieve, map and analyze data about the Tollway system and the CRP.

Phase I of the Tollway's Enterprise Resource planning (ERP) system was implemented

Executive Summary

in 2005, which will improve management processes relating to the general ledger, budget, purchasing, human resources, fleet management, and other agency-wide needs.

Customer Communications were bolstered to provide Tollway drivers with more updates on traffic, construction projects and upcoming congestion relief. In addition to almost daily construction alerts sent to the media outlets and trucking firms so they are aware of construction stage changes that impact drivers, customers can also get lane closure information at www.illinoistollway.com and 1-800-TOLL-FYI. The Tollway also debuted a monthly e-newsletter to I-PASS customers, to keep them updated on construction, I-PASS, and improvements underway as part of the CRP.

The Tollway continued to evaluate, simplify and enhance roadway signage to keep customers informed and improve safety. Additionally, static and over-the-road Dynamic Message Signs (DMS) were deployed to inform drivers of lane shifts and other changes to traffic staging.

In January, the Tollway debuted a new e-mail traffic alert service provided through a unique private-public partnership with NBC5 Chicago. Drivers can sign up for real-time alerts sent to their computers, cell phones, and/or PDAs, that are personalized to their own daily travel routes.

H.E.L.P. Truck patrols were expanded in 2005 to respond and clear the road of incidents/accidents systemwide from 5 a.m. to 8 p.m. and 24 hours a day, 7 days a week in construction zones.

The Tollway expanded its Intelligent Transportation systems (ITS) by installing Queue Detection Warning Systems for detecting back-ups and potential safety risks on ramps, so customers could be immediately alerted about traffic conditions while on the road.

To monitor traffic movement through construction zones, the Tollway expanded the use of closed-circuit video cameras and added wireless cameras.

The Tollway completed a travel time interface with IDOT to provide travel times to downtown Chicago and enhance information on overhead Dynamic Message Signs.

Four Motorcycle Patrols were implemented in construction zones to improve State Police response to accidents.

To improve public safety, the Tollway purchased State Police IWIN computers for each squad car so officers have access to real-time information in law enforcement data banks. Two new K-9 patrols were also created to assist in vehicle searches on the road.

Executive Summary

Fiscal Year 2006 Budget - Overview

Most new initiatives in the 2006 budget reflect the priorities of the *Open Roads For a Faster Future* plan and the need to ramp up operations in support of the extensive program.

As the Tollway continues through year two of the \$5.3 billion Congestion-Relief Plan, it has remained steadfast in the vow to spend toll dollars wisely and do more with existing resources.

CUSTOMER SERVICE

I-PASS Support

\$36.5 million (capital and operations)

- The Tollway is purchasing new transponders, to keep up with demands for I-PASS, at a cost of approximately \$20 million. Demands for new transponders are likely to come from increased I-PASS use on the Chicago Skyway and on the E-ZPass system.

Intelligent Transportation System (ITS)

\$7.4 million (capital)

- Maintaining and operating the expanded network of 33 over-the-road Dynamic Message Signs
- Closed Circuit TV/DMS Digital Conversion, an additional 72 fixed cameras-location based on a site location survey
- Converting camera feeds from analog to digital
- Automatic Vehicle Location - a tool to be installed in various roadway vehicles including H.E.L.P. Trucks and Incident Response Vehicles.
- Ramp Queue Detection - remote traffic monitoring sensors that will provide speed volume and occupancy information of vehicles traveling on the roadway. The ramp locations will provide ramp backup information that can alert technicians of the conditions and can also be tied into the DMS to message the motorists.

Customer Communications/Signage

\$1.325 million (capital)

- This project will provide signage and public information about traffic incidents and construction projects, and also to encourage motorists to travel safely through construction zones, the new Open Road Toll plazas, and throughout the system.

Executive Summary

PUBLIC SAFETY

District 15 State Police

Personnel and Equipment -\$2.5 million (operations and capital)

- 30 additional Troopers will allow District 15 to increase their presence and will assist them in enforcing moving violations more efficiently while improving roadway safety conditions for all Tollway patrons. The Tollway will co-sponsor an Illinois State Police Academy class in mid-2006 at an approximate cost of \$1 million. Cadet Classes have a 26-week duration.
- The addition of 30 Troopers will also require standard issue law enforcement equipment which includes:
 - ◇ Patrol Vehicles - 30 new patrol vehicles for the cadets and 55 new patrol vehicles to replace a portion of the aging fleet at a cost of approximately \$1.9 million.
 - ◇ Speed Detection Equipment –Vehicles will be equipped with Lidar Radar Guns and Talon Direction Radar devices. The Talons allow for the apprehension of speeding motorists that approach from behind a patrol vehicle.
- The addition of 30 Troopers will also generate non-personnel services costs for standard issue law enforcement equipment such as speed detection equipment and IWIN portable computers that would be included in the new patrol vehicles.

SUPPORTING THE CONGESTION-RELIEF PLAN

Increased Staffing

- The Tollway proposes adding 16 new positions in Finance, Engineering, VES, and Information Technology to support the Congestion-Relief Plan. However, the Tollway is reducing headcount by 36 positions due to the elimination of lane walker and toll collector positions as Open Road Tolling continues to be implemented. The overall effect is 20 less positions.

Executive Summary

Disadvantaged Business Enterprise Program

\$480 thousand (capital)

- The Tollway will continue to seek innovative ways to build a diverse vendor base through its Disadvantaged Business Enterprise (DBE) program. During 2005, the National Economic Research Association (NERA) was retained to provide an interim disparity study and availability analysis to ensure that the Tollway reaches the goals of the DBE program. Funds will also be used to: develop a Mentor/Protégé Program for professional service contracts; develop a Bonding and Finance initiative; create DBE payment reporting tools and site monitoring programs, as well as other related activities.

BUSINESS EFFICIENCIES

Toll Collection Implementation, Development and Administration

\$28 million (capital and operations)

- The Tollway is contracting with a new partner to upgrade its ORT implementation and assist with managing toll violations. \$22 million is dedicated to capital equipment purchases and \$6 million is dedicated to administrative purposes.

Violation Enforcement System

\$10 million (operations)

- Funding for the purchase and lease of equipment and the licensing of software and maintenance for the Violation Enforcement System (VES) is increasing \$1.9 million for a partnership with new vendor ETC, which will fully take over the VES system in mid-2006.

Infrastructure Management Services

\$1.8 million (capital and operations)

- The expansion of the Infrastructure Management Service initiative will greatly improve the Tollway's ability to organize, analyze and map geographic information in support of the CRP. Program costs include software licenses and a professional fee.

Executive Summary

Enterprise Resource Planning

\$12.3 million (operations and capital)

- The Tollway has been relying on an aging patchwork of systems to handle many functions, including budgeting, accounting, purchasing, human resources, fleet and roadway maintenance and payroll. The fragmentation hampers operational efficiency and inhibits information access and analysis sought by departments trying to efficiently manage programs and services. Phase I has begun on a new Enterprise Resource Planning (ERP) system, which will provide a detailed assessment of the Tollway's current business systems and the development of an alternative system.

Five new positions are being requested to work in Information Technologies, Finance, and Purchasing to ensure seamless implementation of the project.

IT Network Infrastructure Upgrade

\$8.0 million (capital)

This project represents a comprehensive upgrade and modernization of the Tollway network infrastructure and should dramatically expand capacity and capability that will accommodate Tollway growth.

The role of the network is central to the Tollway's operations from revenue collection and violation enforcement, to roadway incident response and public safety services. The Tollway Next Generation Network (NGN) provides numerous benefits to the Tollway operations including support for the following:

- The increase in I-PASS and violation enforcement network traffic resulting from ORT
- The planned expansion of video surveillance and roadway monitoring
- The support of public safety systems
- Accommodate growth and other external demands (State and Federal requirements) on the Tollway infrastructure

Web and E-Commerce

\$2.0 million (capital)

- With the implementation of ORT and the CRP, the volume of customers seeking information about construction or Tollway programs, or using the website for I-PASS online account management will continue to increase. These funds will be deployed to improve capacity of the Tollway's Web site, www.illinoistollway.com. Using the web site is the most cost-efficient way to communicate with our customers.

Executive Summary

Budget Summary

Revenue Estimates for 2006

Tollway revenues are estimated to total \$624 million in 2006, a decrease of 1 percent from the 2005 revenue estimate of \$630 million.

The principal source of revenue for the Tollway comes from the collection of tolls and recoveries from the violation enforcement program. The Tollway's Traffic Engineers, Wilbur Smith and Associates, estimate expected revenue from toll transactions, indicating toll revenue that would be collected if all transactions were collected at the appropriate toll. The Traffic Engineer estimates are adjusted to reflect losses associated with violations, equipment failure and other minor revenue leakage. The Tollway then adds back revenues collected through its violation enforcement program.

For 2006, Wilbur Smith and Associates estimates expected toll revenue to be \$603 million in toll revenue, a \$6 million decrease from the 2005 estimate. Other 2006 revenues include \$17 million from investment income and \$4 million from concessions and miscellaneous sources.

Revenue Revisions for 2005

The current 2005 revenue projections were revised downward from the estimates prepared last year. Toll revenue estimates were decreased to reflect higher than anticipated I-PASS usage during 2005. Subsequent to the increase in cash tolls effective January 1, 2005, I-PASS usage increased more rapidly than expected, comprising 74 percent of transactions. The increase in I-PASS usage has stabilized in recent months, and is expected to grow slightly in 2006. In addition, Wilbur Smith and Associates has indicated the recent increases in gasoline prices have contributed to a \$6 million reduction in estimated tolls for 2005.

The 2005 revenue reduction has been offset by lower than budgeted debt service payments. The 2005 budget included an allocation of \$120 million for debt service. A later bond sale and low interest rates have allowed the Tollway to allocate only \$99 million for debt service payments in 2005.

Allocation of 2006 Revenues

The Tollway proposed budget allocates revenue to four major accounts. These accounts include Maintenance and Operations (M&O), Debt Service, Renewal and Replacement, and Improvements. Renewal and Replacement and Improvements comprise current resources allocated to fund the Tollway capital program.

The 2006 Tentative Budget allocates \$624 million of revenue as follows:

Executive Summary

The Maintenance and Operations (M&O) budget is \$219.8 million, an increase of \$8.9 million or 4.2 percent over 2005 operating expenses of \$210.9 million.

The Debt Service budget is \$130 million, reflecting \$117 million for outstanding debt and \$13 million for interest and principal on new bonds. The Debt Service payments are increasing \$31 million over the 2005 payment due to the 2005 debt issuance and an anticipated 2006 debt issuance.

Remaining revenues of \$274 million are allocated to the Renewal and Replacement and Improvement Accounts, providing a significant source of funding for the Congestion-Relief Program and other non-roadway capital investments.

In addition to current revenues generated by the Tollway, the 2006 Tentative budget anticipates the sale of \$700 million of bonds to be utilized for the Congestion Relief Plan.

Maintenance & Operations Budget

The M&O Budget will fund the ongoing operating costs of the Illinois Tollway. The Tollway is requesting a \$219.8 million budget, which is an increase of \$8.9 million or 4.2 percent over the 2005 revised budget.

Increased Costs

The Tollway's largest operating cost is personal services such as payroll, Social Security and retirement, representing 52.6 percent of total operating expenditures and 18.5 percent of all spending. The total cost is \$115.5 million, an increase of \$1.3 million, or about a 1 percent increase. However, Salaries and Wages are increasing \$5.3 million, or 5.8 percent to ramp up professional staffing for engineers, finance staff, and information technology support through 2005 and 2006. The increases in those accounts have been offset by the reduction the State Employee Retirement Benefits as directed by the State.

In total, insurance accounts for \$31.2 million or 14.2 percent of the M&O budget. The Tollway pays for group health insurance, property insurance, workman's compensation insurance and the Illinois State Police District 15 group health insurance.

Bonded Indebtedness

The Tollway has budgeted \$130 million in 2006, to pay debt service on \$1.38 billion of outstanding debt, and interest payments on \$700 million in new bonds expected to be issued during 2006.

Net revenues available to pay debt service are estimated to total \$404 million in 2006, providing debt coverage of 3.1 times estimated debt service.

Executive Summary

2006 CAPITAL PROGRAM

During Fiscal Year 2006, the Tollway Capital Program reflects \$1.2 billion for the Renewal/Replacement and Improvement Program, commonly referred to as the Capital Program. The Tollway 10-year Capital Program is divided into two parts: the Congestion-Relief Plan, funded at \$5.3 billion, with another \$600 million budgeted for other capital needs that support the Tollway such as roadway equipment and vehicles, building repair and improvements, and current technologies. The program also included “carry-over” funds that were budgeted and not spent in the previous year. In FY 2006, the Capital Program will also include new funds derived from bond issuance and deposited into the Construction Fund, which will be used to help fund various projects in the Congestion-Relief Plan.

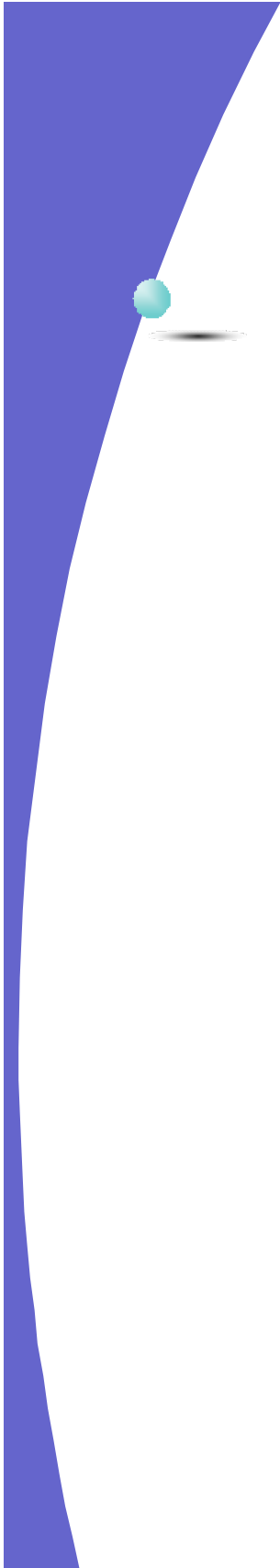
The Capital Program is funded at \$1,210 million, with \$1,088 million for construction projects; and \$122 million for non-roadway system wide maintenance.

More details on the Capital Program can be reviewed on pages 97-108.

CONCLUSION

This Fiscal Year 2006 budget reflects the Governor’s goal to reduce travel times and directly responds to customers’ support of Tollway improvements presented during the 2004 public hearings on the Congestion-Relief Plan and the related toll increase. Open Road Tolling and the other massive construction projects underway in 2006 will bring direct, quality-of-life benefits to the drivers and communities in the 12 counties that rely on the access and mobility provided by the Illinois Tollway. I-PASS customers will be realizing the benefits of Open Road Tolling, which will be delivered by the end of 2006. The driving experience will be improved for cash-paying customers too, since major road widening and restoration projects continuing in 2006 will increase capacity and reduce congestion. And finally, the progress in building the I-355 South Extension will bring residents in fast-growing Will County closer to the promise of greater access and economic development.

These improvements are consistent with Governor Rod Blagojevich’s reform mandates: delivering more with less, being frugal with customers’ toll dollars, carefully managing existing resources and providing customer service at the highest levels possible.



Tollway Organization and Background

Tollway Organization and Background

The Tollway System

The Tollway system currently consists of the Tri-State, Northwest, Ronald Reagan Memorial, and North-South Tollway. They form approximately 274 miles of limited-access highways, in 12 counties, all of which are designated as part of the Interstate Highway System.

Since beginning operations in 1958, the Tollway system has served an important role in the development of the northern Illinois economy. During its initial operation, the Tollway system permitted rapid interstate travel between northern Illinois, Indiana, and Wisconsin. As the suburban area surrounding Chicago expanded throughout the 1960's and 1970's, the Tollway system evolved into primarily a commuter travel system, serving suburban Chicago and O'Hare International Airport.

The Tri-State Tollway, I-94, I-294, I-80/I-94, and Edens Spur, is an 84-mile beltway around the Chicago metropolitan area, extending from Indiana at the intersection of the Kingery Expressway and the Calumet Expressway, north to the Wisconsin state line. Completed in 1958, the Tri-State cost about \$242 million to build and includes 41 interchanges, 23 toll plazas, and 4 oases.

The Northwest Tollway, I-90, is a 76-mile route that begins at the intersection of the Tri-State Tollway and the Kennedy Expressway near O'Hare International Airport, continues west to Rockford and then travels north ending near the Wisconsin border. Completed in 1958, construction of the Northwest Tollway totaled just over \$100 million. The Northwest Tollway includes 20 interchanges, 17 toll plazas, and 2 oases.

The Ronald Reagan Memorial Tollway, also known as the East-West Tollway I-88, includes 22 interchanges, covers 96.5 miles beginning just east of the junction of the Tri-State Tollway and the Eisenhower Expressway and continuing west to U.S. Route 30 in the Sterling/Rock Falls area. Initial construction from the Eisenhower Expressway to the Aurora Toll Plaza was completed in 1957. The construction of I-88, from Aurora to U.S. 30 was completed in 1974. The East-West Tollway was renamed the Ronald Reagan Memorial Tollway at the request of Governor Rod Blagojevich and following a unanimous vote of the Tollway Board of Directors on June 11, 2004. The Ronald Reagan Memorial includes 22 interchanges, 16 toll plazas, and 1 oasis.

The North-South Tollway, I-355, is a 17.5-mile-long toll highway generally paralleling Illinois Route 53, beginning to the north at Army Trail Road in DuPage County and extending south to Interstate 55 in Will County. Completed in 1989, the North-South Tollway cost approximately \$523 million to construct. The North-South Tollway includes 11 interchanges and 10 toll plazas.

Tollway Organization and Background

Toll Transaction / Revenues

The Tollway system has experienced a steady increase in toll transactions and revenues since its first full year of operation in 1959. In 1959, the Tollway system processed 42.9 million transactions. The latest complete figures show the Tollway processed 819.9 million toll transactions in 2004.

As part of a 2003 management audit of the Illinois Tollway, the State of Illinois Office of the Auditor General found the Illinois Tollway had the second lowest rates among the twenty toll road systems surveyed due to the fact that rates had not been increased in more than 20 years.

In September 2004, the Illinois Tollway Board passed a new 10-year Congestion-Relief Plan which also authorized an increase in tolls. The Tollway immediately embarked on a new 10-Year Capital Program to reduce traffic and congestion by rebuilding and restoring almost the entire system, adding lanes, converting 20 mainline toll plazas to Open Road Tolling by 2006, and building the I-355 South extension into Will County, one of the fastest growing counties in the state.

www.illinoistollway.com

View the 2006 Tentative Budget On-line

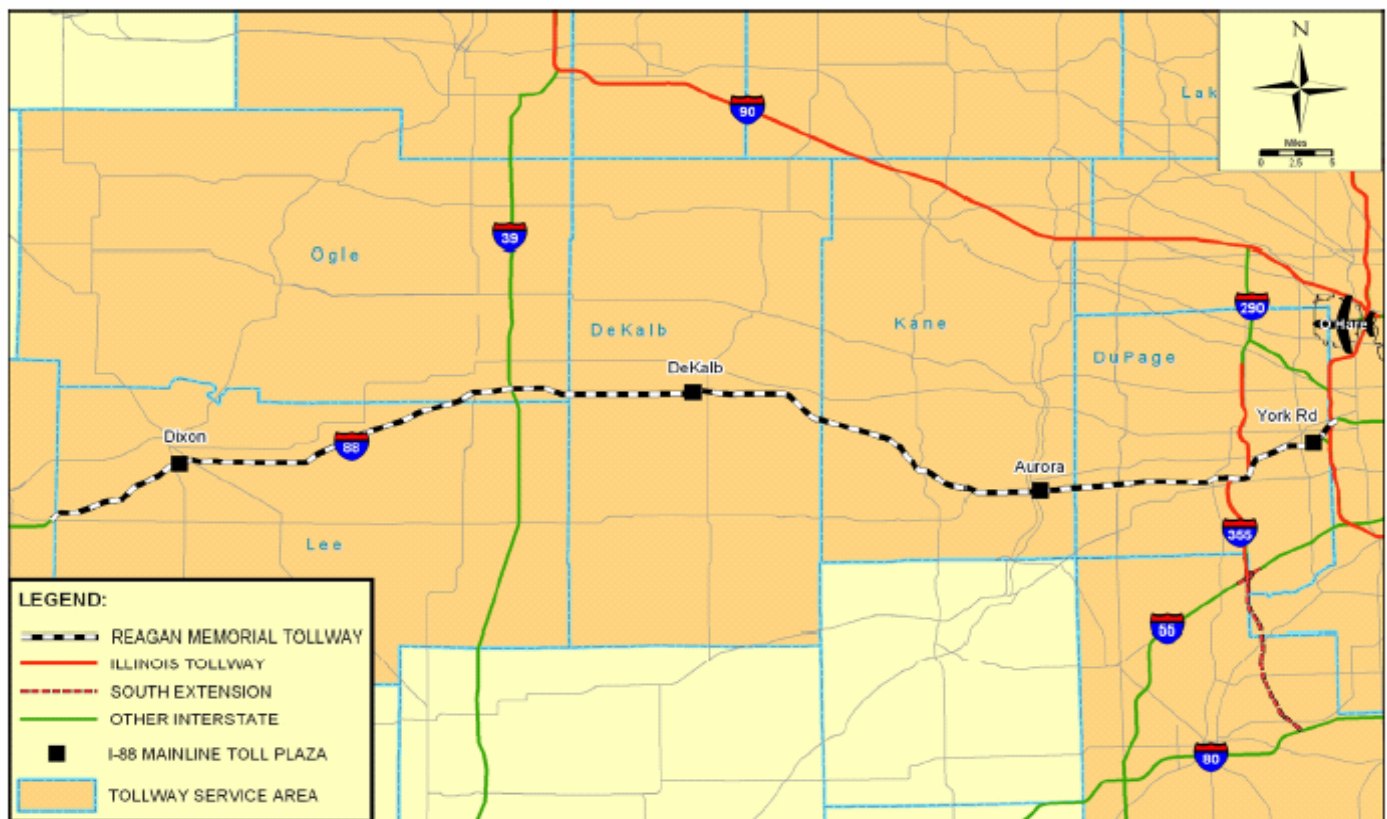
Detailed information about the Illinois Tollway is available by accessing the Illinois Tollway Web Site.

- **The Toll Highway Act (605 ILCS 10)**
- **Trust Indenture**
- **Financial statements including audit, budget, and quarterly reports**
- **Capital Program**
- **Construction Projects**
- **Maps**
- **Contract Awards and Notices**
- **Contact Information**
- **Oases**

Tollway Organization and Background

Ronald Reagan Memorial Tollway (I-88)

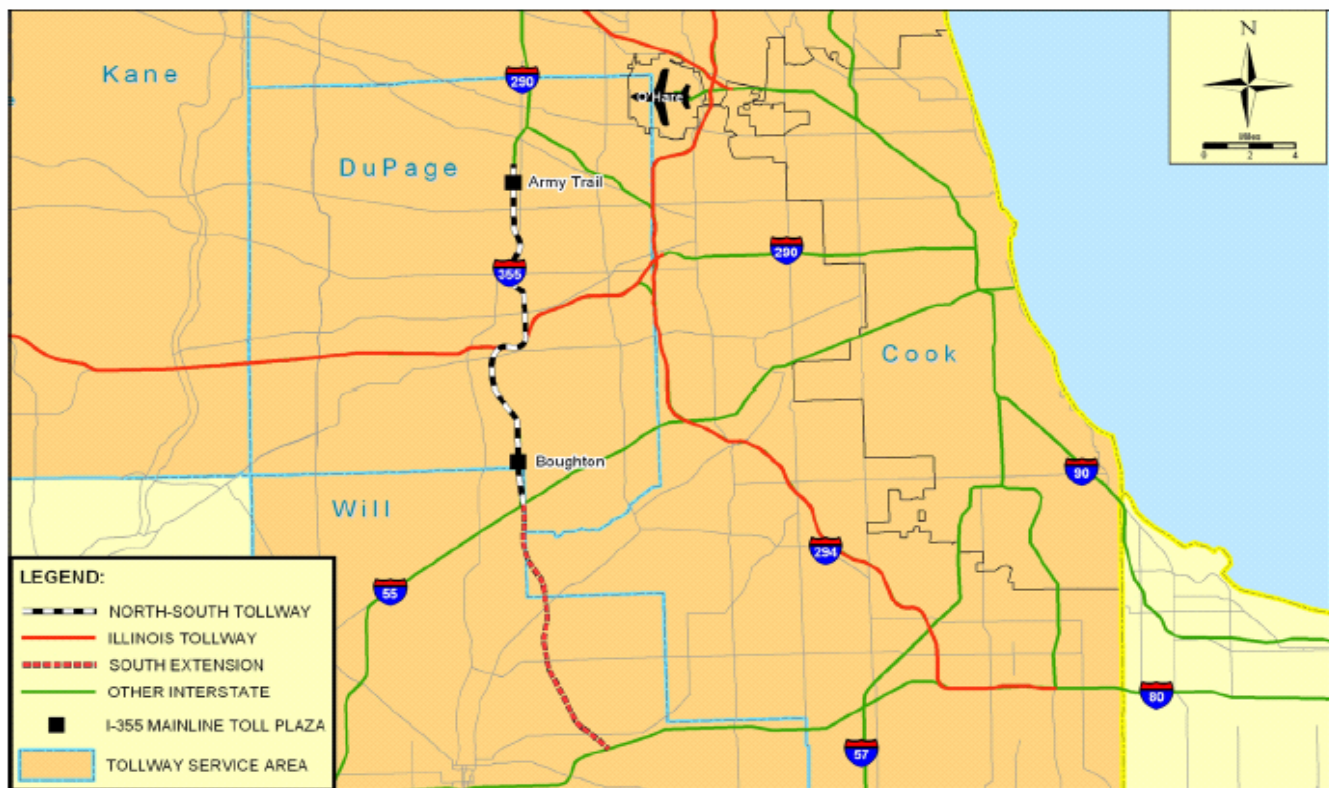
- ◆ 96-mile road has 6 lanes from its eastern end to Aurora Toll Plaza / 4 lanes from Aurora Toll Plaza to western end
- ◆ This route continues, both on the east and on the west, as a free route
 - Eastern end connects with Eisenhower Expressway (I-290) - a direct route into downtown Chicago
- ◆ Eastern section has been an extremely high growth suburban area over the past several decades
 - Kane county is one of the fastest growing counties in Illinois



Tollway Organization and Background

North-South Tollway (I-355)

