



ILLINOIS TOLLWAY

2011 Budget

Published: December 16, 2010

Governor Pat Quinn • Chair Paula Wolff • Executive Director Kristi Lafleur





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Illinois State Toll Highway Authority

For the Fiscal Year Beginning

January 1, 2010

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Illinois State Toll Highway Authority for the Annual Budget beginning January 01, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.



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Executive Letter

December 16, 2010

To the Honorable Board Chair and Directors:

Now, more than ever before, public agencies across the nation are struggling to manage expenses, cut costs and seek new and creative ways to adjust their budgets based on underperforming revenues and challenging economic times. The Illinois Tollway is not alone.

To prepare this Fiscal Year 2011 Budget, we have gone through the Tollway budget looking at ways to control spending and maximize efficiencies. As a result, this balanced budget uses conservative revenue projections while striving to achieve new management efficiencies agency-wide.

This budget reduces operating expenses \$10.3 million – a 3.9 percent cut – from the 2010 original budget. This is the first reduction of its kind in the Tollway's history. It also prioritizes customer service and seeks to minimize the impact of any budget cuts on our delivery of front-line services.

In the coming year the Illinois Tollway will continue efforts to increase efficiencies, become more accountable to the public and continue to provide greater benefits for customers. In addition, the Illinois Tollway's commitment to reducing traffic congestion and promoting safe and convenient travel remains our foremost priority, as we enter the seventh year of the \$5.8 billion Congestion-Relief Program – Open Roads for a Faster Future.

Throughout 2011, the Tollway will continue to devote resources to provide all necessary support to improve service to the Northern Illinois region and 1.4 million daily vehicles – enhancing customer service, furthering transparency and accountability, fostering environmental responsibility and sustainability, promoting regional economic growth and increasing regional collaboration with transportation and planning agencies.

I am pleased to present you the attached Fiscal Year 2011 Budget, which clearly demonstrates that the Illinois Tollway's priority is the continued investment in necessary improvements that provide exemplary service to the millions of drivers on the Tollway's 286-mile system.

Sincerely,



Kristi Lafleur
Executive Director

Executive Summary

The Illinois Tollway's 2011 Budget reflects the agency's commitment to accountability, efficiency and dedication to serving customers. Throughout 2011, the Tollway will continue to devote resources to provide all necessary support to improve service to the Northern Illinois region and our 1.4 million daily customers – enhancing customer service, furthering transparency and accountability, fostering environmental responsibility and sustainability, promoting regional economic growth and increasing regional collaboration with transportation and planning agencies.

2010 Accomplishments

The Illinois Tollway is continuing efforts to be accountable to its customers and fulfill the pledge to act as a trustworthy steward of toll revenues for the 1.4 million daily users of the 286-mile Illinois Tollway System.

Increasing Collaboration

The Illinois Tollway recognizes that improving transportation for the region will require new and innovative solutions in addition to collaboration with other transportation and transit agencies on the local, state and regional level.

In April, Executive Director Kristi Lafleur created a Strategic Advisory Team to assist with a comprehensive review and evaluation of the agency and identify potential for improved service to Northern Illinois. The Team examined Tollway policies, assessed opportunities and challenges, and offered input to refocus the agency on the customers and the communities it serves. Its report, titled "A Roadmap for the Future," was the culmination of five months of work by the 33-member team comprised of a diverse array of business, labor, transportation planning and advocacy and hospitality management interests.

Also in April, led by Illinois Tollway Board Chair Paula Wolff, seven Chicago-region transportation agencies convened on Earth Day 2010 for a first-of-its-kind Transportation Summit to improve coordination among the region's transportation leaders. Nearly 100 leaders were invited to share their ideas and began working toward a shared transportation/environmental vision for the region.

In addition, the Illinois Tollway Executive Director and senior staff have participated in nearly 300 presentations and meetings with community groups and constituent organizations.

Delivering Roadway Improvements

By the end of 2010, the Tollway will have completed 82 percent of the Congestion-Relief Program, on schedule and within budget. Work this year included rehabilitation and repairs to the Edens Spur, systemwide ramp and interchange repairs and the completion of new and improved mile post signage installation systemwide.

In addition, 2010 marks the completion of improvements throughout the Veterans Memorial Tollway (I-355) corridor with repairs and resurfacing delivered to extend the life of the original 17-miles of the roadway. Coupled with the 12.5-mile south extension completed in 2007, the I-355 corridor is now positioned to serve suburban Cook, DuPage and Will counties for decades to come.

Focus on Environmental Responsibility and Sustainability

The Illinois Tollway continued its commitment to “Building Green” in 2010 by minimizing the environmental impact of construction by reducing, recycling and reusing materials. Roadway and shoulder pavement improvements this year repurposed more than 96,000 recycled tires and nearly 1.8 million tons of recycled asphalt shingles. Construction projects also utilized nearly 42,000 tons of recycled asphalt and more than 16,000 tons of recycled concrete.

Looking beyond the roadway, the Tollway and Illinois Department of Transportation were recognized by the Federal Highway Administration as one of seven nationwide projects selected in 2010 as Exemplary Ecosystem Initiatives. The North Chicago Wetland Mitigation Project is rehabilitating and protecting 160 acres of Illinois native landscape threatened by invasive species and development. The site, located just south of Buckley Road and east of the Tri-State Tollway (I-94), contains a complex of high-quality uplands and wetlands. With estimates of less than one-tenth of one-percent of Illinois native prairie remaining, the importance of repairing and protecting this site from degradation or development is critical.

The Illinois Tollway is also taking steps to make environmental responsibility and sustainability part of operations and maintenance. The agency has begun to respond to the Governor’s Executive Order 11 which requires a 25 percent reduction in electrical and natural gas consumption at state facilities by 2015 compared to 2008 levels. In 2010, the Tollway undertook an energy usage assessment. The review, a first of its kind for the agency, will establish the base line for energy consumption and provide recommendations for reductions.

In 2010, the Illinois Tollway has shown an ongoing commitment to environmental planning in roadway operations - from planning to design to construction, including the expansion of the partnership with the University of Illinois to include a systemwide environmental study and a study of recycled pavement materials.

Enhancing Customer Service

The Illinois Tollway operates the nation’s largest electronic toll collection system. I-PASS average usage rates represent around 82 percent of the Tollway’s 1.4 million daily vehicles, with the number of active I-PASS transponders growing to more than 4 million on more than 3 million accounts.

Working to further identify the needs of our customers, the Tollway issued an e-mail survey to I-PASS customers in 2010 and received more than 57,000 responses. More than 60 percent indicated that the primary reason they choose the Tollway is because it offers the fastest travel, and nearly 70 percent think they get good value for their money. In addition, more than 70 percent of respondents manage their I-PASS accounts online, with 80 percent having a positive view of their online interactions with the Tollway.

Looking to maintain that positive customer experience in 2010, the Illinois Tollway launched a new I-PASS Transponder Replacement Program to assist customers whose transponders are reaching the end of their effective life swap out the old transponders for new ones at no cost. More than 48,000 are expected to be replaced by the end of 2010.

In addition, during 2010, the Tollway continued to enhance its e-commerce services, which allow I-PASS customers to manage their account online, purchase and activate transponders and pay toll violation notices online. Currently, more than 70 percent of I-PASS account