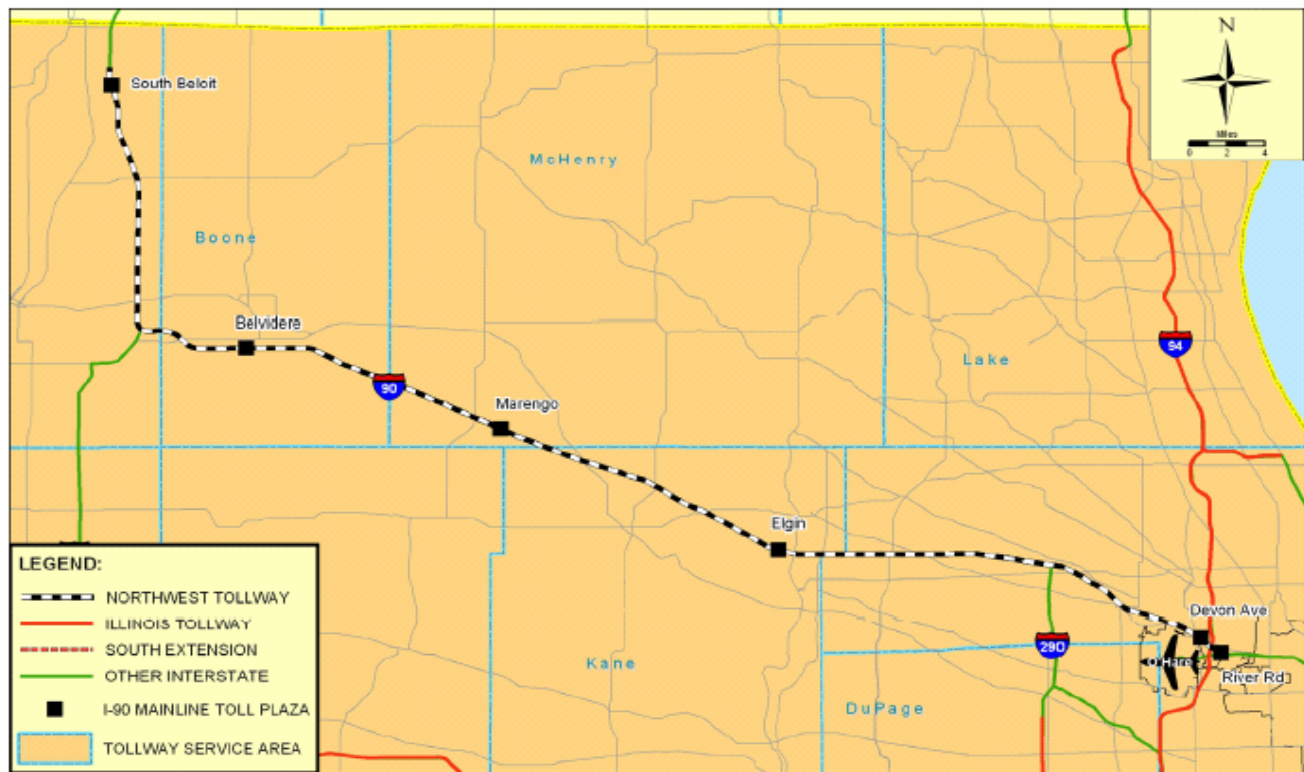
- ◆ 18-mile road has a 6-lane configuration with additional auxiliary lanes at various places
- ◆ Entire corridor/route characterized by developed suburban land
- ◆ Primarily serves DuPage County, which has experienced a great amount of growth over past three decades
- ◆ The South Extension will extend the I-355 by 12.5 miles to serve the growing Will County area and will provide a regional connection that improves access and mobility between I-55 and I-80



Tollway Organization and Background

Northwest Tollway (I-90)

- ◆ 76-mile road connects with the Kennedy Expressway, making it a direct route to O'Hare Airport and to downtown Chicago.
- ◆ Connects to I-294/94 to central Wisconsin and Indiana through the Chicago area
- ◆ 6-lane eastern portion (northwest Cook County area) is one of the most heavily used Tollway routes
 - O'Hare Airport, one of the busiest airports in the world, and heavily populated/ growing suburban areas, are key traffic generators on I-90



Tollway Organization and Background

Tri-State Tollway (I-294/94)

- ◆ 84-mile road functions as only major circumferential roadway around the City of Chicago
 - Bypass around Chicago forms the intercity travel connection from I-80/94 in Indiana to I-94 in Wisconsin
 - Provides access to O'Hare Airport from northern and southern suburbs
- ◆ 8 lane cross-section in central section and 6 lanes at northern and southern ends
- ◆ Most heavily traveled leg of system, particularly by trucks (largest revenue generator)



Tollway Organization and Background

Authorization

The Illinois General Assembly created the Illinois State Toll Highway Commission as an instrumentality and administrative agency of the State of Illinois in 1953. The Commission provided for the construction, operation, regulation, and maintenance of a system of toll highways within the State of Illinois. The Commission officially became a Tollway in March 1969 when the Illinois Supreme Court upheld the constitutionality of a new toll road act that had been passed by the General Assembly on August 8, 1967, effective April 1, 1968. The Tollway assumed all the obligations, powers, duties, functions, and assets of the Commission. The Act authorizes the issuance of revenue bonds for the purpose, among others, of financing expansions of the Tollway system.

The Tollway is also empowered to enter into contracts; acquire, own, use, lease, operate, and dispose of personal and real property, including rights of way, franchises, and easements; to establish and amend resolutions, by-laws, rules, regulations, and toll rates; to acquire; construct, relocate, operate, regulate, and maintain the Tollway system; to exercise powers of eminent domain and condemnation; to raise or lower toll rates; and to contract for services and supplies, including services and supplies for the various patron service areas on the Tollway system.

Board of Directors

The Tollway is governed by an eleven-member Board of Directors that includes the Governor of Illinois and the Secretary of the Illinois Department of Transportation, ex-officio, and nine directors appointed by the Governor with the advice and consent of the Illinois Senate. Directors are appointed for four years, or in the case of an appointment to fill a vacancy, the unexpired term. No more than five directors may be from the same political party. Of the directors appointed by the Governor, one is appointed as Chairperson of the Tollway.

Organizational Structure

The Governor appoints an Executive Director and employs certain other personnel to administer the Tollway system and implement the policies of the Board of Directors. The Tollway's organizational structure consists of 13 primary functions including the Directors Office, Executive Office, Chief Counsel, Engineering, Operational Services, Finance, Administration, Communications & Marketing, Information Technology, Inspector General, Planning, Open Road Tolling & Violation Enforcement System, and State Police District 15.



Financial Policies and Practices

Financial Policies and Practices

The Tollway will follow a defined set of policies and practices for directing the Tollway's fiscal affairs. These policies and practices have been reviewed as part of the financial planning process and are the basis for developing this Financial Plan.

All of the policies and practices are aimed at keeping the cost of operating and maintaining the Tollway as low as possible while providing excellent customer service.

The Financial Plan provides the opportunity for making well-informed decisions, based on adherence to solid, carefully considered policies, and provides a forecast of what the results of today's decisions may reasonably be in the future.

Fiscal Policies and Practices

General

The Tollway has established policies to foster sound financial management and encourage progressive approaches to financing. The annual budget includes a set of policies to be followed in managing the financial and budgetary affairs of the Tollway. These policies will allow the Tollway to maintain its strong financial condition, while providing quality services.

Revenue

Traffic volume assumptions are derived by reviewing historical data and analyzing the impact of current economic conditions, local and regional economic indices, energy price trends, demographic and population trends, employment trends, industry and home building development, household income, and roadway capital projects.

Surpluses identified but not included in the annual base-operating budget are dedicated to the capital plan.

1. The Tollway will maintain a revenue monitoring system to assist in trend analysis and revenue forecasting.
2. The Tollway will support legislation that will allow for expanded and progressive financing measures.
3. The revenue model assumes the toll schedule, which became effective January 1, 2005. The toll rates were passed coinciding with approval of the Congestion Relief Plan on September 30, 2004.

Expenditures

1. The Tollway will maintain a level of expenditures, which will provide for the public well-being and safety of its roads.

Financial Policies and Practices

2. Expenditures will be within the confines of generated revenue, bonds issued for construction and unreserved fund balances.
3. The Tollway will maintain expenditure categories according to state statutes, the Trust Indenture and administrative rules.
4. The Tollway will forecast its capital expenditures for at least the next ten years and may update this forecast annually with five-year plans. Expenditure forecasts will be cognizant of the elastic and inelastic structure of revenues.
5. Annual operating budgets should provide for adequate design, construction, maintenance, and replacement in the Tollway's Capital Plan.

Debt Administration

1. The Tollway will maintain regular communication with credit rating agencies and facilitate disclosure of financial and management issues important to investors. The Tollway will follow a policy of full disclosure in financial reporting.
2. Capital plans proposed for financing through debt should be accompanied by an analysis of the future maintenance and operations costs associated with the projects.
3. The Tollway will oversee and coordinate the timing, process of issuance, and marketing of bonds and other capital financing activities required in support of its Capital Plan.
4. The Tollway will set aside sufficient current revenues to finance ongoing maintenance needs.
5. No debt will be issued for the purpose of funding capital projects until approved by the Board of Directors at a public meeting.
6. Borrowing should be of a duration that does not exceed the economic life of the improvement that it finances and where feasible, should be shorter than the projected economic life. To the extent possible, the Tollway will design the repayment of debt to recapture rapidly its credit capacity for future use.
7. The Tollway will seek to issue its debt obligations through a sale method that will produce the best results for the Tollway.
8. When determined appropriate and approved by the Board of Directors, the Tollway may elect to sell its debt obligations through competitive sealed bid, competitive selection and negotiation, or a private placement.

Financial Policies and Practices

9. The Tollway may issue advance refunding bonds and current refunding bonds (as defined for federal tax law purpose) when advantageous, legally permissible, prudent, and in the best interest of the Tollway and its patrons.
10. The Tollway may choose to defease its outstanding indebtedness through purchase of its securities on the open market when market conditions make such an option financially feasible.

Reserve Policy

1. The Tollway will maintain an operating reserve. The balance of the fund will be maintained at a level of \$17 million or greater in 2006 excluding capital expenditures. The Board may alter the reserve to best suit financial levels of the Tollway. This reserve shall be created and maintained to provide the capacity to:
 - a) Offset unexpected downturns or revisions in revenues
 - b) Provide a sufficient cash flow for daily financial needs at all times
 - c) Offset unexpected increases in expenditures

Cash Management

1. Under this instrument, the Illinois State Toll Highway Investment Policy ("Policy"), it is the intent of the Illinois State Toll Highway Authority ("Tollway") to invest all funds under the Tollway's control in a manner that provides the highest investment return using safe authorized instruments while meeting the Tollway's daily cash flow demands in conformance with all state statutes and any amended and revised Indenture governing the investment of Tollway funds.

The primary objective in the investment of Tollway funds is to ensure the safety of principal, while managing liquidity to pay the financial obligations of the Tollway, and providing the highest investment return using authorized instruments.

2. The cash management system is designed to accurately monitor and forecast expenditures and revenues, enabling the Tollway to invest funds to the fullest extent possible. The Tollway will match funds to projected disbursements.
3. In order to maximize interest earnings, the Tollway co-mingles all funds. Interest revenue derived from co-mingled cash is allocated to the participating funds monthly.
4. Criteria for selecting investments and the order of priority are:

Financial Policies and Practices

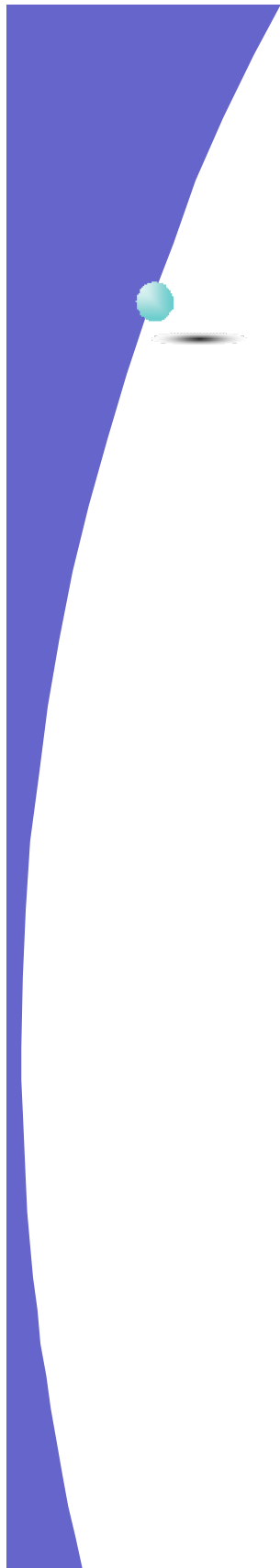
- A) **Safety.** The safety of principal is the foremost objective of the investment program. Tollway investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To attain this objective, diversification is required to ensure that the Tollway prudently manages market, interest rate and credit risk.
- B) **Liquidity.** The investment portfolio shall remain sufficiently liquid to enable the Tollway to meet all operating requirements that might be reasonably projected.
- C) **Return on Investment.** The investment portfolio shall be designed to obtain the highest available return, taking into account the Tollway's investment risk constraints and cash flow needs.

Accounting, Auditing and Financial Reporting Policies

1. The Tollway's financial statements include all activities that are part of the Tollway's reporting entity because of the significance of the operational and financial relationship in conformity with Governmental Accounting Standards Board Statement (GASB) No. 14, *The Financial Reporting Entity*.
2. The Tollway uses the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized in the period in which it is earned, and expenses are recognized in the period in which they are incurred. This is a flow of economic resources measurement focus.
3. The Tollway is established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that costs of providing goods or services to the Tollway customers on a continuing basis be financed or recovered primarily through tolls.
4. The Tollway will establish and maintain a high standard of accounting practices in conformance with Generally Accepted Accounting Principals for governmental entities as promulgated by the Governmental Accounting Standards Board.
5. The accounting system will maintain records on a basis consistent with accepted standards for governmental accounting.
6. An independent firm of certified public accountants will perform an annual financial and compliance audit accruing to Generally Accepted Auditing Standards (GAAS) and will publicly issue an opinion, which will be incorporated in the Comprehensive Annual Financial Report (CAFR).
7. The Tollway will annually seek the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program.

Financial Policies and Practices

8. The Tollway will use accrual basis accounting for its proprietary funds (enterprise and internal service funds). Revenues are recognized in the accounting period they are earned and become measurable. Expenses are recognized in the accounting period in which the liability is incurred.
9. The Tollway will promote full disclosures in its annual financial statements and its bond presentations.
10. For purposes of the Statement of Cash Flows, the Tollway considers all highly liquid investments including restricted assets with a maturity of three months or less when purchased and all investments held by the State Treasurer's Office to be cash equivalents, as these investments are available upon demand.
11. The Tollway adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement requires that governmental entities should report investments at fair value in the balance sheet with the corresponding changes in fair value of investments being recognized as revenue in the operating statement



Fund Structure

Fund Structure

Fund and Account Description:

The Amended and Restated Trust Indenture, effective March 31, 1999, outlines an agreement, or contracts between the Tollway, the Trustee, and the Holders which pledges the Tollway's revenues, moneys, securities in all funds and accounts to secure payment on the bonds. The Trust Indenture defines the following funds, accounts and transfers:

The Revenue Fund

All revenues received by the Tollway other than investment income shall be delivered by the Tollway to the Treasurer, for deposit in the Revenue Fund. On or before the 20th day of each month the Treasurer shall, at the direction of the Tollway, transfer or apply the balance as of such date of transfer in the Revenue Fund not previously transferred or applied in the following order of priority:

- A. To the Operating Sub-Account, Operating Expenses set forth in the Annual Budget for the Fiscal Year in an amount equal to one-twelfth of the total approved budget.
- B. To the Operating Reserve Sub-Account, as specified by the Tollway, but not to exceed thirty percent of the amount budgeted for operating expenses.
- C. To the Interest Sub-Account, an amount equal to interest due on updated bonds, plus one-sixth of the difference between the interest payable on bonds and interest due within the next six months.
- D. To the Principal Sub-Account, an amount equal to any principal due plus one-twelfth of any principal of such Outstanding Senior Bonds payable on the next principal payment date.
- E. To the Redemption Sub-Account, an amount for each bond equal to one-twelfth of any Sinking Fund Installment of Outstanding Bonds payable within the next twelve months.
- F. To the Provider Payment Sub-Account, amounts as provided in any Supplemental Indenture for paying Costs of Credit Enhancement or Qualified Hedge Agreements for Bonds or for making reimbursements to Providers of Credit Enhancement or Qualified Hedge Agreements for Bond.
- G. To the Debt Reserve Account, an amount sufficient to cause the balance in it to equal the Debt Reserve Requirement and to make reimbursement to Providers of Reserve Account Credit Facilities.
- H. To the Junior Bond Debt Service or Junior Bond Debt Reserve Account, any amounts required by Supplemental Indentures.
- I. To the Renewal and Replacement Account, one-twelfth the portion of Renewal and Replacement set forth in the Annual Budget for the fiscal year.

Fund Structure

J. The balance of such amounts in the Revenue Funds are to be applied as follows:

- (1) To the credit of the Improvement Account for allocation to a project as determined by the Tollway in its sole discretion, until the balance in the Account is equal to the Improvement Requirement or a lesser amount as the Tollway may from time to time determine.
- (2) To the credit of the System Reserve Account, the entire amount remaining in the Revenue Fund after depositing or allocating all amounts required to be deposited to the credit of the above Accounts and Sub-Accounts.

Maintenance and Operation Account

The Maintenance and Operation Account consists of the Operating Sub-Account and the Operating Reserve Sub-Account. Moneys in the Operating Sub-Account are applied to Operating Expenses at the direction of the Tollway.

Revenues are transferred to the Operating Sub-Account to cover the Expenses set forth in the Annual Budget for the current Fiscal Year. One-twelfth of the operating expenses outlined in the annual budget are transferred to this account once a month.

The Operating Reserve Sub-Account receives or retains an amount not to exceed 30 percent of the amount budgeted for Operating Expenses in the Annual Budget for the current Fiscal Year. Monies in the Operating Reserve Sub-Account are held as a reserve for the payment of Operating Expenses and are to be withdrawn from if monies are not available to the credit of the Operating Sub-Account to pay Operating Expenses.

If the Tollway determines that the amount in the Operating Reserve Sub-Account exceeds that amount necessary, the excess will be withdrawn from such Sub-Account and applied as Revenues. By resolution, the Board voted to maintain a \$25 million fund balance in this account and has subsequently authorized a fund balance of \$17 million.

Debt Service Account

The Debt Service Account consists of the Interest Sub-Account, the Principal Sub Account, the Redemption Sub-Account, and the Provider Payment Sub-Account, to be held by the Trustee.

Revenues are required to be deposited to cover the interest and principal amounts due and unpaid for bonds, Credit Enhancement or Qualified Hedge Agreements.

Revenues must also be deposited to the credit of the Debt Reserve Account, in an amount sufficient to cause the balance in it to equal the Debt Reserve Requirement.

Fund Structure

The Debt Reserve Account receives funds to provide an amount sufficient to cause the balance in it to equal the Debt Reserve Requirement to make any required reimbursement to Providers of Reserve Account Credit Facilities.

Renewal and Replacement Account

Revenues must be credited to the Renewal and Replacement Account in an amount set forth in the Annual Budget for the Renewal and Replacement Deposit. An amount set forth in the budget shall be determined based on recommendations of the Consulting Engineer. Additional funds can be transferred to this account by the Tollway, based on the Capital Plan expenditures.

Improvement Account

At the direction of the Tollway, the balance of amounts in the Revenue Fund are applied to the Improvement Account, for allocations to projects, determined by the Tollway, until the balance in the Account is equal to the Improvement Requirement.

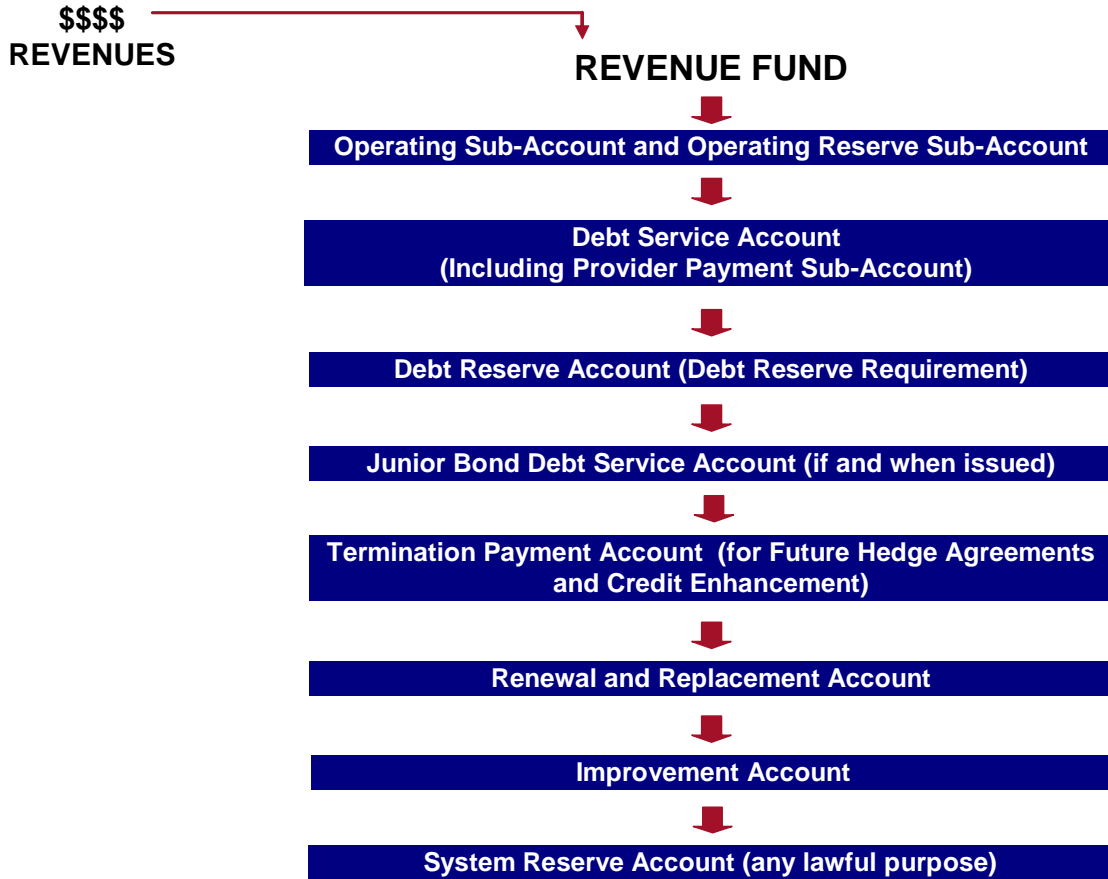
System Reserve Account

At the direction of the Tollway, the balance in the Revenue Fund is deposited to the credit of the System Reserve Account to provide for deficiencies in any other account or sub-account. If all accounts have sufficient funds System Reserve Account funds can be used to pay off debt, fund construction projects, make improvements or pay for any other lawful Tollway purpose.

The Construction Fund

The Construction Fund is held as a separate segregated fund. The Construction Fund receives funds from the sale of bonds and investment of proceeds. No toll revenues are deposited in this fund. The Treasurer may deposit any such separate, segregated accounts within the Construction Fund with the Trustee, pursuant to the provisions of a Supplemental Indenture.

Overview of Flow of Funds





Revenue Sources and Underlying Assumptions

Revenue Sources and Underlying Assumptions

Toll Revenues & Evasion Recovery

For budgetary purposes, the revenues generated from toll collection and evasion recovery have been combined to correctly associate revenues from evasion recovery programs with toll revenues.

Toll Revenues*

In March of each year, the Illinois Tollway's independent Traffic Engineering consultant, Wilbur Smith Associates, provides annual toll revenue estimates. The toll revenue estimates are updated in October, reflecting actual toll revenues for the first eight months of the year and updated construction schedules. At this time, an estimate of next year's toll revenue is also prepared.

A number of factors combine to influence a motorist's trip making and route choice decisions. These decisions may be influenced by variables such as traffic levels and congestion on existing roads; motor fuel prices; major roadway construction projects; and economic conditions in the county, state, and local area. The process employed attempts to account for all these factors in arriving at the toll revenue estimates.

A review is conducted of the economic and demographic conditions in the State, region, and the specific project corridors, which have historically had an impact on vehicular travel on the Tollway. The actual and anticipated future economic performance of the nation and the State of Illinois are reviewed, in addition to socioeconomic factors such as population, employment, housing, and retail sales trends. Based on qualitative assessment of the performance of these variables over the recent past and expected behavior in the near future, in conjunction with Tollway traffic trend data, roadway improvement information, and capacity constraint considerations, the future year traffic potential of the Tollway System is estimated.

Prior year monthly transactions represent the starting point in the future year estimation process. Prior-year transaction data is entered into a database for each of four vehicle classes. The first class, Passenger Vehicles (Class 1), includes automobiles, motorcycles, taxis and two-axle, four-tire trucks. The other vehicle classes are small, two-axle, six-tire (Class 2); medium, three-and four-axle (Class 3); and large vehicles with five or more axles (Class 4). These classes include cars with trailers.

Vehicles using the Illinois Tollway must pass through and pay a toll at one or more toll plazas from point of entry to point of exit. The toll payment at each plaza is recorded as a vehicle transaction. Experience has shown that the number of transactions in a particular month may be influenced by several variables including construction projects both on and off the Tollway; the local, regional and national economic climate; non-recurring incidents such as weather and special events; and the number of weekdays and weekend days or holidays in the month.

*Wilbur Smith Associates October 2005

Revenue Sources and Underlying Assumptions

Impacts need to be accounted for in several ways before future-year estimates can be finalized. First, the prior-year actual transactions may need to be adjusted to account for temporary impacts, which may have shifted traffic from normal travel patterns onto or off the Tollway. This adjustment allows for a “normalized” base condition (i.e., what traffic would have been in the absence of these special or abnormal conditions) to be established.

Once this new benchmark has been estimated, impacts representing the anticipated effects on traffic during the coming year are accounted for. Some impacts are more difficult to quantify since they are based on unknown or expected future conditions which may occur to a greater or lesser degree than anticipated. For example, economic indicators are used to estimate the percent increase in traffic anticipated during the coming year. These indicators include changes in population, employment and unemployment, household income, CPI and GDP growth, and motor fuel prices, among others.

Major construction projects both on the Tollway and on feeder or competing highways are evaluated to estimate their positive (diverting trips to the Tollway) or negative (diverting trips from the Tollway) traffic impacts. Tollway projects include new interchanges, mainline widening, resurfacing and reconstruction, toll plaza reconstruction, bridge and cross road rehabilitation, and interchange reconstruction, among others. Typical off-Tollway projects have included resurfacing, repair, and/or reconstruction of major arterial and limited-access roadways, roadway widening, intersection reconstruction, and bridge rehabilitation. The various traffic impacts are applied to the prior year annual transactions to generate base case transaction estimates for the forecast year.

The base case transaction estimates for 2005 represented the transactions that would have been expected to occur if toll rates stayed the same as in 2004. As toll rates changed effective January 1, 2005, the effect of these new - - and in some cases higher toll rates - - had to be taken into account. This was done through a travel demand modeling process that simulates trip making and traveler choices based on the difference in travel times on competing routes to the Tollway and on travelers' value of time. As the new toll structure includes rates that depend in part on payment type i.e. cash or I-PASS, participation rates in the I-PASS program also needed to be estimated. These factors were taken into consideration to adjust base case transactions to estimated transactions by month by vehicle class for each toll plaza.

Once the monthly transaction estimates are finalized, they are converted into toll revenue estimates at each plaza by applying the toll rate at the plaza by and class by payment type to the number of transactions in that category. The system revenues are simply the sum of all the revenues by plaza.

Revenue Sources and Underlying Assumptions

Adjustments to Toll Revenue Estimates

The revenue estimates set forth in the Traffic Engineer's estimates are based on "expected revenues." This revenue is based on the assumption that each vehicle passing through a toll plaza would pay the correct and exact toll published for the vehicle's classification, time of day traveled, and method of payment. This assumption does not take into consideration the presence of toll evaders on the system. The Tollway has adjusted this revenue estimate to reflect an estimate of unpaid toll amounts and revenues recovered through the Violation Enforcement System.

Evasion Recovery

Public Act 94-0636 allows the Tollway to implement an extremely aggressive toll violation enforcement operation to collect toll violations. The Tollway's efforts are designed to discourage the remaining 4 percent from evading tolls.

In the past, Tollway staff had issued toll violations manually on a much smaller scale, and although the technology was in place to capture the violations, the Tollway did not have the capacity to keep up with the billing and collections. The new Violation Enforcement System (VES) has been automated to allow for more effective toll violation enforcement. For toll scofflaws who choose not to pay their fair share, \$20 violation notices are issued for every unpaid toll. The fines increase to \$70 per violation if notices are ignored and can lead to court hearings, suspension of license plates and driver's licenses.

The passing of Public Act 94-0636 enabled the Tollway to authorize a one-time, 60-day Amnesty Program for toll scofflaws with outstanding toll violations. Under the Amnesty Program, violators with outstanding tolls had 60 days to pay percentage of their original fines and missed tolls, or face harsher sanctions. This program collected \$1.7 million in fines and missed tolls.

Of the Tollway's total revenues, violation revenue is expected to generate approximately 2.8 percent or \$18 million of all revenues for 2005.

For budget purposes, the revenues the Tollway obtains from violation enforcement is acknowledged when cash is received due to current uncertainties regarding the timing of collections and adjustments for delinquent accounts.

Investment Income

Income from investments is expected to generate \$17 million for the Revenue Fund in each of fiscal year 2005 and 2006. This estimate is based on an average interest rate of 3.25 percent and average cash balances of approximately \$550 million.

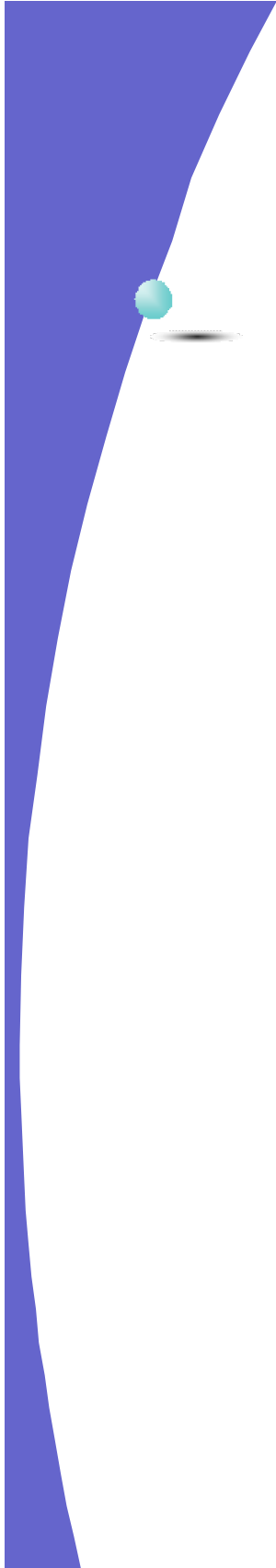
Revenue Sources and Underlying Assumptions

Concessions and Miscellaneous Revenues

Concessions account for \$2 million or nearly half of the miscellaneous revenue. The Illinois Tollway has seven oases located throughout the system. These oases offer food, fuel, and other services to the traveling public. Historically, these services have been provided directly by restaurant and fuel providers with the Tollway receiving rental payments in return.

Other miscellaneous revenues are derived from the following sources:

- Rentals & Easements
- License Fees
- Transponder Fees
- Insufficient I-PASS Fees
- Overweight Vehicles Fines
- Scrap Material Sales
- Finance Charges
- Lease of Fiber Optics
- Other minor sources



Budget Summaries

Budget Summaries

Fiscal Year 2004 - 2006
Statement of Revenues/Expenditures/Transfers and Changes in Fund Balances
(Millions)

Maintenance & Operations Account	2004 Actual	2005 Estimate	2006 Budget
Beginning Fund Balance	\$56.3	\$78.7	\$78.7
Revenue	223.4	210.9	219.8
Expenditures	(198.6)	(210.9)	(219.8)
Interfund Transfers/PY Adj.	(2.4)	-	-
Ending Balance	\$78.7	\$78.7	\$78.7

Renewal & Replacement Account	2004 Actual	2005 Estimate	2006 Budget
Beginning Fund Balance	\$117.0	\$101.9	\$73.9
Revenue	143.8	201.0	175.0
Transfer From the Improvement Account	0.2	-	-
Expenditures	(159.1)	(229.0)	(175.0)
Ending Balance	\$101.9	\$73.9	\$73.9

Improvement Account	2004 Actual	2005 Estimate	2006 Budget
Beginning Fund Balance	\$127.2	\$135.4	\$138.7
Revenue	4.8	119.0	99.0
Transfer to Debt Service	0.0	-	0.0
Expenditures	3.4	(115.7)	(100.0)
Interfund Transfers/PY Adj.	0.0	0.0	0.0
Ending Balance	\$135.4	\$138.7	\$137.7

Construction Fund	2004 Actual	2005 Estimate	2006 Budget
Beginning Fund Balance	\$0.0	\$0.0	\$525.5
Bond Proceeds	0.0	762.0	700.0
Investment Income	0.0	8.0	12.0
Expenditures	0.0	(244.5)	(934.9)
Ending Balance	\$0.0	\$525.5	\$302.6

Debt Service	2004 Actual	2005 Estimate	2006 Budget
Beginning Fund Balance	\$42.8	\$14.4	\$14.1
Revenue	49.2	99.1	130.0
Transfer from Improvement Account	(0.2)	0.0	0.0
Bonds retired from revenue	(42.2)	(45.1)	(47.3)
Interest and other financing costs	(35.2)	(54.3)	(82.7)
Ending Balance	\$14.4	\$14.1	\$14.1

Budget Summaries

Sources of Revenues and Allocations

Fiscal Year 2006 (\$ Millions)

Sources of Revenue	FY 2005	FY 2005	FY 2006
	Budget	Estimates	Projection
Toll & Evasion Recovery	\$638	\$609	\$603
Investment Income	8	17	17
Concessions & Misc	4	4	4
Total	\$650	\$630	\$624

Allocations

M & O	\$211	\$211	\$220
Debt Service	120	99	130
Deposit to RR & I	319	320	274
Total	\$650	\$630	\$624

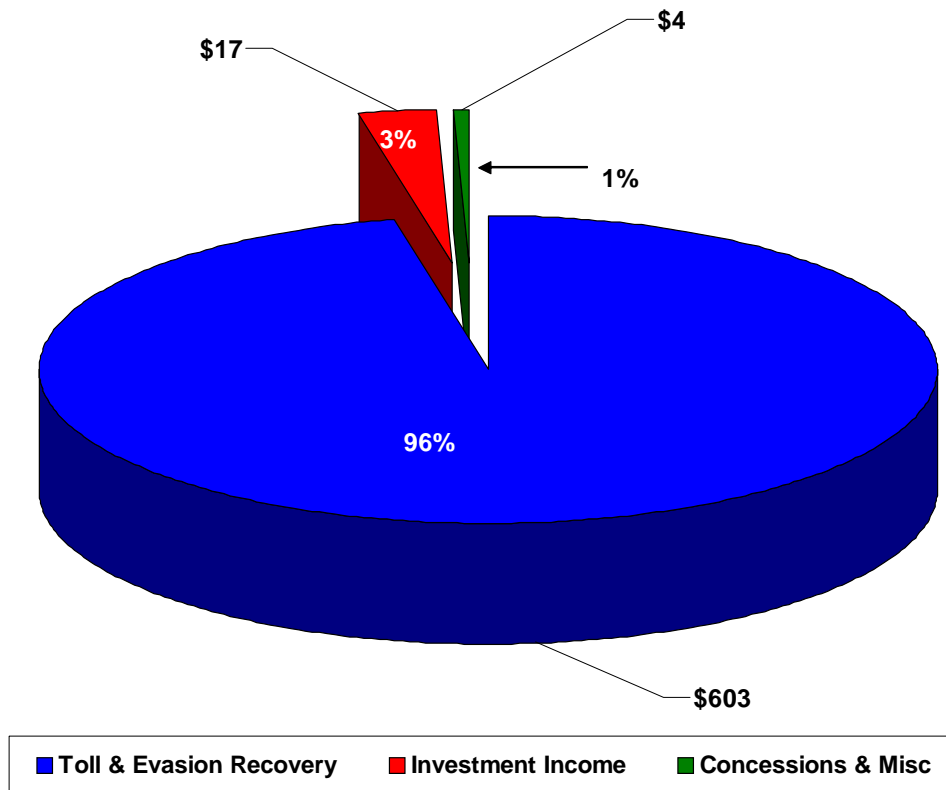
Capital Program Projections

Fiscal Year 2006 (\$ Millions)

	FY 2005	FY 2005	FY 2006
	Budget	Estimates	Projection
Beginning Balance	\$247	\$237	\$738
Deposit in RRI	319	320	274
Bond Proceeds	700	762	700
Construction Fund Interest	7	8	12
Expenditures	(890)	(589)	(1,210)
Total	\$383	\$738	\$514

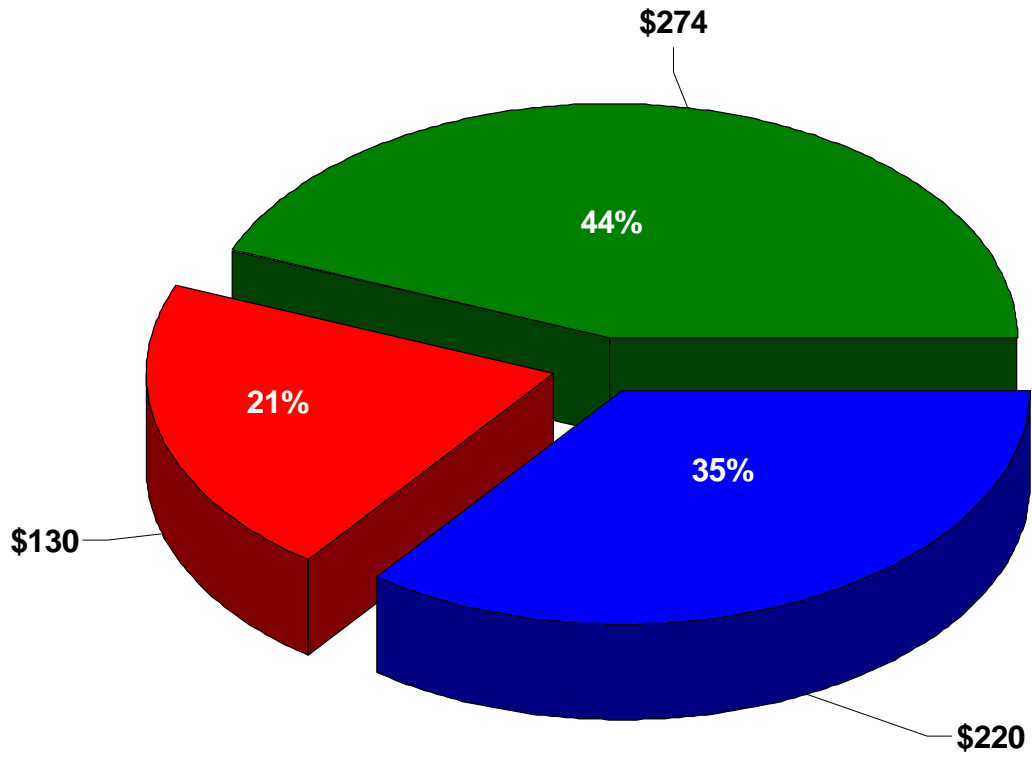
2006 Revenue Projections \$624 Million

(\$ Millions)



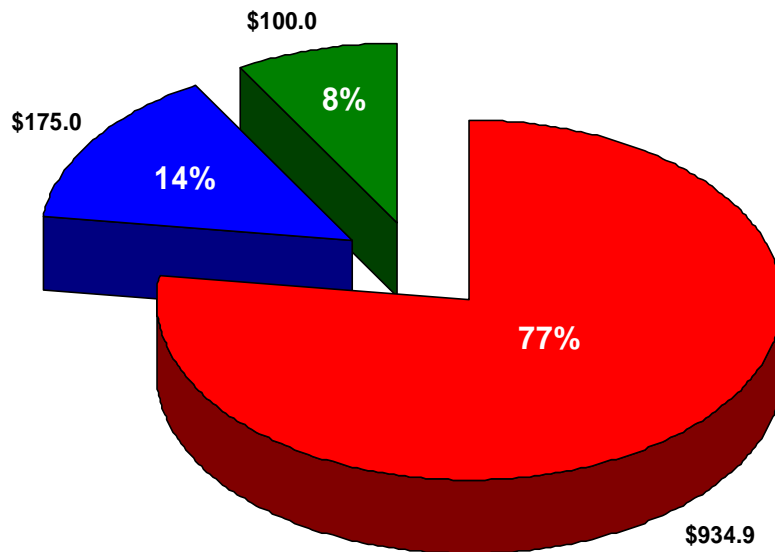
2006 Projected Allocation of Revenue \$624 Million

(\$ Millions)



2006 Projected Capital Expenditures \$1,210 Million

(\$ Millions)



■ Construction Fund ■ Renewal & Replacement Account ■ Improvement Account

2006 Proposed Budgeted Headcount

Department	2003 Budget	2004 Budget	2005 Budget	2006 Budget	Change From 2005 Budget
Administration	62.0	66.0	88.0	88.0	-
Communications	5.0	7.0	8.0	8.0	-
Directors	10.0	4.0	4.0	1.0	(3.0)
Engineering	531.5	512.5	554.5	558.5	4.0
Executive	4.0	4.0	5.0	5.0	-
Finance	45.5	50.0	54.0	57.0	3.0
Information Technology	71.0	71.0	72.0	77.0	5.0
Inspector General	9.0	10.0	13.0	12.0	(1.0)
Legal	22.0	22.0	13.0	12.0	(1.0)
Operational Services	1,052.5	1,010.0	920.0	889.0	(31.0)
Planning	11.0	13.0	12.0	12.0	-
State Police	17.0	17.0	17.0	19.0	2.0
VES	10.0	10.0	10.0	12.0	2.0
Total Headcount	1,850.5	1,796.5	1,770.5	1,750.5	(20.0)

**2006 Maintenance and Operational Budget
by Category
(Millions)**

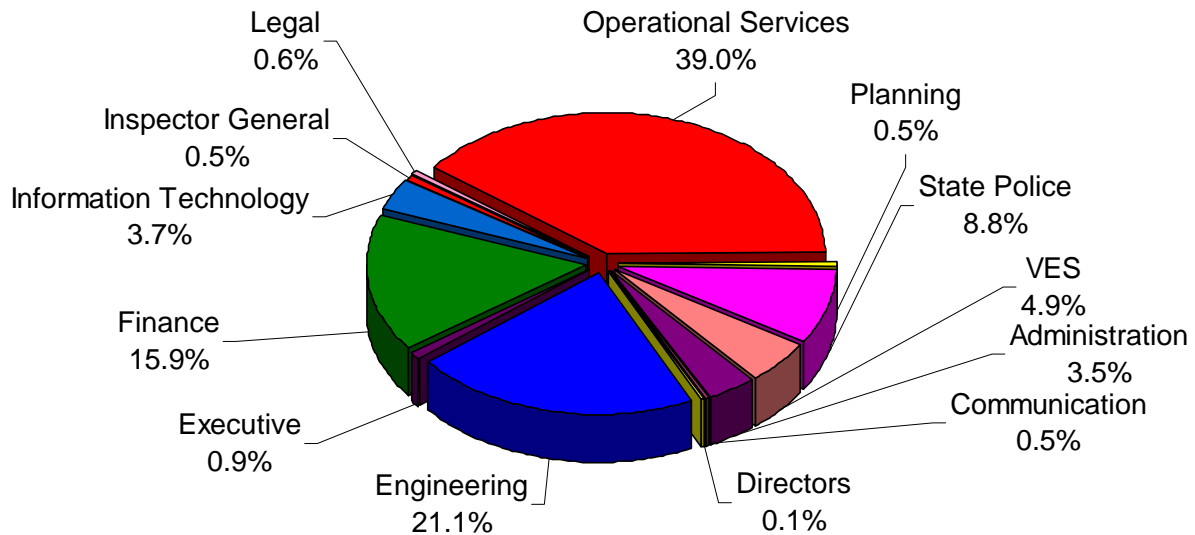
Category	2005 Revised Budget	2006 Budget Request	\$ Change
SALARY & WAGES	\$91.9	\$97.2	\$ 5.3
FICA & RETIREMENT	22.3	18.3	(4.0)
GROUP INSURANCE	24.2	26.5	2.3
CONTRACTUAL SERVICES	26.1	30.0	3.9
OPERATIONAL MATERIALS & SUPPLIES	6.2	5.6	(0.6)
UTILITIES	4.7	5.0	0.3
ALL OTHER INSURANCE	3.7	4.7	1.0
PARTS & FUEL	4.6	4.8	0.2
EQUIPMENT/OFFICE RENTAL & MAINTENANCE	16.4	16.4	0.0
EMPLOYEE DEVELOPMENT	1.4	1.2	(0.2)
OTHER EXPENSES	11.3	11.9	0.6
RECOVERY OF EXPENSES	(1.9)	(1.8)	0.1
TOTAL	\$210.9	\$219.8	\$8.9

Budget Summaries

Fiscal Year 2006 Major Account
Fiscal Year Ending December 31st

Major Account	2006 Budget		
	2005 Revised Budget	Recommendation	\$ Change
SALARY	\$ 37,163,000	\$ 40,381,300	\$ 3,218,300
WAGES	\$ 54,741,000	\$ 56,860,900	\$ 2,119,900
FICA	\$ 6,257,600	\$ 6,399,600	\$ 142,000
RETIREMENT	\$ 16,083,500	\$ 11,923,700	\$ (4,159,800)
Payroll Sub-Total	\$ 114,245,100	\$ 115,565,500	\$ 1,320,400
GROUP INSURANCE	\$ 24,209,700	\$ 26,458,000	\$ 2,248,300
OTHER OUTSIDE SERVICES	\$ 17,443,200	\$ 20,674,100	\$ 3,230,900
OTHER EXPENSES	\$ 11,152,000	\$ 11,356,600	\$ 204,600
EQUIPMENT MAINTENANCE	\$ 12,586,100	\$ 12,222,700	\$ (363,400)
BANK CHARGES	\$ 6,722,000	\$ 7,377,000	\$ 655,000
EQUIPMENT RENTALS	\$ 3,826,300	\$ 4,196,100	\$ 369,800
FUELS AND OILS	\$ 2,503,200	\$ 3,008,600	\$ 505,400
UTILITIES	\$ 3,300,000	\$ 3,500,100	\$ 200,100
MATERIALS - OPERATIONAL	\$ 4,096,500	\$ 3,413,700	\$ (682,800)
PROPERTY INSURANCE	\$ 2,184,000	\$ 2,293,200	\$ 109,200
WORKMAN'S COMP. INSURANCE	\$ 1,475,500	\$ 2,400,000	\$ 924,500
CONSULTING SERVICES	\$ 938,300	\$ 870,000	\$ (68,300)
REPLACEMENT PARTS	\$ 2,009,500	\$ 1,654,000	\$ (355,500)
TELEPHONE & TELEGRAPH	\$ 1,372,200	\$ 1,451,200	\$ 79,000
SUPPLIES - OPERATIONAL	\$ 920,300	\$ 977,300	\$ 57,000
POSTAGE	\$ 719,800	\$ 765,500	\$ 45,700
EQUIPMENT	\$ 145,060	\$ 568,900	\$ 423,840
UNIFORMS & ACCESSORIES	\$ 576,900	\$ 517,800	\$ (59,100)
SUPPLIES - OFFICE	\$ 477,100	\$ 473,400	\$ (3,700)
EMPLOYEE TRAINING	\$ 372,200	\$ 305,600	\$ (66,600)
ARMORED TRUCK SERVICE	\$ 282,000	\$ 260,000	\$ (22,000)
CONTRACTED OUTSIDE SERVICE	\$ 169,700	\$ 281,400	\$ 111,700
ADVERTISING & PROMOTION	\$ 292,700	\$ 257,200	\$ (35,500)
TRAVEL	\$ 209,100	\$ 206,300	\$ (2,800)
DUES, BOOKS & SUBSCRIP.	\$ 195,330	\$ 186,400	\$ (8,930)
EMPLOYMENT MEDICAL EXPENSE	\$ 31,500	\$ 27,000	\$ (4,500)
PRINTING	\$ 140,400	\$ 114,000	\$ (26,400)
TOOLS & EQUIPMENT	\$ 129,500	\$ 89,500	\$ (40,000)
BOND TRUSTEE	\$ 59,900	\$ 80,000	\$ 20,100
SURETY BONDS	\$ 100	\$ -	\$ (100)
RIGHT OF WAY	\$ 37,500	\$ -	\$ (37,500)
RECOVERY OF EXPENSES	\$ (1,912,794)	\$ (1,753,950)	\$ 158,844
Major Account Lines Sub-Total	\$ 96,664,796	\$ 104,231,650	\$ 7,566,854
Total	\$ 210,909,896	\$ 219,797,150	\$ 8,887,254

2006 Budget Departmental Allocations



2006 Budget by Department (\$ in Thousands)

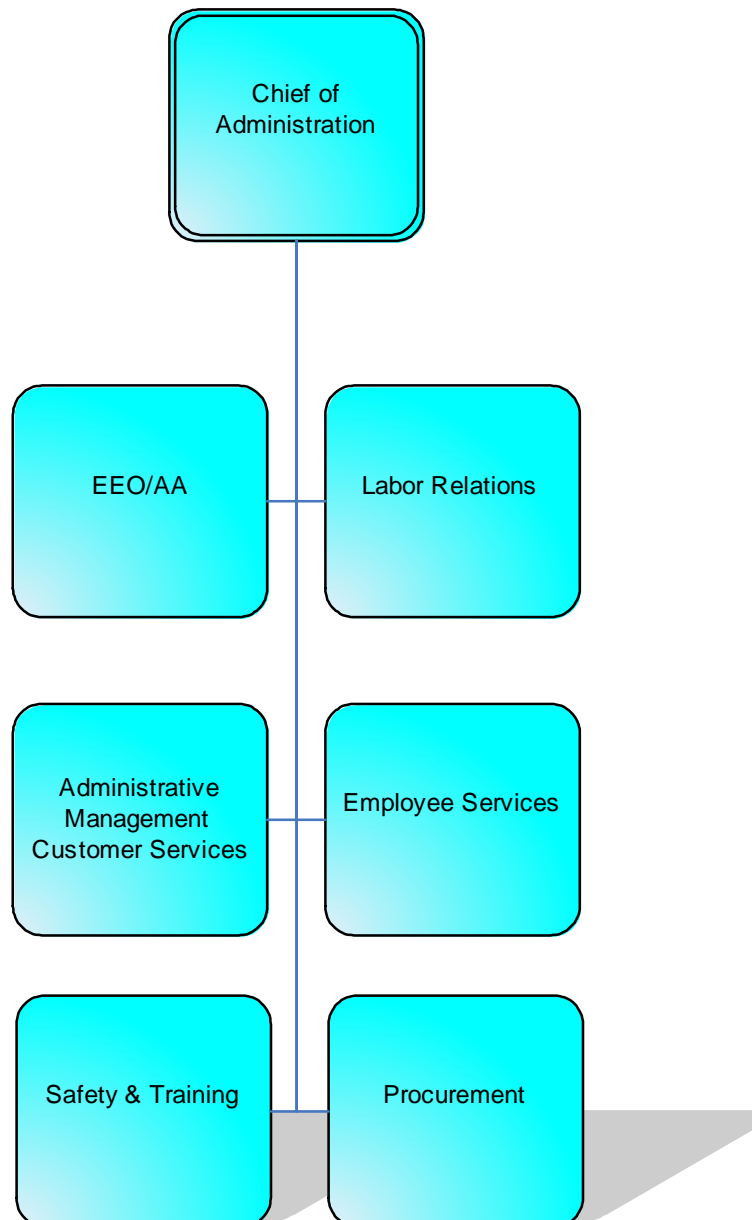
Department	2004 Actual	2005 Revised Budget	2006	
			Departmental Request	\$ Change
Administration	\$8,151	\$7,465	\$7,679	\$214
Communication	\$739	\$1,024	\$997	(\$27)
Directors	\$264	\$280	\$205	(\$75)
Engineering	\$41,939	\$46,015	\$46,432	\$417
Executive	\$1,617	\$1,888	\$1,950	\$62
Finance	\$30,551	\$31,006	\$34,873	\$3,867
Information Technology	\$6,380	\$7,859	\$8,092	\$233
Inspector General	\$531	\$889	\$1,183	\$294
Legal	\$1,177	\$1,348	\$1,325	(\$23)
Operational Services	\$82,006	\$84,879	\$85,695	\$816
Planning	\$1,300	\$1,151	\$1,204	\$53
State Police	\$15,698	\$18,246	\$19,330	\$1,084
ORT-VES	\$7,828	\$8,859	\$10,832	\$1,973
<i>Total</i>	\$198,181	\$210,909	\$219,797	\$8,888



2006 Departmental Budgets and Narratives



Administration



Departmental Budget and Narratives

Administration

Description:

The Administration Department is responsible for the development, implementation, and employee adherence to administrative policies and procedures. The Administration Department insures that all necessary policies and procedures are implemented and followed by all Tollway employees to make certain that the Tollway's operational needs are met. The Department serves as the Tollway's key contact for employee relations and employment issues and insures intradepartmental and intra-organizational issues are addressed so the Tollway functions efficiently and effectively. In addition, Administration is responsible for all purchasing and procurement issues related to the Tollway.

Administration manages the following functions:

Labor Relations/Collective Bargaining Agreements/Labor Negotiations
 EEO/AA/ADA
 Employee Services
 Customer Relations
 Safety & Training
 Procurement/Purchasing/Warehouse

MAJOR ACCOUNT LINE ITEMS:

Account	2004 Actual	2005 Revised Budget	2006 Request	\$ Change
SALARY & WAGES	\$ 3,449,210	\$3,662,190	\$ 3,919,100	\$ 256,910
FICA & RETIREMENT	\$ 812,865	\$882,100	\$ 722,400	\$ (159,700)
OTHER EXPENSES	\$ 2,535,521	\$1,696,550	\$ 1,695,400	\$ (1,150)
TELEPHONE	\$ 493,203	\$504,100	\$ 540,900	\$ 36,800
SUPPLIES - OFFICE	\$ 122,310	\$127,850	\$ 111,500	\$ (16,350)
OTHER OUTSIDE SERVICES	\$ 74,828	\$51,100	\$ 77,000	\$ 25,900
EQUIPMENT MAINTENANCE	\$ 162,194	\$160,500	\$ 53,000	\$ (107,500)
EMPLOYEE TRAINING	\$ 8,588	\$70,600	\$ 50,000	\$ (20,600)
EQUIPMENT RENTALS	\$ 17,457	\$152,700	\$ 340,900	\$ 188,200
SUPPLIES - OPERATIONAL	\$ 119,692	\$31,600	\$ 33,500	\$ 1,900
EMPLOYMENT MEDICAL EXPENS	\$ 30,178	\$31,500	\$ 27,000	\$ (4,500)
EQUIPMENT	\$ -	\$16,300	\$ 38,800	\$ 22,500
ADVERTISING & PROMOTION	\$ 11,949	\$13,900	\$ 22,500	\$ 8,600
CONSULTING SERVICES	\$ -	\$19,950	\$ 20,000	\$ 50
TRAVEL	\$ 8,751	\$14,600	\$ 14,000	\$ (600)
POSTAGE	\$ 41,525	\$19,500	\$ 10,600	\$ (8,900)
DUES, BOOKS & SUBSCRIP.	\$ 5,582	\$9,500	\$ 6,300	\$ (3,200)
OTHER MINOR ACCOUNTS	\$ 11,836	\$5,700	\$ 5,200	\$ (500)
REPLACEMENT PARTS	\$ 172,789	\$0	\$ -	\$ -
OPERATIONAL MATERIALS	\$ 86,387	\$0	\$ -	\$ -
SUBTOTAL	\$ 8,164,865	\$ 7,470,240	\$ 7,688,100	\$ 217,860
RECOVERY OF EXPENSES	\$ (13,671)	\$ (5,500)	\$ (9,300)	\$ (3,800)
DEPARTMENT TOTAL	\$ 8,151,193	\$ 7,464,740	\$ 7,678,800	\$ 214,060

Departmental Budget and Narratives

Administration continued

The Fiscal Year 2006 budget is \$7.68 million, an increase of \$214 thousand or 2.9 percent over the Fiscal Year 2005 budgeted amount. Total payroll is \$3.9 million and includes 88 full time positions and will also cover the hiring of 25-30 seasonal employees and interns.

Departmental M & O Highlights:

- **Salary and Wages:** The 2006 budget reflects an increase of \$256 thousand or 7 percent over the 2005 Budget. The budget funds 73 salaried employee positions and 15 union employee positions. The budget also includes \$230 thousand for seasonal employees and interns. During 2005, positions that were primarily responsible for construction pay estimates and invoicing were transferred to Engineering to support the CRP. The DBE and EEO positions responsible for building a diverse vendor base were also transferred to Engineering to support the CRP. Three new switchboard operator positions were added for better customer service. Collective bargaining agreements with the union and the annualization of several positions and the reclassification of other positions contributed to the increase in payroll.
- **Equipment Rental and Equipment Maintenance:** Administrative Services will need an additional \$188 thousand to cover the equipment rental costs for the 16 new copiers. This is an increase of 123 percent over the 2005 budget. This increase is offset by the decrease in equipment maintenance of (\$108 thousand). The new rental agreement includes the maintenance of the copiers.
- **Equipment purchase** will increase \$23 thousand over the 2005 budget. The increase reflects a policy change that changed the threshold cost of an item from \$200 to \$5,000 during fiscal year 2005.

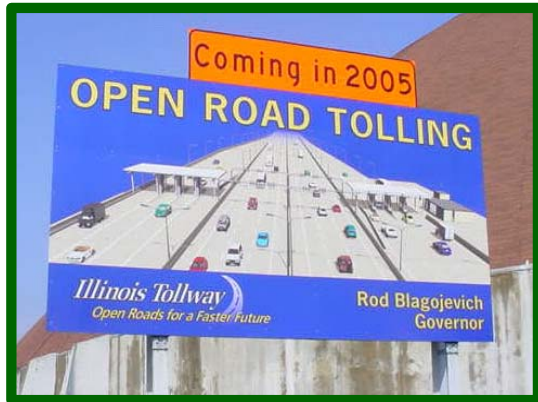
Departmental Capital Highlights:

- **Diversity & EEO Program:** DBE participation on construction contracts increased from 1.5 percent to 16 percent and M/WBE participation on professional service consultant contracts increased from 15 percent to 30 percent during 2005. The program will continue during 2006 to increase participation and monitor and enforce the program. Expenditures in 2006 are estimated to be \$163 thousand.

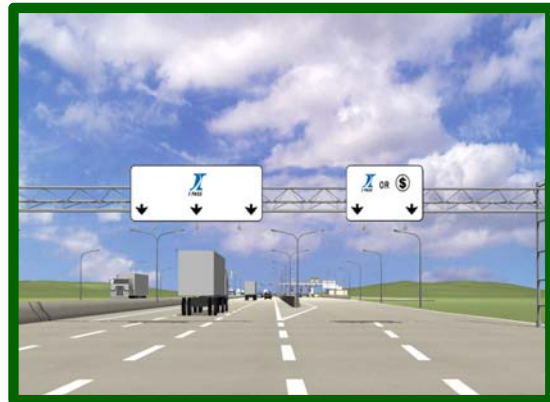
The DBE program is part of the Public Act SB1964 Enrolled (605 ILCS 10/16.3 new) which states:

- ◇ Set goals for the award of contracts to disadvantaged businesses and attempt to meet the goals;
- ◇ Attempt to identify disadvantaged businesses that provide or have potential to provide supplies, materials, equipment or services to the Authority;
- ◇ Give disadvantaged businesses full access to the Authority's contract bidding process, inform the businesses about the process, offer the businesses assistance concerning the process, and identify and take all reasonable steps to remove barriers to the businesses' participation in the process.

Enhanced Signage for Improved Customer Communications



Construction Information



Simplified Signs

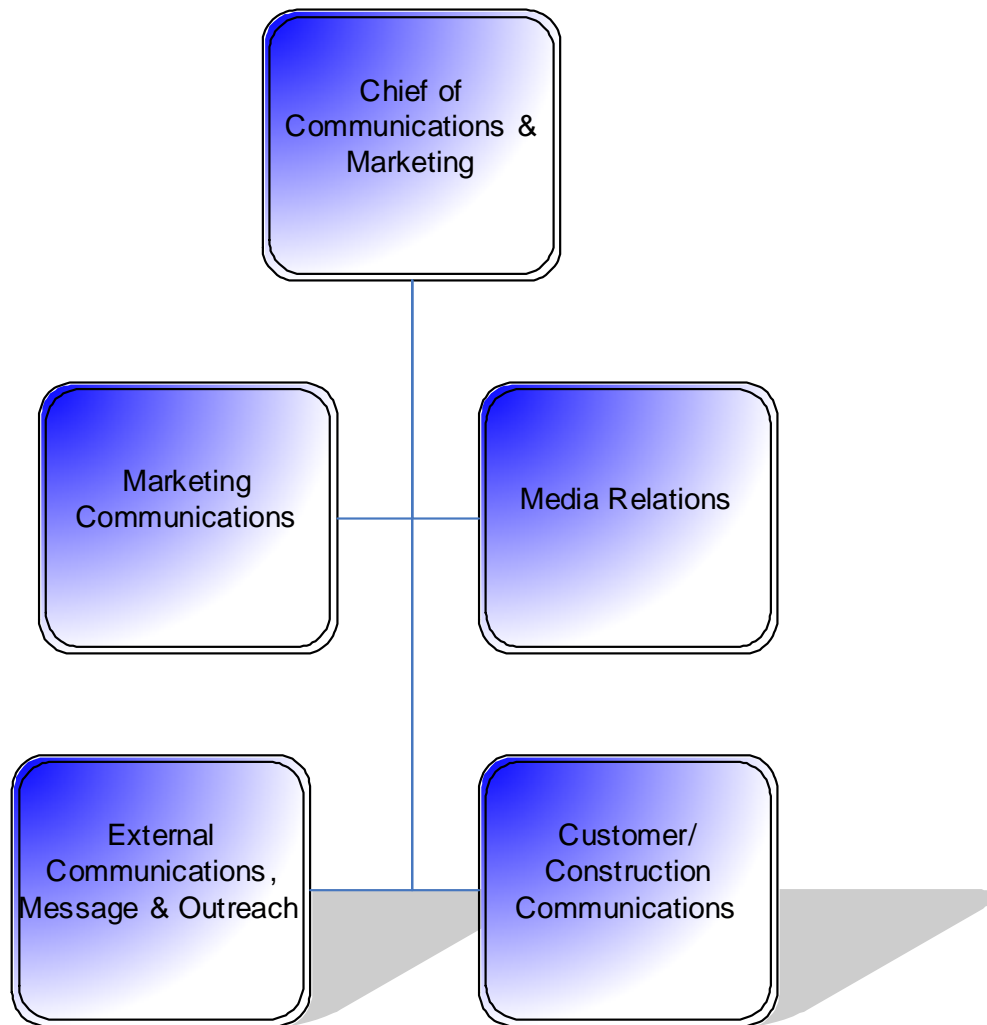


Travel Times



Signs for Faster Incident Clearance

Communications



Departmental Budget and Narratives

Communications and Marketing

Description:

The Communications Department is responsible for all external and internal communications between the Tollway and its constituents who include customers, news media, elected and appointed officials, the general public and employees. The goal is to effectively communicate with all constituencies to improve customer service and restore public confidence in the Tollway.

The Tollway's Communications Department handled the following responsibilities in 2005:

- Media Relations
- Construction Communications, including e-Newsletter
- I-PASS Marketing Support
- Marketing Communications/Advertising, including promotional support for public/private partnerships and intergovernmental agreements.
- Customer Communications Support
- Event Planning
- Employee Newsletter
- Community Relations Support
- Speechwriting

MAJOR ACCOUNT LINE ITEMS:

Account	2004 Actual	2005 Revised Budget	2006 Request	\$ Change
SALARIES & WAGES	\$ 398,738	\$ 504,100	\$ 537,000	\$ 32,900
FICA & RETIREMENT	\$ 90,220	\$ 132,100	\$ 94,100	\$ (38,000)
ADVERTISING & PROMOTION	\$ 159,854	\$ 225,600	\$ 225,000	\$ (600)
PRINTING	\$ 44,333	\$ 100,000	\$ 80,000	\$ (20,000)
OTHER OUTSIDE SERVICES	\$ 25,245	\$ 22,000	\$ 22,000	\$ -
EQUIPMENT RENTALS	\$ 8,341	\$ 10,000	\$ 10,000	\$ -
SUPPLIES - OFFICE	\$ 6,266	\$ 8,200	\$ 8,400	\$ 200
EMPLOYEE TRAINING	\$ -	\$ 4,400	\$ 5,000	\$ 600
TRAVEL	\$ 2,350	\$ 8,500	\$ 5,000	\$ (3,500)
OTHER	\$ 3,187	\$ 9,500	\$ 10,100	\$ 600
DEPARTMENTAL TOTAL	\$ 738,534	\$ 1,024,400	\$ 996,600	\$ (27,800)

The Fiscal Year 2006 Budget is \$996 thousand; a decrease of \$28 thousand or 2.7 percent under the Fiscal Year 2005 Budgeted amount. Total payroll is \$537 thousand and includes 8 positions.

Departmental Budget and Narratives

Communications continued

Departmental M&O Highlights:

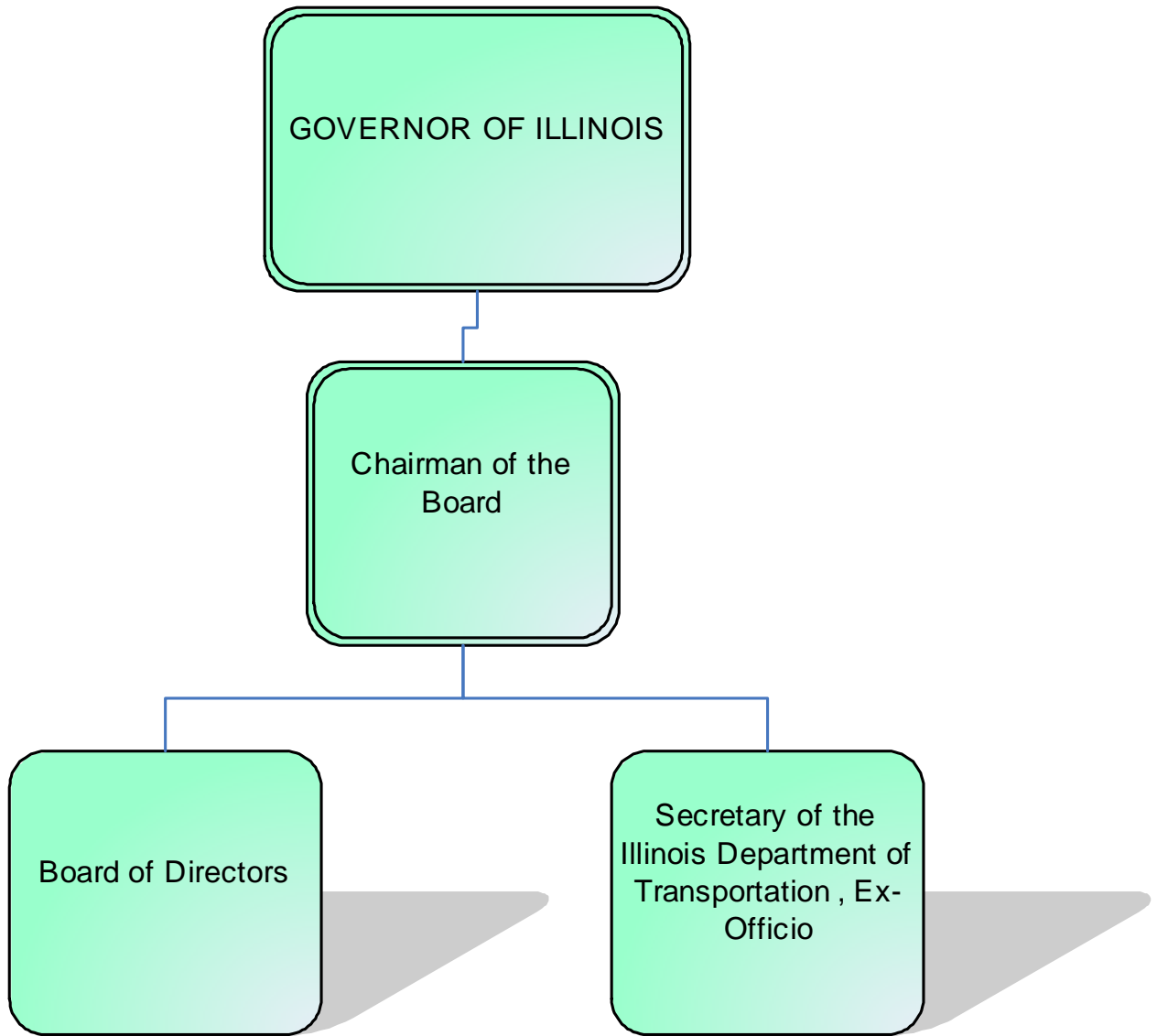
- Salary & Wages increased by \$33 thousand over the 2005 budget due to filling vacancy for full 12 months.

Departmental Capital Highlights:

Customer Communications Signage

- Communications received \$150 thousand in new funding in 2005 to provide more signage and public information about traffic incidents and construction projects, so that customers can make informed decisions. \$75 thousand of this is anticipated to be spent by year-end and the remaining \$75 thousand will carry-over into 2006.

Board of Directors



Departmental Budget and Narratives

Board of Directors

Description:

The Department of Board of Directors consists of the Chairman of the Board, eight Directors, two Ex-Officio and one Secretary to the Authority/Administrative Assistant to the Chairman. The Tollway is governed by the members of the Board of Directors that include the Governor of Illinois and the Secretary of the Illinois Department of Transportation, ex-officio.

MAJOR ACCOUNT LINE ITEMS:

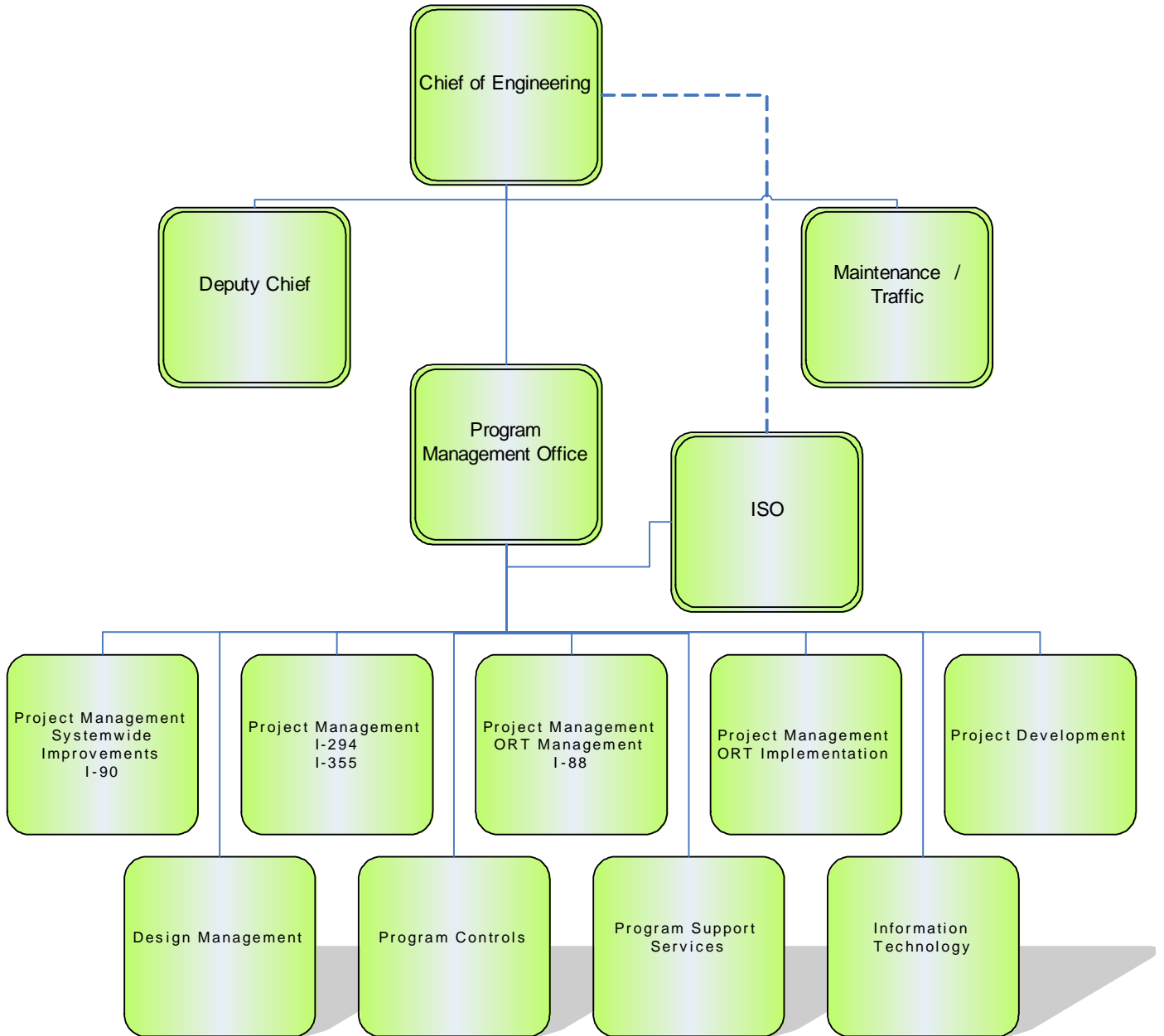
Account	2004 Actual	2005 Revised Budget	2006 Request	\$ Change
SALARIES & WAGES	\$ 151,507	\$ 141,200	\$ 68,300	\$ (72,900)
BENEFITS	\$ 34,818	\$ 31,800	\$ 12,000	\$ (19,800)
OTHER OUTSIDE SERVICES	\$ 69,905	\$ 95,400	\$ 100,000	\$ 4,600
OTHER EXPENSES	\$ 3,894	\$ 1,800	\$ 9,500	\$ 7,700
TRAVEL	\$ 137	\$ 4,100	\$ 6,000	\$ 1,900
SUPPLIES - OFFICE	\$ 757	\$ 1,700	\$ 1,200	\$ (500)
POSTAGE	\$ 1,413	\$ 1,100	\$ 1,500	\$ 400
OTHER MINOR ACCOUNTS	\$ 1,355	\$ 3,000	\$ 6,000	\$ 3,000
Departmental Total	\$ 263,786	\$ 280,100	\$ 204,500	\$ (75,600)

The Fiscal Year 2006 budget request is \$204 thousand; a decrease of \$75 thousand or 27 percent under the Fiscal Year 2005 budgeted amount.

- Salary & Wages are \$68 thousand, a decrease of \$72 thousand or 51.6 percent under the 2005 budget.
- There is no compensation for the Directors in 2006. There is funding for the Secretary to the Authority/Administrative Assistant to the Chairman.



Engineering



Departmental Budget and Narratives

Engineering

Description:

Engineering is responsible for the design, construction, operation and maintenance of our roadway. Annual inspections are made of the pavement, bridges and drainage systems. Short and long-term project plans are refined based upon the inspections and transportation needs to ensure a safe and reliable transportation system. Guiding this effort is the Tollway's 10 year capital program, the Congestion Relief Plan (CRP), which includes five major areas of need and extends over all four legs of the Tollway.

- Fix It
- Congestion Relief
- Meet Needs of Growing Communities
- Enhance Local Economies
- Cutting-Edge Initiatives

The Engineering Department oversees three major functions:

- Design – project plans and specifications are prepared for various construction and maintenance activities according to the capital improvement program schedule
- Construction – implements the construction phase of projects by ensuring quality construction and keeping them on schedule and within budget
- Maintenance / Traffic – maintains the roadway system by keeping roads clean, well lit and safe in any kind of weather; manages incidents and informs motorists of traffic and travel concerns.

MAJOR ACCOUNT LINE ITEMS:

Account	2004 Actual	2005 Revised Budget	2006 Request	\$ Change
SALARIES & WAGES	\$ 25,369,135	\$ 26,729,560	\$ 28,455,940	\$ 1,726,380
FICA & RETIREMENT	\$ 6,652,264	\$ 7,340,450	\$ 6,037,700	\$ (1,302,750)
MATERIALS - OPERATIONAL	\$ 2,951,042	\$ 3,827,400	\$ 3,238,300	\$ (589,100)
FUELS AND OILS	\$ 1,801,624	\$ 2,502,500	\$ 3,008,000	\$ 505,500
OTHER EXPENSES	\$ 3,512,475	\$ 2,841,000	\$ 2,840,400	\$ (600)
REPLACEMENT PARTS	\$ 1,352,742	\$ 1,645,200	\$ 1,377,100	\$ (268,100)
OTHER OUTSIDE SERVICES	\$ 690,057	\$ 982,061	\$ 1,253,100	\$ 271,039
CONSULTING SERVICES	\$ -	\$ 500,000	\$ 500,000	\$ -
SUPPLIES - OPERATIONAL	\$ 228,044	\$ 240,100	\$ 234,200	\$ (5,900)
UNIFORMS & ACCESSORIES	\$ 142,287	\$ 121,600	\$ 120,600	\$ (1,000)
EQUIPMENT RENTALS	\$ 130,576	\$ 135,200	\$ 119,000	\$ (16,200)
ROADWAY EQUIPMENT	\$ -	\$ -	\$ 106,500	\$ 106,500
TOOLS & EQUIPMENT	\$ 57,090	\$ 106,300	\$ 67,500	\$ (38,800)
BUILDING EQUIPMENT	\$ -	\$ 21,589	\$ 60,900	\$ 39,311
SUPPLIES - OFFICE	\$ 37,589	\$ 54,400	\$ 48,000	\$ (6,400)
EMPLOYEE TRAINING	\$ 8,159	\$ 40,900	\$ 40,900	\$ -
EQUIPMENT MAINTENANCE	\$ 7,952	\$ 9,900	\$ 38,600	\$ 28,700
TRAVEL AND SUBSISTENCE	\$ 10,526	\$ 20,800	\$ 30,000	\$ 9,200
CONTRACTED OUTSIDE SERVIC	\$ 35,714	\$ 37,000	\$ 27,400	\$ (9,600)
DUES, BOOKS & SUBSCRIP.	\$ 6,999	\$ 12,600	\$ 12,600	\$ -
OFFICE EQUIPMENT	\$ -	\$ 14,300	\$ 11,600	\$ (2,700)
POSTAGE AND EXPRESS	\$ 4,284	\$ 7,400	\$ 8,800	\$ 1,400
PRINTING	\$ 2,094	\$ 6,600	\$ 6,300	\$ (300)
TELEPHONE & TELEGRAPH	\$ 4,926	\$ 5,700	\$ 6,300	\$ 600
OTHER MINOR ACCOUNTS	\$ 24,539	\$ 50,500	\$ 6,400	\$ (44,100)
SUBTOTAL	\$ 43,025,195	\$ 47,247,360	\$ 47,649,840	\$ 402,480
RECOVERY OF EXPENSES	\$ (1,086,399)	\$ (1,232,000)	\$ (1,218,200)	\$ 13,800
DEPARTMENTAL TOTAL	\$ 41,938,796	\$ 46,015,400	\$ 46,431,600	\$ 416,200

Departmental Budget and Narratives

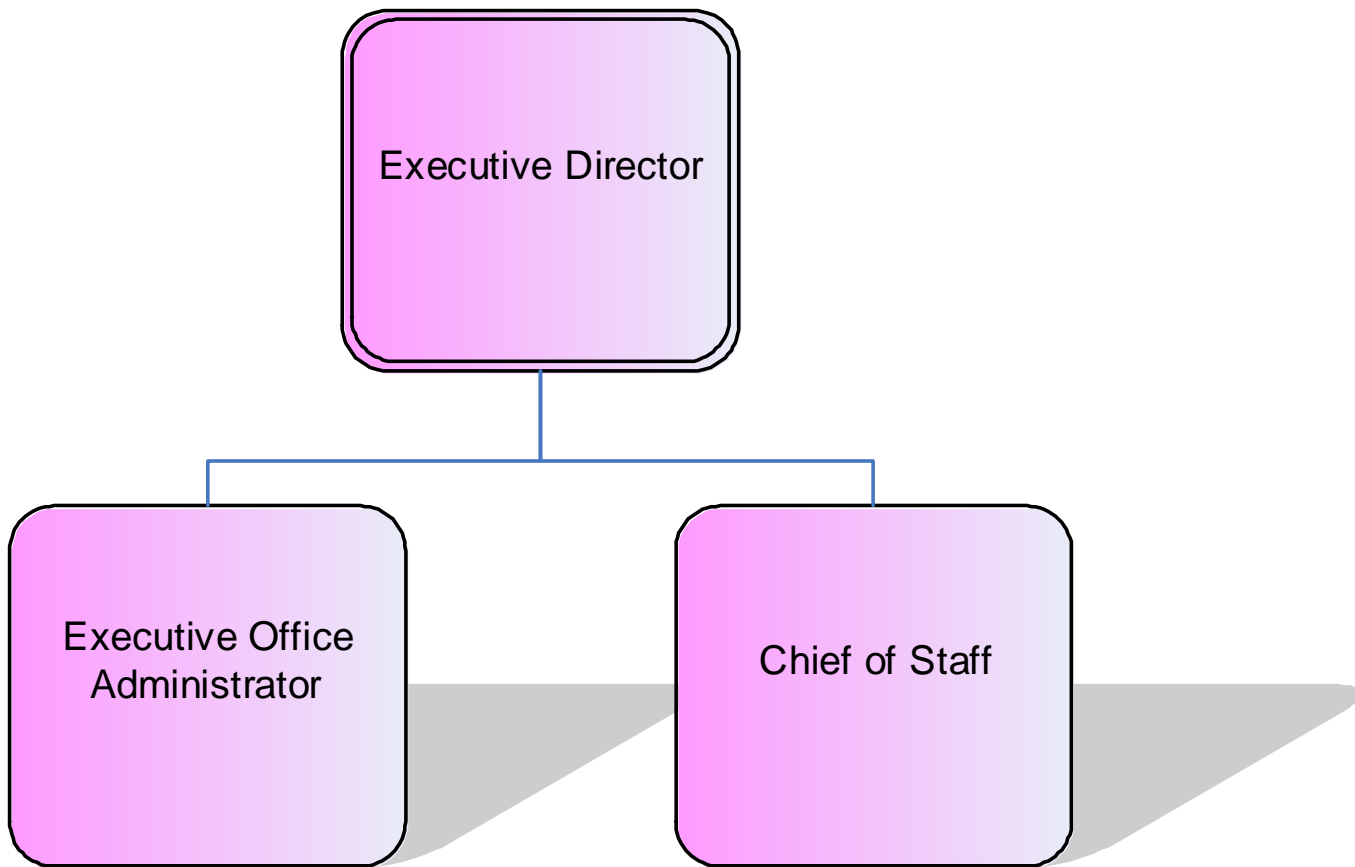
Engineering continued

The Fiscal Year 2006 budget is approximately \$46.4 million, an increase of over \$416 thousand or less than 1.0 percent over the Fiscal Year 2005 budgeted amount. Total payroll is \$28,455,940 and includes 558.5 positions.

Departmental M&O Highlights:

- Salary and Wages reflect an increase of over \$1.7 million or 6.5% over the 2005 budget. Engineering is adding 4 new positions to meet the needs of the new capital plan. (Additional engineers are budgeted in the capital plan).
- Fuels & Oils is budgeted at \$3.0 million due to rising oil costs and additional usage to accommodate the new capital plan, an increase of over \$500 thousand.
- Other Out-side Services includes the cost of TIMS maintenance contract and the *999 emergency call program. The budget increases \$271 thousand over the 2005 budget to cover annual maintenance needs for the Computer Aided Dispatch system.
- Roadway and Building Equipment combined are budgeted at over \$167 thousand to allow for replacement and expansion of the Tollway's Fleet Maintenance, Roadway Maintenance and Sign Shop activities.
- Equipment Maintenance reflects a \$29 thousand increase to accommodate annual repairs to equipment, a one-time cost to repaint the fleet, and increasing steel prices.

Executive



Departmental Budget and Narratives

Executive

Description:

The Executive Office is comprised of the executive management staff.

This office provides the management expertise to conceptually identify and then set policies for the organization. The Executive Office also develops and implements a strategic plan that allows for the efficient and effective use of all available resources to accomplish the mission of the Tollway.

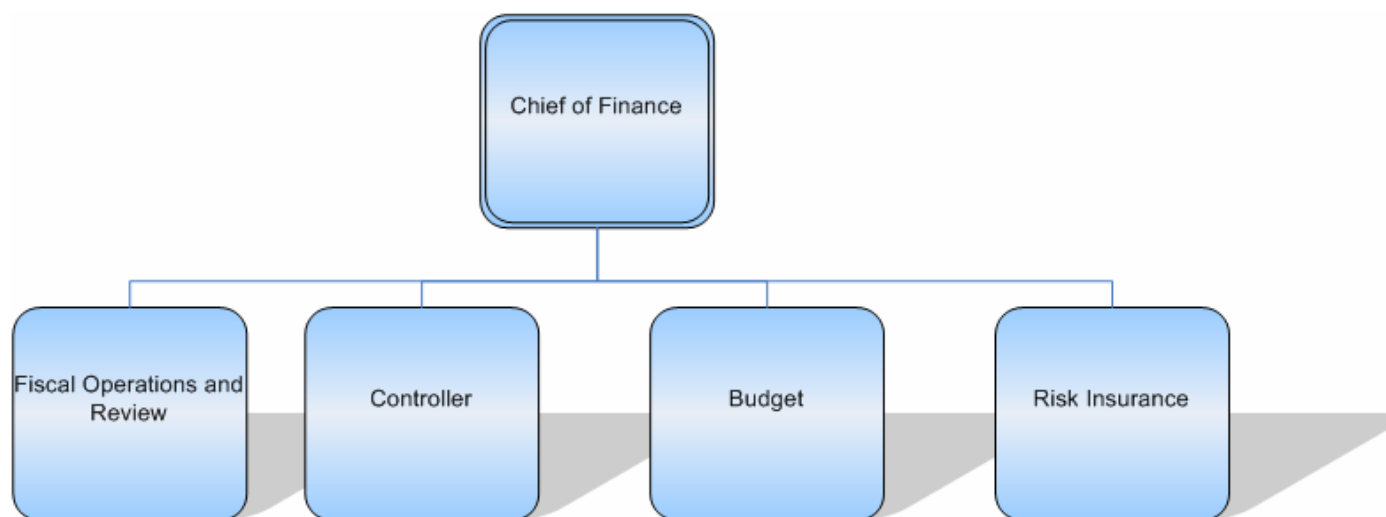
MAJOR ACCOUNT LINE ITEMS:

Account	2005 Revised			\$ Change
	2004 Actual	Budget	2006 Request	
SALARY & WAGES	\$ 366,975	\$ 367,000	\$ 444,100	\$ 77,100
BENEFITS	\$ 77,949	\$ 96,700	\$ 77,200	\$ (19,500)
OTHER EXPENSES	\$ 1,132,676	\$ 1,376,450	\$ 1,376,450	\$ -
TRAVEL	\$ 6,261	\$ 7,500	\$ 9,500	\$ 2,000
DUES, BOOKS & SUBSCRIP.	\$ 30,638	\$ 33,100	\$ 33,100	\$ -
OTHER MINOR ACCOUNTS	\$ 2,560	\$ 7,300	\$ 8,500	\$ 1,200
DEPARTMENTAL TOTAL	\$ 1,617,059	\$ 1,888,050	\$ 1,948,850	\$ 60,800

Fiscal Year 2006 budget is \$1.9 million; an increase of \$61 thousand or 3.2 percent over the Fiscal Year 2005 budgeted amount.

- Salary & Wages is budgeted at \$444 thousand, an increase of \$77 thousand or 21.1 percent and includes five positions. This increase is to annualize a new executive staff position.

Finance



Departmental Budget and Narratives

Finance

Description:

The Finance Department is responsible for all general accounting, financial reporting, budgeting, treasury functions, accounts payable, major contract review, payroll, and risk management. In addition, Finance manages all bond, cash and investment analysis.

Finance is comprised of the following six units:

General Accounting
 Budget Office
 Accounts Payable
 Payroll
 Risk Management
 Fiscal Operations and Review

MAJOR ACCOUNT LINE ITEMS:

Account	2004 Actual	2005 Revised Budget	2006 Request	\$ Change
SALARY & WAGES	\$ 1,826,190	\$ 1,967,000	\$ 2,456,500	\$ 489,500
FICA & RETIREMENT	\$ 982,018	\$ 498,100	\$ 430,500	\$ (67,600)
GROUP INSURANCE	\$ 20,560,098	\$ 22,109,700	\$ 24,208,000	\$ 2,098,300
PROPERTY INSURANCE	\$ 1,890,686	\$ 2,184,000	\$ 2,293,200	\$ 109,200
WORKMAN'S COMP. INSURANCE	\$ 3,205,750	\$ 1,475,500	\$ 2,400,000	\$ 924,500
OTHER EXPENSES	\$ 1,544,193	\$ 1,794,300	\$ 1,794,200	\$ (100)
OTHER OUTSIDE SERVICES	\$ 747,041	\$ 1,211,400	\$ 1,395,000	\$ 183,600
BANK CHARGES	\$ 8,964	\$ 22,000	\$ 147,000	\$ 125,000
BOND TRUSTEE	\$ 7,449	\$ 59,900	\$ 80,000	\$ 20,100
EMPLOYEE TRAINING	\$ 420	\$ 20,000	\$ 15,000	\$ (5,000)
SUPPLIES - OFFICE	\$ 13,182	\$ 20,300	\$ 15,000	\$ (5,300)
OFFICE EQUIPMENT	\$ -	\$ 15,000	\$ 15,000	\$ -
POSTAGE	\$ 11,621	\$ 11,500	\$ 8,800	\$ (2,700)
DUES, BOOKS & SUBSCRIP.	\$ 4,197	\$ 4,700	\$ 5,500	\$ 800
TRAVEL	\$ 4,023	\$ 5,200	\$ 5,000	\$ (200)
OTHER MINOR ACCOUNTS	\$ 3,721	\$ 7,800	\$ 4,400	\$ (3,400)
SUBTOTAL	\$ 30,809,553	\$ 31,406,400	\$ 35,273,100	\$ 3,866,700
RECOVERY OF EXPENSES	\$ (258,887)	\$ (400,000)	\$ (400,000)	\$ -

DEPARTMENTAL TOTAL \$ 30,550,666 \$ 31,006,400 \$ 34,873,100 \$ 3,866,700

The Fiscal Year 2006 budget request is \$34.9 million; an increase of \$3.9 million or 12.5 percent over the Fiscal Year 2005 budgeted amount. Total payroll is \$2.5 million and includes 57 positions.

Departmental Budget and Narratives

Finance continued

Departmental M&O Highlights:

- In 2006, salaries, wages, FICA and retirement increased by \$407 thousand or 16.4 percent over the 2005 Revised Budget. This increase resulted from the annualization of several positions that were phased during 2005, the reclassification of other jobs and the addition of three new positions to Finance. The 2006 request proposes the addition of an ERP Project Manager. It also proposes the addition of one Budget Analyst and one Construction Insurance Analyst. These two positions are needed to support the CRP. Included in this category for 2006, is a 2.07 percent reduction in the retirement percentage.
- Group Health Insurance has increased by \$2.1 million or 9.5 percent over the 2005 Revised Budget. This percentage is based on recent publications that indicate both national and state averages for 2006.
- Property Insurance has increased by \$109 thousand or 5.0 percent over the 2005 Revised Budget.
- Workers' Compensation has increased by \$925 thousand or 62.7 percent over the 2005 Revised Budget. The workers' compensation actuarial study showed an increase in the Tollway's average claim during the last two years due to increasing medical costs. Funding for the claim reserve has been adjusted based on these recommendations.
- Other Outside Services has increased by \$167 thousand or 13.6 percent to fund two new "Best Practices" programs that involve audits for Risk Management as well as the PPO Program.
- For 2006, the Finance budget includes \$140 thousand to cover Bank Charges that, in the past, were funded by offsets in investment income.

Departmental Capital Highlights:

Enterprise Resource Planning (ERP)

\$12.3 million (\$11.9 million capital and \$0.4 million operations)

- The Tollway has been relying on an aging patchwork of systems to handle many functions, including budgeting, accounting, purchasing, human resources, fleet and roadway maintenance and payroll. This fragmentation hampers operational efficiency and inhibits information access and any analysis sought by departments that are charged with efficiently managing programs and services.

Departmental Budget and Narratives

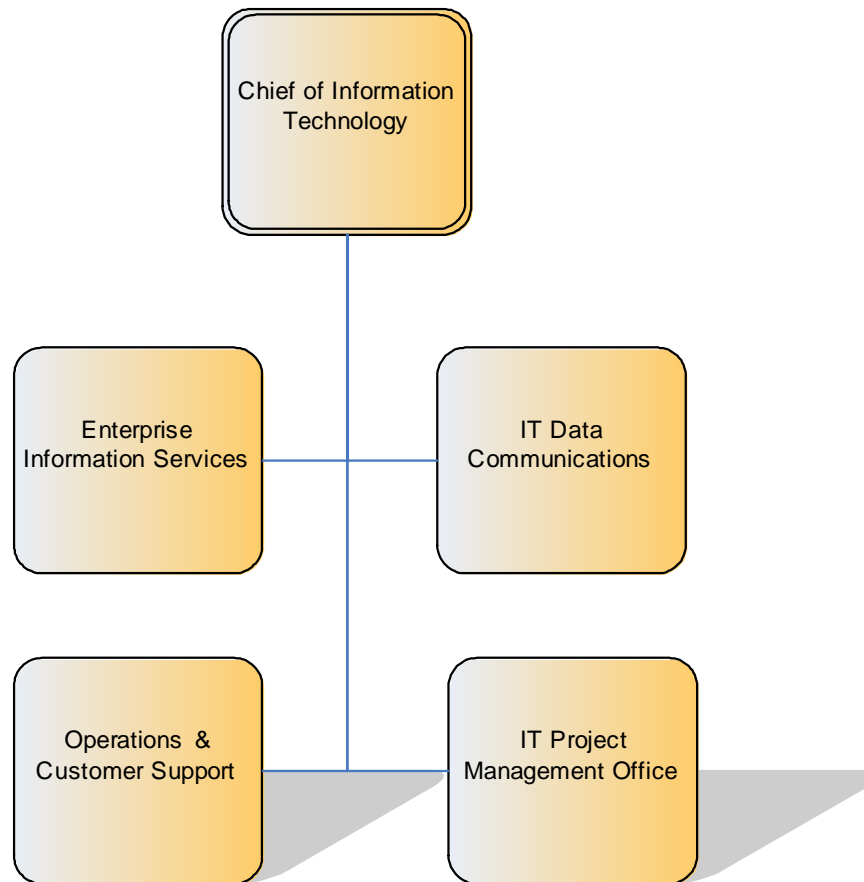
Departmental Capital Highlights continued

For 2006, \$12.3 million has been allocated to continue toward implementation of a new ERP. In 2005, the GFOA was retained to review existing systems, develop a business case for a new ERP solution, and assist with the preparation of a Request for Proposal.

Five new positions are being requested to ensure seamless implementation of the project. New employees will work in Information Technology, Finance, and Purchasing.

The total budget is \$20 million, with a scheduled completion date in 2007.

Information Technology



Departmental Budget and Narratives

Information Technology

Description:

The Information Technology Department is responsible for planning, directing, managing and controlling all Information Technologies and Telecommunications as well as providing strategic guidance and User/Client services to the Tollway.

Information Technology oversees four different functions:

IT Project Management Office

Enterprise Information Services

Data Communications

Operations and Customer Support

MAJOR ACCOUNT LINE ITEMS:

Account	2005 Revised			
	2004 Actual	Budget	2006 Request	\$ Change
SALARY & WAGES	\$ 3,485,330	\$ 3,888,700	\$ 4,284,500	\$ 395,800
FICA & RETIREMENT	\$ 804,853	\$ 891,100	\$ 750,900	\$ (140,200)
EQUIPMENT MAINTENANCE	\$ 1,381,306	\$ 1,690,900	\$ 1,905,000	\$ 214,100
TELEPHONE	\$ 312,694	\$ 475,000	\$ 425,000	\$ (50,000)
SUPPLIES - OPERATIONAL	\$ 52,020	\$ 197,500	\$ 192,600	\$ (4,900)
CONSULTING SERVICES	\$ 19,500	\$ 148,300	\$ 50,000	\$ (98,300)
OTHER OUTSIDE SERVICES	\$ 130,783	\$ 137,000	\$ 156,000	\$ 19,000
EMPLOYEE TRAINING	\$ 66,384	\$ 178,000	\$ 125,000	\$ (53,000)
REPLACEMENT PARTS	\$ 91,351	\$ 152,000	\$ 107,000	\$ (45,000)
SUPPLIES - OFFICE	\$ 18,027	\$ 33,856	\$ 21,000	\$ (12,856)
MATERIALS - OPERATIONAL	\$ 2,687	\$ 30,000	\$ 20,000	\$ (10,000)
TOOLS & EQUIPMENT	\$ 1,090	\$ 2,500	\$ 10,500	\$ 8,000
OFFICE EQUIPMENT	\$ -	\$ 15,000	\$ 25,000	\$ 10,000
TRAVEL	\$ 1,845	\$ 4,800	\$ 7,800	\$ 3,000
OTHER MNOR ACCOUNTS	\$ 12,277	\$ 14,700	\$ 11,400	\$ (3,300)
DEPARTMENTAL TOTAL	\$ 6,380,147	\$ 7,859,356	\$ 8,091,700	\$ 232,344

The Fiscal Year 2006 budget request is \$8.1 million; an increase of \$232 thousand or 3.0 percent over the Fiscal Year 2005 budgeted amount. Total payroll is \$4.3 million and includes 77 positions.

Departmental Budget and Narratives

Information Technology (cont'd)

Departmental M&O Highlights:

- In 2006, salaries and wages increased by \$396 thousand or 10.2 percent with the addition of 5 new positions that support two new initiatives, the ERP Program and new electronic toll collection partner:
 - ERP will require three new positions that include: a Business Analyst to identify requirements of the Tollway in order to develop processes and test plans for the overall project; one ERP Database Manager to develop and implement IT strategies and platforms that meet the Tollway's current and future business needs; and one ERP Project Manager who is responsible for team management regarding scope, design and successful delivery of the project.
 - IT is requesting two ETC System Techs to support toll collection equipment and systems that will still be in use at the Tollway after the Transcore contract has expired.
- The salary increase above is partially offset by a \$140 thousand or 15.7 percent decrease resulting from a reduction in the retirement percentage.
- For 2006, Equipment Maintenance has increased by \$214 thousand or 12.7 percent to support the Unisys, NGN, ERP, and Kronos maintenance costs as well as ongoing hardware and software maintenance costs.
- Consulting Services was reduced by \$98 thousand or 66.3 percent due to the transfer of GEAC support from IT to Engineering for 2006.

Departmental Capital Highlights:

IT Network Infrastructure Upgrade

\$8.0 million (capital)

- This project encompasses the upgrade of fiber-optic transmission equipment expanding available bandwidth (64 times current capacity) and the deployment of advanced transport technology merging several single-service networks (voice, video, and data) into a single network. This project represents a comprehensive upgrade and modernization of the Tollway network infrastructure. The configuration and technologies involved should dramatically expand capacity and capability that will accommodate Tollway growth through 2012 and beyond.

Departmental Budget and Narratives

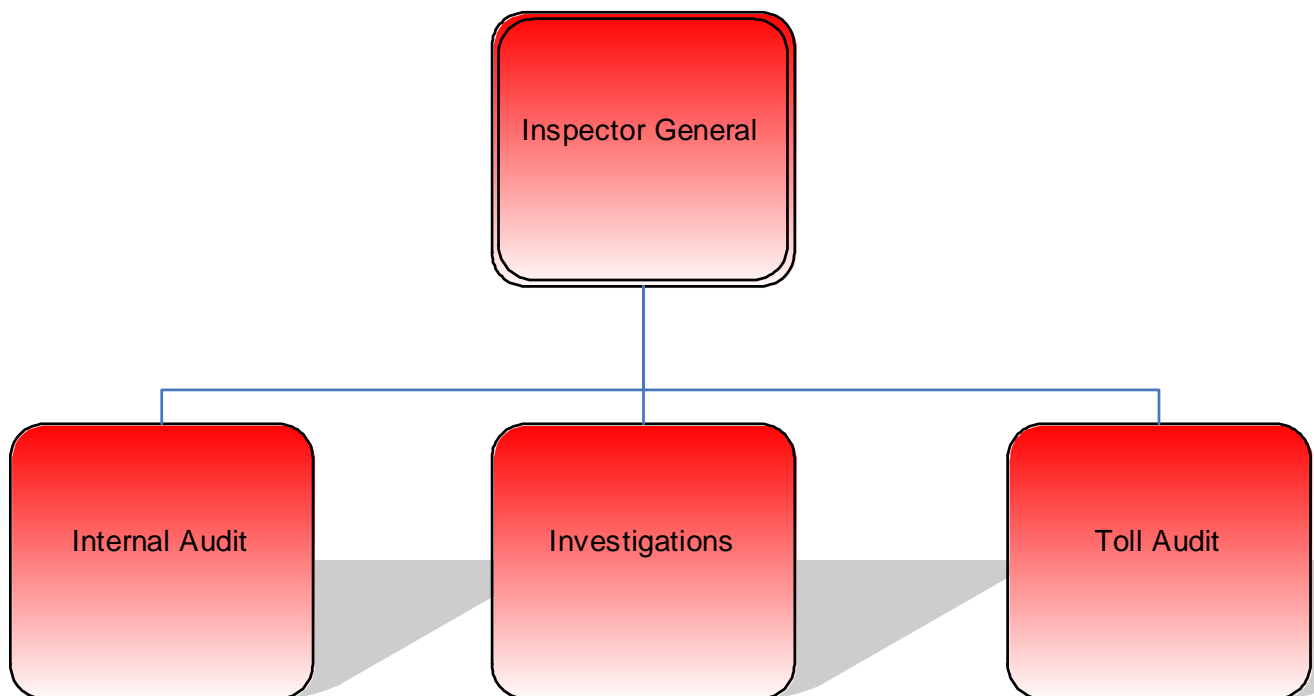
Information Technology continued

Web and E-Commerce

\$2.0 million (capital)

- With the implementation of Open Road Tolling and the CRP, the volume of patrons using the website will continue to increase. This growth in I-PASS will require increased capacity and upgrading. The Tollway website provides customers with a full self-service environment. The system supports online customer identification and password/PIN management, I-Pass account application, transponder ordering, account information updates and account balance checking. The site also serves as an information repository, providing customer service information, construction updates, maps, and Oases information, etc.

Inspector General



Departmental Budget and Narratives

Office of Inspector General

Description:

The Office of Inspector General (“OIG”) at the Illinois Tollway was created in accordance with Governor Blagojevich’s reform agenda for the Agency. It is the intent of this Office to provide accountability and protect the integrity of the Illinois Tollway. The Inspector General has independent autonomy to root out and fairly investigate all instances of waste, inefficiencies, fraud, corruption, misconduct and mismanagement in the day-to-day operations of the Illinois Tollway, and recommend policies and procedures to ensure that the Tollway’s Board members and employees, contractors and/or vendors adhere to all state and federal laws, as well as internal rules and regulations.

MAJOR ACCOUNT LINE ITEMS:

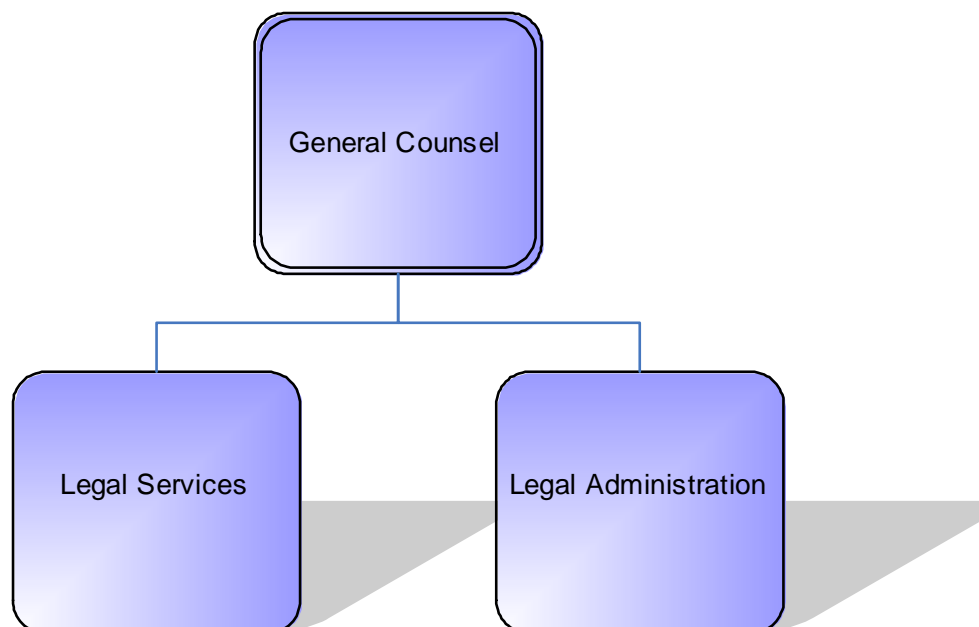
Account	2005 Revised			
	2004 Actual	Budget	2006 Request	\$ Change
SALARY & WAGES	\$ 424,203	\$ 596,100	\$ 600,900	\$ 4,800
FICA & RETIREMENT	\$ 94,930	\$ 177,100	\$ 105,000	\$ (72,100)
OTHER OUTSIDE SERVICES (CMS Audit)	\$ -	\$ 90,000	\$ 450,000	\$ 360,000
EMPLOYEE TRAINING	\$ 1,844	\$ 4,400	\$ 12,500	\$ 8,100
EQUIPMENT MAINTENANCE	\$ 6,598	\$ 7,000	\$ 5,900	\$ (1,100)
OTHER MINOR ACCOUNTS	\$ 4,314	\$ 14,000	\$ 8,800	\$ (5,200)
DEPARTMENTAL TOTAL	\$ 531,889	\$ 888,600	\$ 1,183,100	\$ 294,500

The Fiscal Year 2006 budget is \$1.2 million; an increase of \$294 thousand or 33 percent over the Fiscal Year 2005 budgeted amount. Total payroll is \$601 thousand and includes 12 positions.

Departmental M&O Highlights:

- Salary, Wages, FICA & Retirement decreased \$67 thousand or 0.8 percent due to reduction in retirement contribution.
- Increase in employee training to \$12 thousand for continuing education to maintain professional standards.
- Funding for the CMS internal audit has been included in the amount of \$450 thousand. CMS has taken over all internal auditing for the State.

Legal



Departmental Budget and Narratives

Legal

Description:

The Law Department is a Bureau of the Office of the Attorney General of the State of Illinois assigned to provide legal services to the Tollway. The General Counsel reports to the Executive Director and to the Attorney General.

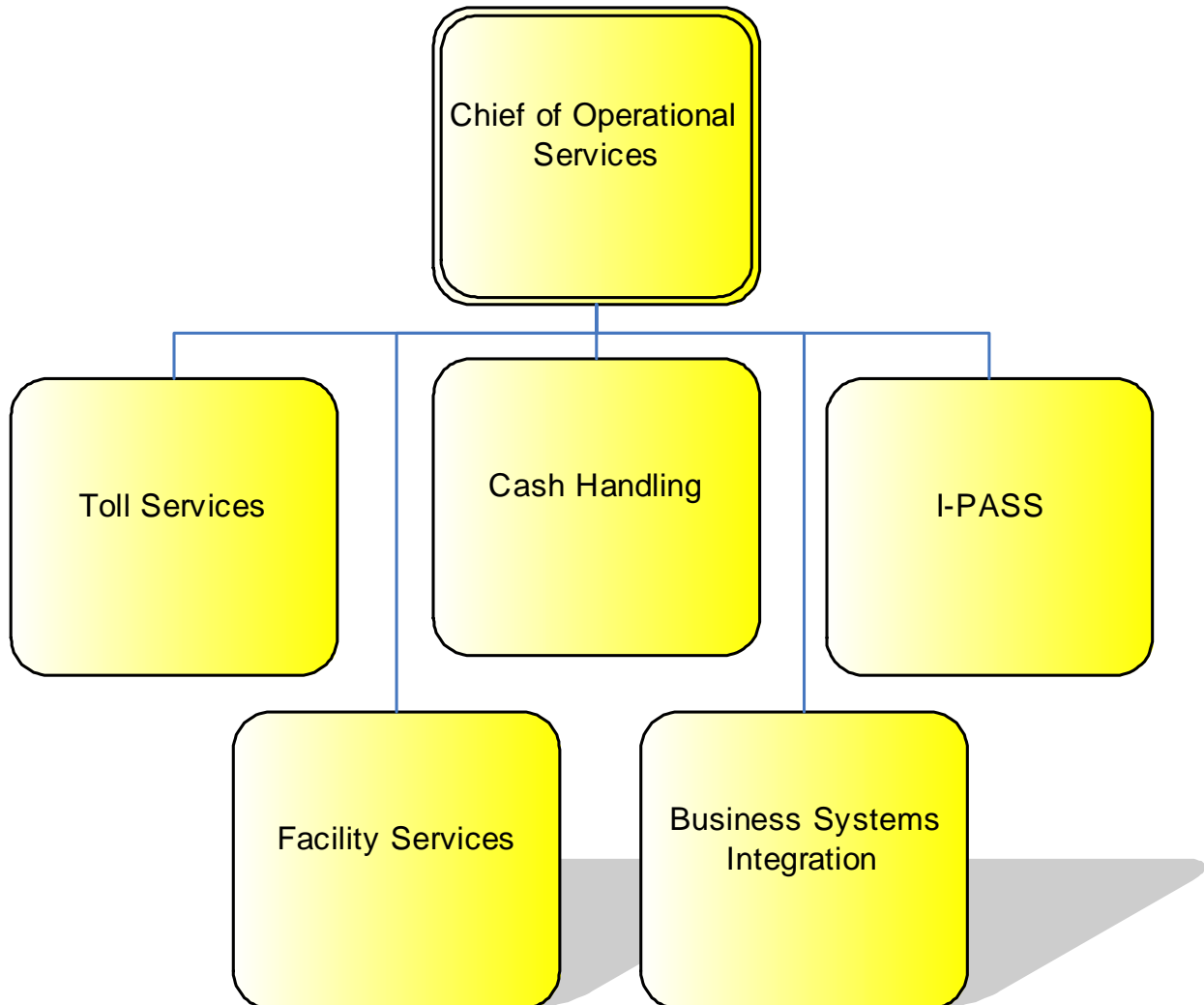
MAJOR ACCOUNT LINE ITEMS:

Account	2005 Revised			
	2004 Actual	Budget	2006 Request	\$ Change
SALARY & WAGES	\$ 819,894	\$ 849,000	\$ 903,800	\$ 54,800
FICA & RETIREMENT	\$ 182,545	\$ 224,300	\$ 158,400	\$ (65,900)
OTHER OUTSIDE SERVICES	\$ 140,367	\$ 200,000	\$ 200,000	\$ -
OTHER EXPENSES	\$ 3,356	\$ 20,000	\$ 20,000	\$ -
DUES, BOOKS & SUBSCRIP.	\$ 19,486	\$ 31,130	\$ 16,000	\$ (15,130)
TRAVEL AND SUBSISTENCE	\$ 7,194	\$ 10,000	\$ 8,000	\$ (2,000)
EMPLOYEE TRAINING	\$ 888	\$ 6,700	\$ 8,400	\$ 1,700
SUPPLIES - OFFICE	\$ 3,846	\$ 5,200	\$ 6,000	\$ 800
EQUIPMENT	\$ -	\$ 1,000	\$ 5,000	\$ 4,000
OTHER MINOR ACCOUNTS	\$ (428)	\$ 170	\$ 200	\$ 30
Department Total	\$ 1,177,148	\$ 1,347,500	\$ 1,325,800	\$ (21,700)

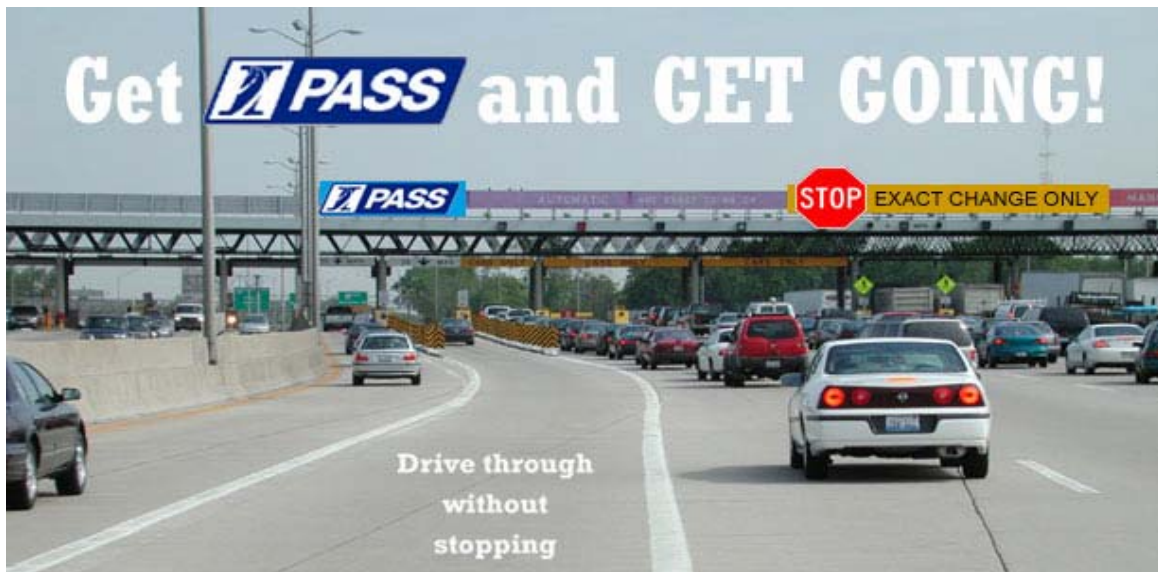
The Fiscal Year 2006 budget is \$1.3 million; a decrease of \$22 thousand or 1.6 percent under Fiscal Year 2005 budgeted amount.

- Salary & Wages are budgeted at \$904 thousand, an increase of \$55 thousand or 6.5 percent, due to the annualization of vacancies. There are 12 budgeted positions.
- Employee training is increasing \$2 thousand due to the Illinois Supreme Court's recent mandate requiring continuing education for all attorneys.

Operational Services



Departmental Budget and Narratives



Departmental Budget and Narratives

Operational Services

Description:

The Department of Operational Services provides the necessary resources and services to maintain the Illinois Tollway's facilities, fosters electronic toll collection through sales of transponders, collects, counts and deposits tolls, and monitors the delivery of excellent customer service.

Operational Services main functions include:

Toll Collection

Collects and counts toll revenue; measures and corrects variances in collection; and provides on-going training of toll collectors and customer service representatives.

Facility Services

Repairs and cleans facilities; monitors all HVAC systems; and schedules replacement of systems.

I-PASS

Sales and distribution of transponders; maintenance of accounts; minimization of non-reads, and target marketing of transponders.

Cash Handling

Timely pick-up and counting of toll revenue

Business Systems Integration

Manages and controls major contracts.

Departmental Budget and Narratives

Operational Services continued

MAJOR ACCOUNT LINE ITEMS:

Account	2005 Revised			\$ Change
	2004 Actual	Budget	2006 Request	
SALARY & WAGES	\$ 39,016,138	\$ 39,298,250	\$ 40,653,300	\$ 1,355,050
FICA & RETIREMENT	\$ 10,065,374	\$ 9,766,000	\$ 8,116,300	\$ (1,649,700)
EQUIPMENT MAINTENANCE (ITCS)	\$ 9,507,646	\$ 10,624,400	\$ 10,064,500	\$ (559,900)
BANK CHARGES (I-PASS Support)	\$ 3,603,981	\$ 6,665,000	\$ 7,100,000	\$ 435,000
OTHER OUTSIDE SERVICES (I-PASS Support)	\$ 9,553,167	\$ 6,486,900	\$ 6,887,000	\$ 400,100
UTILITIES	\$ 3,455,483	\$ 3,300,000	\$ 3,500,000	\$ 200,000
EQUIPMENT RENTALS (ITCS)	\$ 2,981,765	\$ 3,506,700	\$ 3,714,600	\$ 207,900
OTHER EXPENSES	\$ 1,612,120	\$ 2,497,450	\$ 2,490,200	\$ (7,250)
POSTAGE	\$ 275,652	\$ 654,300	\$ 704,800	\$ 50,500
TELEPHONE	\$ 260,287	\$ 360,000	\$ 450,000	\$ 90,000
SUPPLIES - OPERATIONAL	\$ 295,278	\$ 395,100	\$ 478,000	\$ 82,900
ARMORED TRUCK SERVICE	\$ 234,425	\$ 282,000	\$ 260,000	\$ (22,000)
UNIFORMS & ACCESSORIES	\$ 247,435	\$ 284,100	\$ 261,700	\$ (22,400)
CONTRACTED OUTSIDE SERVIC	\$ 120,493	\$ 130,000	\$ 254,000	\$ 124,000
SUPPLIES - OFFICE	\$ 141,271	\$ 199,500	\$ 223,300	\$ 23,800
REPLACEMENT PARTS	\$ 99,613	\$ 172,800	\$ 163,800	\$ (9,000)
MATERIALS - OPERATIONAL	\$ 142,057	\$ 197,300	\$ 153,400	\$ (43,900)
TRAVEL	\$ 65,933	\$ 103,700	\$ 89,000	\$ (14,700)
DUES, BOOKS & SUBSCRIP.	\$ 269,937	\$ 76,200	\$ 76,000	\$ (200)
OFFICE EQUIPMENT	\$ 600	\$ 15,000	\$ 35,000	\$ 20,000
EMPLOYEE TRAINING	\$ 10,767	\$ 15,200	\$ 25,000	\$ 9,800
CONSULTING SERVICES	\$ 20,000	\$ 20,000	\$ 25,000	\$ 5,000
PRINTING	\$ 14,579	\$ 15,800	\$ 15,000	\$ (800)
TOOLS & EQUIPMENT	\$ 22,946	\$ 17,400	\$ 11,000	\$ (6,400)
ADVERTISING & PROMOTION	\$ 400	\$ 50,000	\$ 7,500	\$ (42,500)
OTHER MINOR ACCOUNTS	\$ 534	\$ 500	\$ 40,100	\$ 39,600
SUBTOTAL	\$ 82,017,883	\$ 85,133,600	\$ 85,798,500	\$ 664,900
RECOVERY OF EXPENSES	\$ (11,489)	\$ (255,000)	\$ (103,000)	\$ 152,000
DEPARTMENTAL TOTAL	\$ 82,006,394	\$ 84,878,600	\$ 85,695,500	\$ 816,900

The Fiscal Year 2006 budget is \$85.7 million; an increase of \$816 thousand or 1 percent over the Fiscal Year 2005 budgeted amount. Total payroll is \$40.6 million and includes 889 positions.

Departmental M&O Highlights:

- Salary and Wages reflect an increase of \$1.3 million or 3.3 percent due to union contract increases. The headcount has been reduced by 31 positions and the Lane Walker positions will be eliminated.

Departmental Budget and Narratives

Operational Services continued

- Other Outside Services include costs for I-PASS distribution through IGOR and customer services provided by Marketing Alternatives Inc. (MAI). The 2006 budget is \$6.9 million, an increase of \$400 thousand or 6.2 percent over 2005 budget. Late in 2004 and in January 2005, I-PASS sales experienced rapid growth. Current sales have stabilized in accordance with recent Tollway usage growth projections, and 2006 funding is based on I-PASS usage leveling off to current growth projections.
- Bank Charges increased \$435 thousand or 6.1 percent to coincide with an anticipated increase in credit card charges directly related to the dollar amount of tolls paid through credit cards.
- Equipment maintenance is \$10 million, a decrease of \$559 thousand or 5.6 percent. This also includes maintenance for 27 currency counters.

Departmental Capital Highlights:

Mark IV - Transponder Purchases

\$20 million

- Funding for the purchase of transponders from Mark IV, to meet the needs of current I-PASS usage growth and in anticipation of additional growth following implementation of Open Road Tolling. Additionally, as transponders age they require upgrading, so older transponders will be replaced with newer updated units.

Integrated Toll Collection System (ITCS)

\$3.1 million

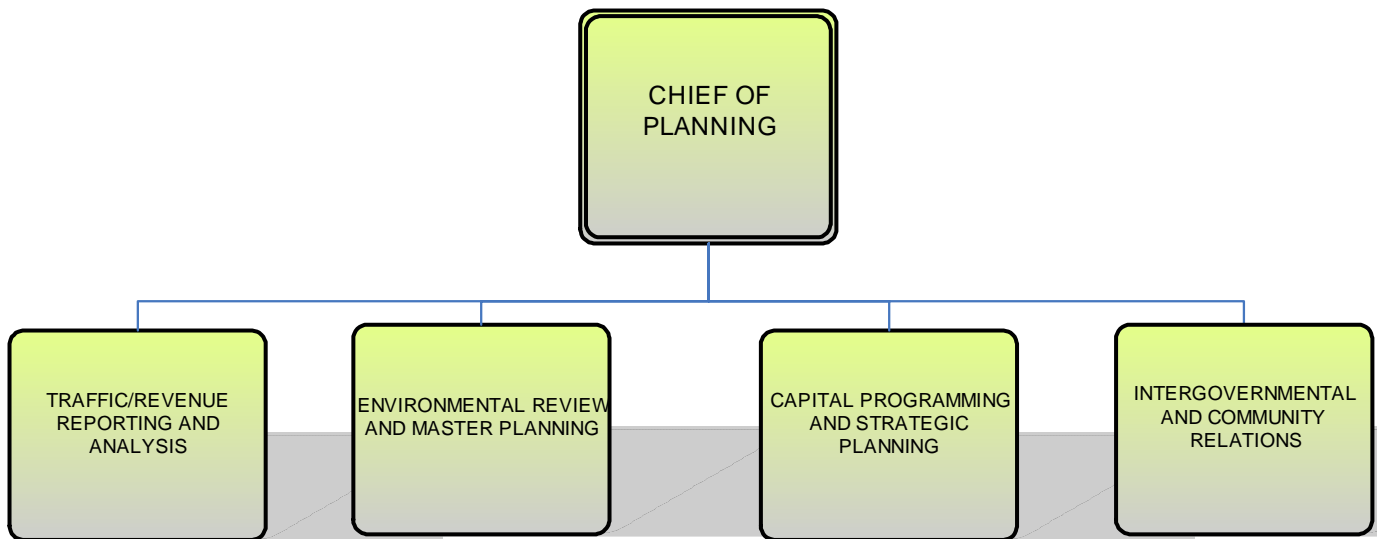
- This project includes the leasing and maintenance agreement with our current vendor. As part of the agreement, the vendor will continue to maintain and service all the installed ITCS equipment. Also, appropriate reporting capabilities will be provided as required.

Operational Repairs/Replacement Projects

\$4.5 million

- Operational repairs and replacement projects include upgrade of HVAC network, roof replacement for salt domes, updating the halon system, replacement of the main fire panel, installation and replacement of liebert units and other miscellaneous projects.

Planning



Departmental Budget and Narratives

Planning

Description:

The Planning Department is responsible for strategic planning, long-range capital planning, research, intergovernmental relations and community outreach. In 2004, the Department developed the Congestion-Relief Plan, *Open Roads for a Faster Future*. In 2005, the Department began working with Engineering and other key Departments to implement the Plan. The department is helping to implement the plan through inter-agency coordination and permitting. Further, the Planning Department continues to focus on long-term objectives through participation on regional planning initiative.

The Planning Department has the following primary responsibilities.

- Develop and maintain the Congestion-Relief Plan
- Establish the priorities for future maintenance and expansion
- Coordinate with political leaders, community groups, government agencies, and planning organizations on land-use policy and development issues
- Coordinate with the Engineering Department on environmental review and permitting processes
- Work with the Finance Department on traffic/revenue forecasting and capital spending tracking
- Participate in the Master Planning Process
- Lead planning studies, such as the system-wide interchange feasibility study
Coordinate the implementation of the Tollway's agency-wide Infrastructure Management Services

MAJOR ACCOUNT LINE ITEMS:

Account	2004 Actual	2005 Revised		2006 Request	\$ Change
		Budget			
SALARY & WAGES	\$ 596,063	\$ 655,500		\$ 689,300	\$ 33,800
FICA & RETIREMENT	\$ 141,176	\$ 133,200		\$ 127,700	\$ (5,500)
WILBUR SMITH & ASSOCIATES	\$ 522,646	\$ 250,000		\$ 275,000	\$ 25,000
INFRASTRUCTURE MANAGEMENT SERVICES	\$ -	\$ -		\$ 36,000	\$ 36,000
DUES, BOOKS & SUBSCRIP.	\$ 25,412	\$ 25,400		\$ 27,000	\$ 1,600
TRAVEL	\$ 4,996	\$ 12,000		\$ 17,000	\$ 5,000
SUPPLIES - OFFICE	\$ 5,791	\$ 7,700		\$ 10,000	\$ 2,300
EMPLOYEE TRAINING	\$ 1,475	\$ 12,500		\$ 8,000	\$ (4,500)
PRINTING	\$ 61	\$ 4,100		\$ 5,000	\$ 900
EQUIPMENT	\$ -	\$ 15,000		\$ 5,000	\$ (10,000)
OTHER MINOR ACCOUNTS	\$ 2,284	\$ 36,300		\$ 4,600	\$ (31,700)

DEPARTMENTAL TOTAL \$ 1,299,905 \$ 1,151,700 \$ 1,204,600 \$ 52,900

The Fiscal Year 2006 budget is \$1.2 million; an increase of \$53 thousand or 4.5 percent over the Fiscal year 2005 budgeted amount. Total payroll is \$714 thousand and includes 13 positions.

Departmental Budget and Narratives

Planning continued

Departmental M&O Highlights:

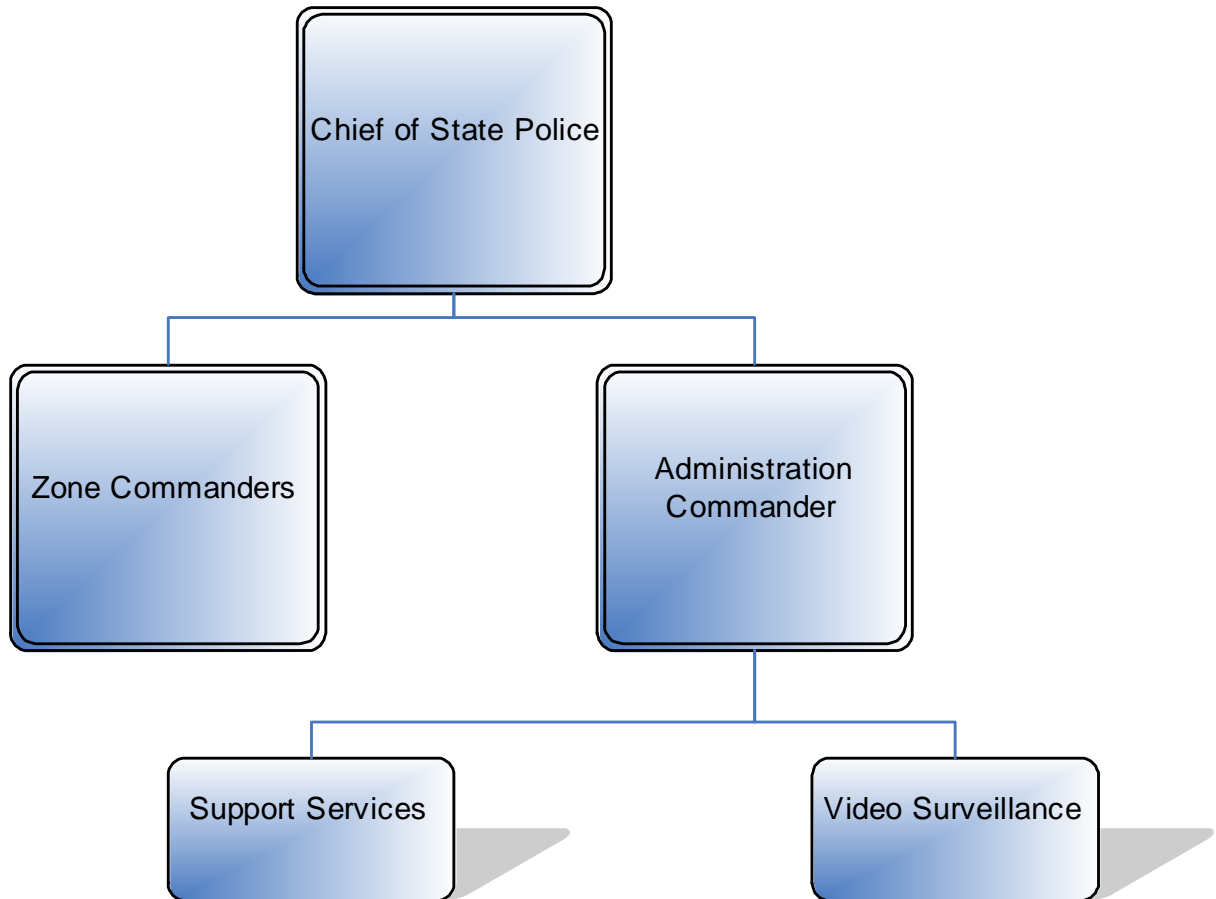
Salaries increase by \$74 thousand to support the expansion of the Community Relations branch of the Planning department.

Consulting Services reflect costs for the administration of our independent traffic consultant and our independent consulting engineer. The Tollway Trust Indenture requires services of the Consulting Engineer to include a wide range of technical, planning, forecasting, engineering, maintenance and operational services to complete the Tollway's projects.

Departmental Capital Highlights:

- For 2006, \$190 thousand has been allocated to support an Environmental Research and Support Program. This program will support ad hoc environment services needed to support the Congestion-Relief Plan.
- \$650 thousand has been earmarked to fund additional developmental support for the Tollway's Infrastructure Management Services in 2006. Infrastructure Management Services is a technology that is used to view and analyze data from a geographic perspective. This technology will become a piece of the Tollway's overall information system framework. Continued funding is needed for development in 2006. The scope of this work includes the development of the following items: 1) data foundation, 2) data viewer, 3) ROW and Land Acquisition Tool, 4) LEICA survey system, 5) intranet Portal, 6) pavement management system, and 7) asset management system.
- In conjunction with the continuing Congestion-Relief Plan, the Planning Department has implemented a Technical Support Program, totaling \$250 thousand, to assist their staff with the presentation needs for community and legislative outreach.

State Police



Departmental Budget and Narratives

State Police

Description:

Illinois State Police District 15 is a separate contingent of the Illinois State Police. It provides law enforcement and patrols to the Tollway System to assist disabled motorists and provide special details for overweight vehicles, construction zone safety, investigations and toll collection operations. The District Commander reports to the Executive Director of the Tollway and to the Director of the State Police.

District 15 is a unique State Police district serving a unique mobile community made up of travelers from across the country and local commuters, traversing the 274 miles of the Illinois Tollway. Troopers assigned to District 15 cover 12 different counties, 5 state police districts and 4 toll roads.

The district operates and is solely responsible for a Truck Task Force, Special Enforcement Teams made up of a K-9 anti-drug unit and motorcycle patrol unit, a Comprehensive Investigative Unit, an Administrative team, and Tollway patrol operations.

MAJOR ACCOUNT LINE ITEMS:

Account	2004 Actual	2005 Revised Budget	2006 Request	\$Change
SALARY AND WAGES	\$ 11,421,268	\$ 12,414,100	\$13,724,600	\$ 1,310,500
FICA & RETIREMENT	\$ 2,311,142	\$ 2,349,600	\$ 1,517,400	\$ (832,200)
GROUP INSURANCE	\$ 1,566,877	\$ 2,100,000	\$ 2,250,000	\$ 150,000
OTHER EXPENSES	\$ 27,912	\$ 924,883	\$ 1,130,000	\$ 205,117
EQUIPMENT	\$ -	\$ 10,571	\$ 210,000	\$ 199,429
OTHER OUTSIDE SERVICES (Photo Radar Enforcement/LiveScan)	\$ 5,438	\$ 5,200	\$ 134,000	\$ 128,800
UNIFORMS & ACCESSORIES	\$ 130,242	\$ 160,000	\$ 130,000	\$ (30,000)
EQUIPMENT MAINTENANCE (IWIN SURCHARGE)	\$ 92,664	\$ 85,200	\$ 117,500	\$ 32,300
SUPPLIES - OPERATIONAL	\$ 47,762	\$ 52,700	\$ 35,000	\$ (17,700)
TELEPHONE	\$ 26,597	\$ 20,400	\$ 26,000	\$ 5,600
SUPPLIES - OFFICE	\$ 20,654	\$ 22,000	\$ 22,000	\$ -
POSTAGE	\$ 16,365	\$ 15,400	\$ 18,900	\$ 3,500
EMPLOYEE TRAINING	\$ 5,358	\$ 18,500	\$ 12,000	\$ (6,500)
EQUIPMENT RENTALS	\$ 1,789	\$ 8,000	\$ 7,000	\$ (1,000)
TRAVEL	\$ 25,058	\$ 15,500	\$ 7,000	\$ (8,500)
REPLACEMENT PARTS	\$ 14,181	\$ 39,200	\$ 5,000	\$ (34,200)
OTHER MINOR ACCOUNTS	\$ 4,567	\$ 19,400	\$ 4,200	\$ (15,200)
SUBTOTAL	\$ 15,717,873	\$ 18,260,654	\$19,350,600	\$ 1,089,946
RECOVERY OF EXPENSES	\$ (19,796)	\$ (15,000)	\$ (20,000)	\$ (5,000)
DEPARTMENTAL TOTAL	\$ 15,698,077	\$ 18,245,654	\$19,330,600	\$ 1,084,946

The Fiscal Year 2006 budget is \$19.3 million; an increase of \$1 million or 5.9 percent over the Fiscal Year 2005 budgeted amount. Total payroll is \$13.7 million for 19 civilian positions and 196 troopers.

Departmental Budget and Narratives

State Police continued

Departmental M&O Highlights:

- Other Outside Services was increased by \$128 thousand to support the implementation of the Photo Radar Enforcement vehicles and additional LiveScan fingerprint operational service fees.
- Sworn Salary and Benefit accounts were increase by \$536 thousand or 2.3 percent to support the addition of 30 cadets and planned contract increases. Group Insurance was also increase by \$150 thousand or 7.1 percent. The proposed increase is to support an additional patrol zone. The North-South Tollway would become its own zone, currently it is encompassed by another zone. This zone was deemed necessary due to the increase in congestion, increase in response time, as well as the addition of the I-355 Extension.
- Other Expenses account was increase by \$200 thousand or 22.2 percent to support the cost of an ISP Academy class; these costs include uniforms, side arms, training supplies, food, and lodging.

Police Equipment increased by \$200 thousand to fund the purchase of accessories for 85 new patrol vehicles; these purchases include decals, lighting, and push bumpers.

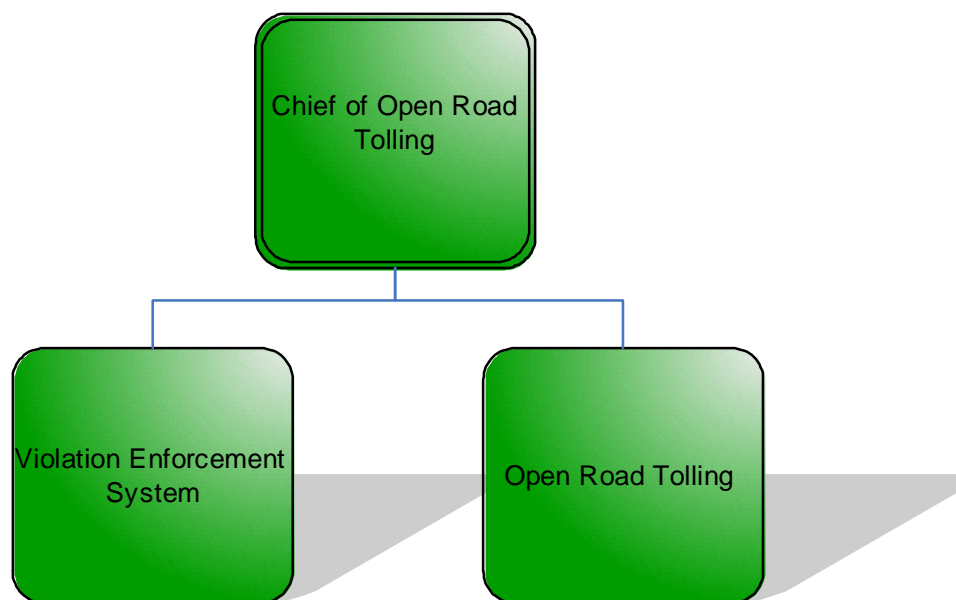
Departmental Capital Highlights:

For 2006, the State Police have enacted several Capital Projects to support the standard equipment needs of the 30 cadets to be added to the headcount. These projects are:

- ◇ \$705 thousand to purchase additional patrol vehicles in 2006.
- ◇ \$114 thousand to procure Lidar and Golden Eagle directional radar detection equipment in 2006.
- ◇ \$685 thousand to fund the purchase and installation of vehicle mounted radios and IWIN portable computers in 2006.

The State Police will also implement a \$120 thousand LiveScan Project in 2006. This project will fund the purchase of five new LiveScan fingerprint machines. These additional machines will enable the State Police to reduce their downtime by no longer relying on other municipalities for fingerprinting support.

Open Road Tolling / VES



Departmental Budget and Narratives

Open Road Tolling / Violation Enforcement System

Description:

The Violation Enforcement System (VES) is responsible for recouping uncollected toll revenue and assessing fines and other sanctions against toll scofflaws as a meaningful deterrent to future toll evasion. In 2002, the Illinois Tollway began to pursue the small percentage of habitual toll cheaters. In 2003, state-of-the-art video surveillance procedures and noticing functions were outsourced to provide for swift and meaningful prosecution of alleged toll cheaters, while affording the opportunity for due process of law.

VES received the prestigious "Toll Excellence Award" from the International, Bridge, Tunnel and Turnpike Association (IBTTA). This is the first time that the Tollway has received the industry's highest award.

VES became a unit under a department called ORT (Open Road Tolling) in June of 2005. VES is the only unit reporting to ORT.

MAJOR ACCOUNT LINE ITEMS:

Account	2005 Revised			
	2004 Actual	Budget	2006 Request	\$ Change
SALARY & WAGES	\$ 400,386	\$ 550,000	\$ 581,000	\$ 31,000
FICA & RETIREMENT	\$ 89,587	\$ 76,200	\$ 101,300	\$ 25,100
OTHER OUTSIDE SERVICES (VES System)	\$ 7,249,950	\$ 8,163,100	\$ 10,000,000	\$ 1,836,900
OTHER EXPENSES	\$ -	\$ -	\$ -	\$ -
BANK CHARGES	\$ 37,826	\$ 35,000	\$ 130,000	\$ 95,000
OFFICE EQUIPMENT	\$ -	\$ 7,000	\$ 5,000	\$ (2,000)
TRAVEL	\$ 5,051	\$ 2,500	\$ 5,000	\$ 2,500
OTHER MINOR ACCOUNTS	\$ 45,176	\$ 25,700	\$ 10,100	\$ (15,600)
DEPARTMENTAL TOTAL	\$ 7,827,976	\$ 8,859,500	\$ 10,832,400	\$ 1,972,900

The Fiscal Year 2006 budget is \$10.8 million; an increase of \$2 million or 22 percent over the Fiscal Year 2005 budgeted amount. Total payroll is \$581 thousand and includes 12 positions.

Departmental M&O Highlights:

- Other Outside Services has increased \$1.8 million or 22.5 percent. This account funds the Violation Enforcement System maintenance and system modification, Secretary of State suspension requests, and payments to Hearing Officers for violation hearings. A new vendor for the Toll Revenue Management and Maintenance Program started in August 2005. This new vendor will perform system integration, and provide and maintain hardware and software for computers relating to the violation enforcement system. The 2006 total budget includes both the current and new vendor for the first six months of 2006 where they will work in tandem. This amount is \$9.7 million. This account will decrease in 2007 when the new vendor alone performs the services noted above.

Departmental Budget and Narratives

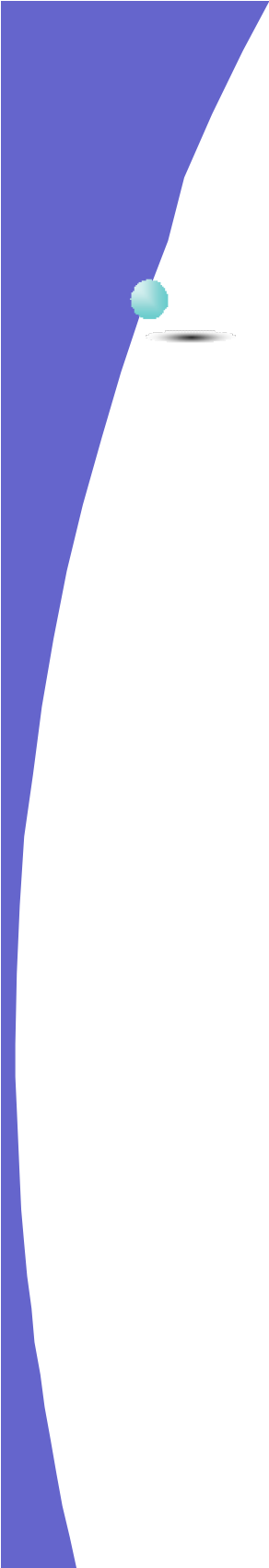
Violation Enforcement Systems continued

Departmental Capital Highlights:

Toll Violation Enforcement System

\$4.9 million

- Funding for equipment and services for the Tollway's' Violation Enforcement System.



2006 Capital Program

Capital Program



Capital Program

The Illinois Tollway has developed a comprehensive, 10-year Capital Program for modernizing and rebuilding the 274-mile Tollway to create a more efficient transportation system for its customers. The \$5.3 billion Congestion-Relief Plan (CRP), the main component of the 10-year Capital Program, is a roadmap for providing customers with faster, safer and more reliable travel in the decades to come. Other elements of the 10-year Capital Program build on the CRP by incorporating strategies, improvements and new technologies to manage congestion, reduce travel times, and guide future Tollway operations and maintenance.

Fiscal Year 2006 - Capital Program

10-Year Capital Program (2005-2014)

(\$ in millions)

	2005 Budget	2005 Year-End Estimated Expenditures*	2006 Final Budget	10-Year Total Project Budget
Open Road Tolling (ORT)	167.3	174.0	153.3	327.3
Tri-State Tollway (I-94/294)	240.1	146.8	335.4	1,638.6
Northwest Tollway (I-90)	142.6	11.1	89.1	1,615.4
Reagan Memorial Tollway (I-88)	154.1	108.0	80.2	679.6
North-South Tollway (I-355)	76.3	55.8	311.3	760.1
Systemwide Improvements / Enhancements	24.4	23.4	118.6	265.1
Congestion-Relief Plan Subtotal	\$ 804.8	\$ 519.1	\$ 1,087.9	\$ 5,286.1
"Other" Capital Projects Subtotal	\$ 85.2	\$ 70.1	\$ 122.0	\$ 600.0
TOTAL CAPITAL PROGRAM	\$ 890.0	\$ 589.2	\$ 1,209.9	\$ 5,886.1

*Year-End Expenditures are as of 12/01/05

2005 Accomplishments

The Capital Program continues to focus on five initiatives that include congestion relief, rebuilding and widening the existing infrastructure, regional growth, system-wide enhancements and cutting-edge initiatives.

Congestion-Relief Plan

Open Road Tolling (ORT)

- In 2005, expenditures are estimated to total approximately \$174 million for delivering ORT lanes to nine mainline plazas and to begin converting most of the remaining plazas to ORT for completion in fall 2006.

Capital Program

I-355 South Extension

- Construction began with estimated expenditures at \$55.8 million for clearing, major earthwork, and the building of new construction entrances for moving heavy equipment.

Tri-State Tollway

- Over \$120 million is estimated to be expended to widen and rebuild northbound lanes from I-394 to 167th Street.
- Rebuild and widen of the Cal-Sag Bridge was completed in October with estimated expenditures totaling over \$3.6 million.
- Approximately \$1.7 million is estimated to be expended in right-of-way costs to accommodate the widening of the South Tri-State.
- \$7.5 million is estimated to be expended for the completion of designs for the roadway and bridge widening from Balmoral to Dempster.
- More than \$2.5 million in expenditures are estimated for the Master Plan development for the rebuilding/resurfacing and widening from Dempster Ave. to Russell Rd.

Reagan Memorial Tollway

- Approximately \$46.6 million will be expended for widening and rebuilding from IL 59 to Naperville Road, including the Mill Street Bridge.
- Over \$50.8 million is estimated to be expended for the Rehabilitation (Rubblization) project from IL 251 to U.S. Route 30.

Northwest Tollway

- Approximately \$1.2 million in expenditures are estimated for the development of the I-39/I-90 Interchange Improvement Master Plan.

Other Capital Projects

Customer Communications

- Over \$3 million will be expended for the completion of Phase I and II of the Dynamic Message Sign (DMS) installation. An additional 12 signs were installed in 2005, for a total of 33 DMS signs located at key decision points before entering the Tollway or interstate/major route interchanges.
- Expenditures are estimated to total approximately \$760 thousand to purchase Portable Changeable Message Signs (PCMS), enhancing the ability to provide relevant messages to motorists and change messages quickly and remotely for Incident Management and construction. In 2005, 22 trailer-mounted and 5 truck-mounted signs were purchased. The Tollway now has a total of 35 operational PCMS.



Capital Program

Public Safety

- Highway Emergency Lane Patrol (H.E.L.P.) Trucks were purchased totaling approximately \$1.3 million in order to increase emergency response time to 24 hours seven days a week in construction zones.
- Expenditures are estimated at more than \$4 million to install a new device, Cable Median Barrier, to improve safety and reduce cross-over accidents on the west end of the Northwest Tollway and western portions of the Reagan Memorial Tollway.

Business Efficiencies

- Approximately \$2.6 million will be expended to support Web and E-Commerce, which provides the Tollway website customers with a full self service environment. The system supports online customer identification and password/PIN management, I-PASS account application, transponder ordering, account information updates, and account balance checking. The site also serves as an information repository, providing customers service information, construction updates, maps, and Oases information.

2006 Highlights

Fiscal Year 2006 begins the second year of the 10-Year Capital Program with over \$1.2 billion budgeted for systemwide enhancements and CRP construction projects on all four major interstates.

Congestion-Relief Plan

Open Road Tolling (ORT)

- Approximately \$153 million is budgeted to deliver ORT to all mainline toll plazas by fall 2006.

I-355 South Extension

- More than \$306 million is budgeted for projects that include the clearing and grading from Des Plaines River to Interstate 55, building the Des Plaines Valley Bridge, and starting construction on several other bridges and interchanges.

Tri-State Tollway

- \$139.6 million is budgeted to begin the southbound widening and rebuilding from I-394 to 167th St.
- Over \$75 million is allocated for the widening and rebuilding from Balmoral Ave. to Dempster St.

Reagan Memorial Tollway

- Approximately \$41 million is allocated to begin widening and rebuilding from Naperville Road to I – 355.

Capital Program

Other Capital Projects

Public Safety / Customer Communications

- \$7.4 million for the Tollway's Intelligent Transportation System (ITS).
 - Automatic Vehicle Location – a tool to be installed in various roadway vehicles including H.E.L.P. Trucks and Incident Response Vehicles.
 - Ramp Queue Detection – remote traffic monitoring sensors to provide information on ramp backups that can alert technicians of potential roadway safety risks and can be tied into the DMS messages to motorists.
 - Maintaining and operating the expanded network of 33 over-the-road Dynamic Message Signs (DMS)
 - Closed Circuit TV/DMS Digital Conversion - adding 72 cameras
- Over \$1.3 million is budgeted for Customer Communications/Signage to guide and encourage motorists to travel safely through construction zones and throughout the system.

Business Efficiencies

- Over \$11 million is allocated for an Enterprise Resource Planning system that will enable the Tollway to more efficiently manage and control the multiple business activities of the Tollway, such as equipment and supplies purchasing, I-PASS sales, finance, accounts payable, inventory management, and human resources management.
- Approximately \$8 million is identified for an Information Technology Infrastructure Upgrade of fiber optic transmission equipment, which represents a comprehensive upgrade and modernization of the Tollway network infrastructure. The configuration and technologies expand capacity and capability that will accommodate Tollway growth.
- Approximately \$2 million is budgeted for Web and E-Commerce to provide added capacity for the growing number of users to the Tollway's web site, www.illinoistollway.com, who go online for I-PASS account management, and construction information and general Tollway information.
- \$20 million for the purchase of transponders to keep up with growing demands for I-PASS stemming from I-PASS acceptance on the Chicago Skyway and 11 state toll systems that are part of the E-ZPass Interagency Group.
- Approximately \$480 thousand is identified for the Disadvantage Business Enterprise Program to build a diverse vendor base.

Capital Program

2006 Congestion-Relief Plan

(\$ in millions)

Open Road Tolling (not including Mainline Pavement costs)	\$ 153.3
Tri-State Tollway (I-94 / I-294)	
Under Construction	
Plaza 21 (Waukegan) Reconstruction	\$ 25.2
Plaza 41 (163rd St) Retrofit	\$ 13.4
Plaza 37 (Joliet Rd) Reconstruction and Modifications	\$ 1.4
Northwest Tollway (I-90)	
Under Construction	
Plaza 17 (Devon Avenue) Reconstruction	\$ 14.8
Plaza 19 (River Rd) Roadway and Bridge Reconstruction	\$ 9.8
Plaza 1 (Beloit) Reconstruction	\$ 20.1
Plaza 5 / 6 (Belvidere and Genoa Road)	\$ 7.2
Plaza 7 Modifications (Marengo)	\$ 8.5
Plaza 9 (Elgin) Reconstruction	\$ 12.7
Ronald Reagan Memorial Tollway (I-88)	
Under Construction	
Plaza 52 (Meyers Rd) New Construction	\$ 11.5
Plaza 51 (York Rd) Reconstruction	\$ 5.2
Plaza 66 (De Kalb), Reconstruction	\$ 12.0
Plaza 69 (Dixon), Reconstruction	\$ 10.1
Other	\$ 1.4



Capital Program

2006 Congestion-Relief Plan		(\$ in millions)
Tri-State Tollway (I-94/I-294)		\$ 335.4
South Tri-State		
I-394 to 167th Street (Phase I)		
Under Construction	\$	137.3
Other Corridor Project Costs	\$	2.3
167th Street to 95th Street (Phase II)		
Begin Construction - Advance Work (Substructure Widening)	\$	11.0
Inspection - Mainline	\$	14.0
Other Corridor Project Costs	\$	0.7
North Tri-State		
Balmoral Avenue to Dempster Street		
Design / Begin Construction	\$	75.5
Dempster Street to Lake Cook Road		
Master Planning	\$	1.4
Design	\$	13.0
Edens Spur		
In Design	\$	0.3
Edens Spur to Half Day Road		
In Design	\$	0.3
Half Day Road to IL 176		
Master Planning	\$	0.4
Design	\$	3.6
Ill 176 to Russell Road		
Master Planning	\$	1.2
Design	\$	16.3
Other Projects	\$	0.1
ORT - Congestion Relief (Mainline Pavement Costs only)		
Construction	\$	58.0
Northwest Tollway (I-90)		\$ 89.1
East Riverside Boulevard to Rockton Road		
Master Planning	\$	3.2
IL 39 Interchange		
In Design	\$	2.9
Other Corridor Project Costs		
Construction	\$	4.3
ORT Congestion Relief (Mainline Pavement Costs only)		
Construction	\$	78.7

Capital Program

2006 Congestion-Relief Plan		(\$ in millions)
Ronald Reagan Tollway (I-88)		\$ 95.0
I-290 to IL 83		
In Design		\$ 6.3
Finley Road to Naperville Road		
Begin Construction		\$ 41.1
Naperville Road to IL 59		
Inspection		\$ 0.6
Orchard Road to Aurora Plaza		
In Design		\$ 7.6
IL 251 to Orchard Road		
In Design		\$ 1.3
US 30 to IL 251		
Inspection		\$ 0.1
Other Corridor Project Costs		
Construction		\$ 0.3
ORT Congestion Relief (Mainline Pavement Costs only)		
Construction		\$ 37.7



Rehabilitation (rubblization)
IL Rt. 251 to U.S. Rt. 30

Capital Program

2006 Congestion-Relief Plan

(\$ in millions)

North-South Tollway (I-355)	\$ 311.3
ORT Congestion relief (Mainline Pavement Costs only)	
Construction	\$ 4.6
Regional Growth - South Extension	
Under Construction	
Grading, 135th to I-80	\$ 8.3
Low Level Bridge over DesPlaines River	\$ 1.2
Des Plaines Valley Bridge	\$ 69.0
Grading and Drainage - I-55 to 135th St.	\$ 32.6
Cross Road Bridges, 151st, 159th, 163rd, Gougar, 167th, Bruce)	\$ 21.3
US 6 Interchange	\$ 15.5
Roadway and Bridges - I-80 Interchange and Cedar Rd.	\$ 18.4
143rd to North of US 6	\$ 18.4
Roadway and Bridges - 143rd / Archer Interchange	\$ 13.1
Roadway Bridges - I-55 Interchange	\$ 28.7
Plazas - Mainline and Ramp Plazas	\$ 4.1
Roadway and Bridge - 127th Interchange	\$ 13.9
Roadway and Bridge - I-55 to Valley Bridge	\$ 13.8
Other Corridor Project Costs	\$ 48.4
System-Wide Projects	\$ 103.8
ORT Congestion Relief (Mainline Pavement Costs only)	
Construction	\$ 6.5
Other Corridor Project Costs	\$ 31.0
Other	\$ 13.8
Systemwide Projects	
Construction	\$ 19.1
Master Planning	\$ 1.8
Other Project Costs	\$ 31.6
2006 CONGESTION-RELIEF PLAN TOTAL \$ 1,087.9	



Capital Program

2006 Other Capital Project Highlights

(\$'s in thousands)

Intelligent Transportation System (ITS) Program	\$ 7,445	
CCTV/DMS Digital Conversion - 72 Cameras and Site Location Survey	\$	4,360
TIMS Enhancements NET	\$	845
Convert Camera Feeds from Analog to Digital	\$	80
Travel Time Data Archiving	\$	100
Web Enabling TIMS	\$	300
Incident Detection	\$	300
Automatic Vehicle Location	\$	450
Ramp Queue Detection - Portable Equipment at Two (2) Locations	\$	150
Miscellaneous Projects	\$	860
Information Technology Projects	\$ 23,395	
Mainframe Legacy System Replace and Upgrade	\$	4,500
Next Generation Network (NGN)	\$	7,980
Upgrade/Replace 800mhz Radios	\$	1,840
Web, E-Commerce, and PKI	\$	2,000
Disaster Recovery	\$	1,300
Tower Preservation	\$	1,080
LAN/WAN Maintenance Upgrade	\$	950
Wireless Technology	\$	300
Fiber Optic Improvements	\$	1,000
Plaza Intercom Replacement	\$	350
Miscellaneous Projects	\$	2,095



Capital Program

2006 Other Capital Project Highlights

(\$'s in thousands)

Operations Repairs/Replacement Projects	\$	4,490	
Upgrade HVAC Network	\$		520
Roof Replacement for Salt Domes	\$		500
Asbestos Removal and Scraping, Various Locations, Systemwide	\$		100
Plaza 37 HVAC Replacement	\$		150
M-12 Heating and Installation	\$		140
Central Support Permanent Standby Generator	\$		110
Replace Generators and Upgrade Services at Lisle Tower	\$		150
Roof Replacements	\$		250
Installation and Replacement of Liebert Units	\$		430
Replacement of Main Fire Panel	\$		420
Updating Halon System	\$		230
Miscellaneous Projects	\$		1,490
General Engineering Consultant	\$	5,500	
Traffic Engineering Consultant	\$	1,750	
Intermittent Pavement Repairs	\$	9,500	
Roadway Maintenance and Equipment	\$	8,400	
Enterprise Resource Planning System	\$	11,880	
Toll Violation	\$	4,900	
Transponder Purchases	\$	20,000	
Other Miscellaneous Projects	\$	24,655	
Disadvantage Business Enterprise Program	\$		480
Portable Changeable Message Signs	\$		3,400
Roadway Pavement Management Services	\$		900
Roadway and Facility Maintenance	\$		4,300
Roadway Signing and Lighting	\$		1,325
Pavement Epoxy Marking	\$		1,000
E-ZPass Reciprocity Integration	\$		200
ITCS Lane Conversion	\$		3,110
Infrastructure Management Services	\$		1,850
Retaining Walls	\$		750
Equip New Office with IT Equipment (portable radios, IWIN Computers, etc.)	\$		685
Miscellaneous Projects	\$		6,655
2006 OTHER CAPITAL PROJECTS TOTAL	\$	121,915	



Bond and Debt Obligations

Bond and Debt Obligation

In September 2004, the Illinois Tollway Board of Directors approved a ten-year \$5.3 billion Congestion-Relief Plan. The plan called for financing as much as \$3 billion of the program through the issuance of bonds supported by revenues of the Tollway. The plan anticipated the sale of as much as \$1 billion in bonds in 2005, with the remainder to be issued throughout the first five years of the plan.

The Illinois Tollway issued Toll Highway Senior Priority Revenue Bonds, Series 2005A, in the par amount of \$770 million in June 2005. The bonds were sold at a premium, generating \$824.3 million for the Tollway, including \$762.4 million which was deposited into the Construction Fund and \$61.9 million for the Debt Service Reserve Account. The bonds were issued at a true interest cost of 4.21 percent.

Additionally, the Tollway executed forward starting Interest Rate Exchange Agreements to hedge against rising interest costs for future financing needs. The Tollway executed four such agreements with four separate counterparties in the total notional amount of \$700 million. Exchange payments are timed to commence with capital financing transactions planned for 2006 and 2007.

During 2006, the Tollway budget accommodates the issuance of an additional \$700 million of bonds to provide funding for the Congestion-Relief Plan. The 2006 Tentative Budget includes \$117.3 million for debt service on \$1.38 billion of outstanding debt and \$12.7 million for debt service on bonds issued during 2006. Net revenues available to pay debt service are estimated to total \$404 million, providing coverage of 3.1 times estimated debt service.

Bond and Debt Obligation

Summary of Current Outstanding Debt as of September 30, 2005

Fiscal Year	New 2005 Series A Bonds		Debt Service on Series 1992A, 1993B, 1996A, 1998A&B Outstanding		Total Debt Service All Bonds
	Principal	Interest	Principal	Interest	
2006	\$0	\$37,608,069	\$47,350,000	\$32,342,000	\$117,300,069
2007	\$0	\$37,608,069	\$50,030,000	\$29,870,900	\$117,508,969
2008	\$0	\$37,608,069	\$52,750,000	\$27,259,240	\$117,617,309
2009	\$0	\$37,608,069	\$45,465,000	\$24,502,570	\$107,575,639
2010	\$0	\$37,608,069	\$49,910,000	\$22,272,295	\$109,790,364
2011	\$0	\$37,608,069	\$53,040,000	\$19,142,460	\$109,790,529
2012	\$0	\$37,608,069	\$56,365,000	\$15,816,150	\$109,789,219
2013	\$33,390,000	\$37,608,069	\$59,465,000	\$12,716,075	\$143,179,144
2014	\$35,060,000	\$35,938,569	\$62,735,000	\$9,445,500	\$143,179,069
2015	\$36,810,000	\$34,185,569	\$66,100,000	\$5,995,075	\$143,090,644
2016	\$38,650,000	\$32,345,069	\$69,200,000	\$2,992,900	\$143,187,969
2017	\$92,460,000	\$30,412,569	\$0	\$0	\$122,872,569
2018	\$97,085,000	\$25,789,569	\$0	\$0	\$122,874,569
2019	\$101,935,000	\$20,935,319	\$0	\$0	\$122,870,319
2020	\$106,140,000	\$16,730,500	\$0	\$0	\$122,870,500
2021	\$111,450,000	\$11,423,500	\$0	\$0	\$122,873,500
2022	\$117,020,000	\$5,851,000	\$0	\$0	\$122,871,000
	\$770,000,000	\$514,476,216	\$612,410,000	\$202,355,165	\$2,099,241,381

Bond and Debt Obligation

Debt Requirement and Coverage Ratio

The Trust Indenture requires the Tollway to collect tolls for the use of the Tollway system as shall be required so each Fiscal Year New Revenues be at least equal to the New Revenue Requirement, or the amount necessary to cure deficiencies, if any, in the Debt Service Accounts plus the greater of the sum of Aggregate Debt Service and the Renewal and Replacement Deposit or 1.3 times the Aggregate Debt Service for such period.

In September, 2005 the Tollway executed a junior lien bond indenture authorizing the issuance of \$700 million in junior lien bonds. The junior lien bond indenture requires a debt service coverage of 1.1 times.

The Tollway has historically maintained debt service coverages well in excess of required coverage ratios. The Tollway will continue its conservative use of debt, which will allow increased flexibility to accommodate emergency capital needs or other events that may affect our system.

REVENUE BOND COVERAGE

(Millions)

	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Revenue Bond Coverages
				Principal	Interest	Total	
2006 budget	\$624.0	\$219.8	\$404.2	\$47.4	\$70.0	\$117.3	3.45
2005 estimated	\$630.0	\$210.9	\$419.1	\$45.0	\$54.3	\$99.4	4.22
2004	\$421.2	\$198.6	\$222.6	\$13.5	\$35.2	\$48.7	4.57
2003	\$441.7	\$195.7	\$246.0	\$41.2	\$38.4	\$79.7	3.09
2002	\$384.9	\$165.9	\$219.0	\$39.4	\$40.3	\$79.7	2.75
2001	\$391.7	\$160.7	\$231.0	\$37.6	\$42.1	\$79.7	2.90
2000	\$380.1	\$151.4	\$228.7	\$35.9	\$43.8	\$79.7	2.87
1999	\$358.0	\$146.9	\$211.1	\$33.6	\$46.3	\$79.8	2.64
1998	\$361.1	\$133.3	\$227.8	\$27.8	\$49.8	\$77.6	2.94
1997	\$356.9	\$130.5	\$226.4	\$26.6	\$51.0	\$77.6	2.92
1996	\$344.0	\$122.5	\$221.5	\$30.3	\$52.5	\$82.7	2.68
1995	\$342.2	\$115.0	\$227.2	\$25.8	\$56.3	\$82.0	2.77
1994	\$311.0	\$120.3	\$190.7	\$24.3	\$57.8	\$82.0	2.32
1993	\$276.8	\$108.3	\$168.5	\$21.5	\$55.5	\$77.1	2.19

Note 1 - Gross revenue includes operating and non-operating revenue.

Note 2 - Operating expenses exclusive of depreciation and amortization.



Appendix

Appendix 1—Annual Toll Revenue Certificate

October 18, 2005

Michael Colsch
Chief of Finance

Illinois State Toll Highway Authority
2700 Ogden Avenue
Downers Grove, IL 60515



1111 Burlington Avenue
Suite 105
Lisle, Illinois 60532
(630) 434-8111
(630) 434-8163 fax
www.wilbursmith.com

Re: Annual Toll Revenue Certificate

Dear Mr. Colsch:

As Traffic Engineers for the Illinois State Toll Highway Authority, Wilbur Smith Associates (WSA) is pleased to provide the toll revenue estimates required by the Trust Indenture, Section 713(3). This letter provides updated monthly toll revenue estimates for 2005 and toll revenue estimates for 2006. The revenue estimates are based on the new toll rate structure which became effective on January 1, 2005. This new structure includes a doubling of toll rates for passenger car customers who pay by cash. There is no change for passenger car customers who pay via I-PASS. The class structure for commercial vehicles is simplified and the rates increased. Discounts for commercial vehicles in the overnight hours and for I-PASS users in the off-peak hours are provided.

The toll revenue estimates are “*expected revenues*”. This revenue is what would be obtained if each vehicle passing through a toll collection plaza paid exactly the published toll rate based on the vehicle’s classification system, time of day, and toll payment method. It does not include the effects of overpayments, underpayments or toll evasion.

Estimated Toll Revenue

The revised 2005 system-wide *expected* toll revenue estimate is \$615,292,000. This estimate includes the Illinois Tollway’s *expected* revenues from the *Statement of Expected Revenues (Adjusted)* for the first eight months and WSA estimates for the last four months of 2005. The revenue estimates for the last four months of 2005 have been revised after considering impacts of Open Road Tolling (ORT) construction and the record high gasoline prices witnessed in the month of September. The results are summarized in Table 1. The estimated system wide *expected* revenue for 2006 is \$617,483,000. Monthly *expected* revenue estimates for 2006 are presented in Table 2. These estimates are based on a detailed review of recent traffic revenue trends; assessment of economic conditions within the Tollway study corridor; and the estimated impact of construction projects on and off the Tollway system.

Appendix 1—Annual Toll Revenue Certificate Continued

Construction Impacts

Implementation of the Capital Plan will require substantial construction activity on the system. In particular, conversion of twenty (20) mainline toll plazas to Open Road Tolling will be undertaken in two phases during 2005 and 2006. Phase I of the construction began in summer 2005 on the eight (8) plazas to be retrofit in 2005, including the Army Trail Road and Boughton Road Toll Plazas on North-South Tollway; the Edens Spur, 82nd St., 83rd St., Cermak Road, and Irving Park Road Toll Plazas on Tri-State Tollway. The conversion of Aurora Toll Plaza on Ronald Reagan Memorial Tollway was completed earlier in 2005. Phase II of ORT construction on the remaining 12 plazas is scheduled to begin in summer/fall of 2006 with completion of Open Road Tolling lanes by the end of 2006. Construction impacts due to ORT plaza conversions at Irving Park Road (Plaza 33), Cermak Road (Plaza 35), 82nd Street (Plaza 36), and 83rd Street (Plaza 39) were analyzed in order to assess the impact of ORT conversion on revenues. Our ORT construction impact estimates assume all stages of MOT plans will continue to maintain the existing number of mainline lanes.

In 2006, the Tollway will be undertaking reconfiguration of two mainline plazas on the North-West Tollway at Belvidere (Plaza 5) and Morengo (Plaza 7). Toll collection will be suspended in one direction at each of these plazas in March 2006 while doubling the tolls in the other direction. At Plaza 5, tolls will be charged only in the westbound direction whereas at Plaza 7 tolls will be charged in eastbound direction only. WSA estimated the impact of splitting the toll plazas based on the Rockford Area Transportation Study (RATS) model and O-D survey we conducted at the Genoa Road Interchange.

Another major Tollway construction project to be undertaken from 2005 through 2009 is the widening of the Tri-State Tollway from I-394 to 95th Street. It is our understanding that three mainline lanes at reduced width will be in operation at all times during construction for this project limiting diversions. Also, limiting diversions will be construction activity during 2005 and 2006 on the Dan Ryan Expressway, the major alternate to the south Tri-State Tollway for longer distance trips.

The Ronald Reagan Memorial Tollway is undergoing reconstruction and widening between IL-59 and Naperville Road which will continue through 2007. We understand that at least three lanes of traffic will remain available in both directions during daytime hours throughout this project through the use of shoulders and a crossover lane. Another construction project involving rehabilitating between U.S. 30 and IL-251 is also being undertaken on this facility in 2005. Under this project, traffic will be reduced to one lane in each direction during construction. In 2006, construction is also scheduled to begin to add one lane in each direction between Finley Road and Naperville Road and between Orchard Road and Aurora mainline toll plaza (Plaza 61).

We believe the construction impacts on toll revenue are reasonable given the information we have at this time. As additional information becomes available on 2006 construction activity and maintenance of traffic plans, the estimates may be revised.

Appendix 1—Continued

Gasoline Price Impacts

In September 2005, gasoline prices peaked in the wake of Hurricane Katrina with monthly nation-wide average of retail reformulated gasoline at \$2.99. The Energy Information Administration's (EIA) short term energy outlook released on Sept 7, 2005 projects that for the remaining months of 2005, the average US retail gasoline price will remain either higher than or close to \$2.50. According to EIA, the projected average for the year 2006 is \$2.40. A review of system wide revenues from Illinois Tollway's *Weekly by Payment Type* report for the first 29 days of September indicates that the *expected* revenues for the month of September would be about 5.5 percent lower than the earlier estimate. Year to date, this is the largest difference witnessed between the previous estimates and the observed revenues, being more than twice for any other month. WSA analyzed the price elasticities of Tollway patrons and took into account the impacts resulting from projected gasoline prices.

Impact of I-PASS Participation Rates

WSA tracked the actual I-PASS participation on the Illinois Tollway for the first eight months of 2005. Monthly I-PASS participation rates were compared with the assumed participation rates used earlier in 2005 to estimate revenues. The analysis indicated that the actual I-PASS participation was lower than the assumed participation rates for the summer months when recreational traffic is higher as compared to other months. Based on this experience, I-PASS participation for summer months of 2006 was revised.

Other factors that were taken into consideration while estimating I-PASS participation were the anticipated increase in I-PASS penetration due to conversion to Open Road Tolling, natural growth in I-PASS participation, and the increase resulting from the move to allow E-ZPass customers to use their transponders to pay tolls electronically on the Illinois Tollway.

WSA will continue to monitor economic activity, traffic growth and the impacts of construction on the Illinois Tollway. We trust the information herein meets your needs. Please let me know if you have questions or need additional information.

Yours truly,

WILBUR SMITH ASSOCIATES



Kamran A. Khan
Vice President

KK:lcm
Cc: Leanne Redden
Carol Reckamp
Attachments

Table 1
Illinois Tollway 2005 Monthly Systemwide
Estimates of Expected Revenues
(000's)

Month	Expected Revenue
January	\$46,337 ¹
February	45,280 ¹
March	51,836 ¹
April	50,930 ¹
May	53,933 ¹
June	55,830 ¹
July	54,938 ¹
August	55,561 ¹
September	49,985 ²
October	52,195 ²
November	49,226 ²
December	49,240 ²
Yearly Total	\$615,292

1. *Illinois Tollway Statement of Expected Revenues (Adjusted)*

2. *Wilbur Smith Estimate of Expected Revenues*

Table 2
2006 Monthly Systemwide
WSA Estimates of Expected Revenues
(000's)

Month	Expected Revenue
January	\$46,047
February	44,380
March	51,772
April	51,157
May	52,900
June	54,494
July	54,170
August	56,742
September	52,506
October	53,559
November	50,333
December	49,423
Yearly Total	\$617,483

CTE
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December 16, 2005

Mr. Michael Colsch
Chief of Finance
Illinois State Toll Highway Authority
2700 Ogden Avenue
Downers Grove, Illinois 60515

Subject: 2006 Renewal and Replacement Deposit

Dear Mr. Colsch:

We have reviewed the renewal and replacement needs of the Tollway system in order to develop our recommendation for the deposit to be made to the Renewal and Replacement Account in 2006. In addition to the maintenance and rehabilitation needs of the system, the Amended and Restated Trust Indenture, dated March 31, 1999, also permits the purchase of capital equipment under the Renewal and Replacement Account.

Based on the most recent cash flow analysis prepared by Tollway Finance and furnished to us on October 17, 2005, we recommend depositing \$175,000,000 to the Renewal and Replacement (RR) Account for 2006 in order to fund the projects in the Authority's Draft Program of roadway, bridge, and facility repair, rehabilitation and reconstruction. We also estimate that approximately \$99.0 million of additional revenue will be available for projects.

Total draws for the Final Program are estimated at \$1.210 billion. Based upon revenue generated from bond sales being committed to the Capital Program, the combination of bond revenue, deposits and draws on the cash balance of the RR Account will fund the projects in the Draft Program including capital equipment purchases of \$8.4 million for fleet vehicle purchases, \$20.0 million for I-PASS Transponders, \$23.4 million for Information Technology, \$7.4 million for the Intelligent Transportation Systems program and \$62.7 million for other capital projects.

If you have any questions or we can be of any further assistance, please contact the undersigned.

Sincerely,

CONSOER TOWNSEND ENVIRODYNE ENGINEERS, INC.



Bruce A. Dinkheller P.E.
Associate Vice President

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c: J. Hartman, ISTHA M. Johnson, ISTHA J. Dailey, ISTHA
R. Zuccherro, ISTHA J. Berman, ISTHA C. Reckamp, ISTHA
W. Swafford, CTE B. Dinkheller, CTE

Appendix 1—Continued

2006 BUDGET ILLINOIS STATE TOLL HIGHWAY AUTHORITY CERTIFICATE OF AUTHORIZED OFFICER

Set fourth below is a statement showing actual and estimated Revenues (including estimates of Toll Revenues prepared by the Traffic Engineer, Wilbur Smith Associates, Inc.), Operating Expenses, Aggregate Debt and Service and Renewal and Replacement Deposit (formerly Major Improvement and prepared by the Consulting Engineer, Conseor Townsend Envirodyne Engineers, Inc.) for the years 2005 and 2006. This statement is prepared for the purpose of determining whether the Net Revenues, as projected will be sufficient to at least equal the New Revenue Requirements for such years, in accordance with the requirements of Section 713 of the Trust Indenture.

		(millions)	
		FY 2005	FY 2006
Net Revenues :			
Actual Revenues - First Eight Months :			
	Toll Revenue and Evasion Recovery *	\$409.9	
	Investment Income	12.1	
	Concession and Miscellaneous	2.7	
	First Eight Months Revenues	\$424.7	
Estimated Revenues - Last Four Months :			
	Toll Revenue and Evasion Recovery *	\$199.1	
	Investment Income	4.9	
	Concession and Miscellaneous	1.3	
	Last Four Months Revenues	\$205.3	
Estimated Revenues :			
	Toll Revenue and Evasion Recovery *	\$609.0	\$603.0
	Investment Income	17.0	17.0
	Concession and Miscellaneous	4.0	4.0
	Total Estimated Revenues	\$630.0	\$624.0
	Less: Total Budgeted Operating Expenses	\$210.9	\$219.8
	Estimated Net Revenues	\$419.1	\$404.2
	Net Revenue Requirement		
	Aggregate Debt Service Requirement	\$99.1	\$130.0
	Renewal/Replacement Deposit per CTE	175.0	175.0
	Estimated Net Revenue Requirement	\$274.1	\$305.0
	Additional Available for Deposit to Renewal, Replacement and Improvement	\$145.0	\$99.2

* Evasion Recovery is reflected on a cash basis

Glossary

Acronyms:

AASHTO	American Association of State Highway and Transportation Officials
ADT	Average Daily Traffic
ANSI	American National Standards Institute
ASA	American Standards Association
ASCE	American Society of Civil Engineers
ASTM	American Society for Testing Materials
AUTOCAD	Auto Computer Aided Dispatch
CA	Central Administration for the Illinois Tollway
CAD	Computer Aided Dispatch
CAFR	Comprehensive Annual Financial Report
CATS	Chicago Area Transportation Study
CDB	Capital Development Board
CECI	Consulting Engineers Council of Illinois
CG	Central Garage
CMS	Central Management System
CRP	Congestion-Relief Plan
CSS	Central Sign Shop
CTE	Consoer Townsend Environdyne
CW	Central Warehouse
DBE	Disadvantaged Business Enterprise
DMS	Dynamic Message Signs
ERP	Enterprise Resource Planning
ES	Edens Spur
EW	East-West Tollway
FHWA	Federal Highway Administration, Department of Transportation
FOIA	Freedom of Information Act
GCM	Gary-Chicago-Milwaukee
IBTTA	International Bridge, Tunnel & Turnpike Association
IDOT	Illinois Department of Transportation
IEPA	Illinois Environmental Protection Agency
IPE	I-PASS Express
IPO	I-PASS Only
ISO	International Organization for Standardization
IT	Information Technology
M&O	Maintenance & Operations Budget
MP	Mile Post
M-Site	Maintenance Site
NIPC	Northern Illinois Planning Commission
NS	North-South Tollway
ORT	Open Road Tolling
PCMS	Portable Changeable Message Signs
PSB	Professional Service Bulletin
RRI	Renewal, Replacement and Improvement
TS	Tri-State Tollway
UA	Unattended Plaza

Glossary

APPROPRIATION – Spending authority from a specific fund for a specific amount, purpose and time period.

AVAILABLE FUND BALANCE – The total money in a fund at a particular point in time, typically at the beginning of a month or year end.

BASIS OF ACCOUNTING – The method of accounting used to track and report revenues and expenditures, for example, cash, budgetary, or accrual.

BEST PRACTICES - Best practices are the processes, practices, and systems identified in public and private organizations that performed exceptionally well and are recognized as improving an organization's performance and efficiency in specific areas. Successfully identifying and applying best practices can reduce business expenses and improve organizational efficiency.

BOND FUND - A fund that receives proceeds from the sale of bonds to be used for capital projects.

BOND RATING - An assessment of the credit risk with respect to a specific bond issue.

BOND RETIREMENT AND INTEREST - A fund used to repay principal and interest on bonds or other debt obligations, typically spent pursuant to a continuing and irrevocable appropriation.

2005 ORIGINAL BUDGET - The 2005 budget as approved by the Board of Directors 2003.

2005 REVISED BUDGET - The 2005 Revised Budget reflects the addition of funding for the State Administrative Charge as well as the transfer of funds between accounts.

2006 BUDGET REQUEST - The 2006 budget request presented to the Board for final approval.

CHANGEABLE MESSAGE SIGN (CMS) - Signs located throughout the system which the Tollway uses to communicate to patrons regarding traffic flow, or more specifically traffic incidents.

CONSOER TOWNSEND ENVIRONDYNE (CTE) - Consulting Engineer for the Illinois State Toll Highway Authority.

CONSTRUCTION SECTION - Any one of the numerous divisions into which construction of the roadway, facilities and appurtenances of the Toll Highway may be divided for the purpose of awarding contracts.

CONSTRUCTION SECTION ENGINEER (CSE) - The Engineer or firm of engineers and their duly authorized employees, agents and representatives engaged by the Authority to observe The Work to determine whether or not it is being performed and constructed in compliance with the Contract.

CONSULTING ENGINEER - The Engineer or firm of Engineers retained by the Tollway for the purpose of carrying out the duties imposed on the Consulting Engineer by the Trust Indenture and such other duties as assigned.

DEPARTMENT - A major administrative division of the Tollway which has overall management responsibility for an operation or group of related operations within a functional area.

DEBT SERVICE - Payment of principal, interest and other obligations associated with the retirement of debt.

DYNAMIC MESSAGE SIGN (DMS) - Dynamic Message Signs are the changeable message signs that TIMS uses to communicate with patrons.

Glossary

ELECTRONIC TOLL COLLECTION (ETC) - An electronic means for motorists to pay toll charges without using coins or currency. Motorists attach an electronic signal device, known as a transponder, on their windshield to automatically deduct the toll charge as they drive through a toll plaza. ETC is used by many toll highway systems, including the Illinois Tollway which calls it "I-PASS".

EMPLOYEE RETIREMENT CONTRIBUTIONS - Line item for payment of an employee's required contribution to the State Employee's Retirement System (SERS), which an agency has chosen or contracted to make on behalf of the employee.

EZ-PASS – Program which allows Illinois Tollway customers with an I-PASS to use their transponders to pay tolls in all states that accept E-ZPass.

FISCAL YEAR - The Tollway's fiscal year is January 1 through December 31. This is the period in which obligations are incurred, encumbrances are made and appropriations are expended. The State of Illinois's fiscal year is July 1 through June 30.

FULL-TIME EMPLOYEE - A full-time employee's work is based on a 40 hour work week for 52 weeks, or 2080 hours per year.

FUND - An account established by the bond indenture to hold money for specific programs, activities or objectives.

GROUP INSURANCE - Line item for life and health insurance program for all Tollway employees, retirees and their dependents.

HEADCOUNT - A statement or description of the number of employees for a specific time period, usually the actual number or the calculated full-time equivalent.

H.E.L.P. TRUCKS - Highway Emergency Lane Patrol program was designed to enhance roadside assistance given to Tollway customers.

I-PASS - The Illinois Tollway's electronic toll collection system (see definition above).

LANE WALKER - A Tollway employee hired to check the lanes for passability and to assist patrons as needed.

LIMITED ACCESS TOLL HIGHWAY - A toll highway system (e.g., Illinois Tollway) in which the user pays tolls at plazas along the toll road.

MAINLINE PLAZAS - The type of toll collection plazas that span the roadways and are located throughout the system. These plazas may have manual, automatic and I-PASS lanes.

MAINTENANCE & OPERATIONS BUDGET (M&O) - The Maintenance & Operations Budget covers the day-to-day operating cost of the Illinois State Toll Highway Authority.

MILLION VEHICLE MILE - MVM is a common highway industry model that can be compared to other cost factors to compute a measure of performance.

OASIS - Junction on the system which provides services to patrons such as food, gas and rest rooms, and generally a safe area for patrons to relax. It also provides a rest area for interstate commerce such as truck stops.

Glossary

PART-TIME EMPLOYEE - An employee who performs less than 2,080 hours of work in one fiscal year.

PERSONAL SERVICES - Line item for salaries and wages to be paid to employees.

PROFESSIONAL SERVICE BULLETIN (PSB) - Contains information pertaining to the advertisement for Statements of Interest and Requests for Proposals for professional services for the Illinois State Toll Highway Authority.

RECOVERY OF EXPENSES - This process claims and recovers damages caused to Tollway property or fixtures such as light poles, guard rails, toll gates, etc. Charges for emergency vehicles such as Ambulances, and Fire Equipment are also recovered.

RENEWAL, REPLACEMENT AND IMPROVEMENT (RR&I) - Tollway projects that maintain, repair, or improve the existing infrastructure; such projects are less extensive than capital reconstruction projects.

RESERVE - Portion of appropriation intentionally set aside and not spent either to increase lapse or as a contingency for increased liabilities in other line items.

RETIREMENT PICK-UP - Line item for employer's share of contributions to the state retirement system.

REVENUE BONDS - A certificate of debt issued by an organization in order to raise revenue. It guarantees payment of the original investment plus interest by a specified date using the organization's revenues.

RIGHT-OF-WAY - A general term denoting land, property, or interests therein, acquired for or devoted to a highway.

SPECIFICATIONS - The general term comprising the direction, provision, instruction, and requirement

SYSTEM - The 274 miles which makes up the roadway/Tollway?

TOLL - A fee for usage or passage such as over a highway.

TOLL BOOTH - A booth on a highway where tolls are taken.

TOLL COLLECTOR - A Tollway employee hired to take tolls manually from customers.

TOLL HIGHWAY OR TOLLWAY - The limited access highway built or proposed to be built by the Authority, including all facilities and appurtenances thereto.

TRANSPONDER - The device that communicates through radio signals with the toll plaza as the vehicle it is attached to passes through the lane, making a record of a paid toll.

TRANSPORTATION INFORMATION MANAGEMENT SYSTEM (TIMS) - System which allows the Tollway to monitor weather, traffic incidents, and construction areas which may affect the flow of traffic. This system can also alert patrons by communicating to them, specific areas of interests or concern, by using the message signs along the system. The system also generates travel times that are available to motorists via the Gary-Chicago-Milwaukee Corridor Web site - www.gcmtravel.com.

TRUST INDENTURE - A contract between the Tollway and its bondholders that establishes the rights and obligations of both parties (e.g., it creates a pledge of toll revenue to the bondholders).

Glossary

VEHICLE MILES TRAVELED (VMT) - The number of miles driven annually by all vehicles using the roadway.

VIOLATION ENFORCEMENT SYSTEM (VES) - A system that has been developed for the Tollway to collect unpaid tolls from violators. The system takes photographs of license plates of the vehicle and a fine notice will be mailed to toll violators.

WILBUR SMITH ASSOCIATES (WSA) - The Traffic Engineer for the Illinois Tollway.

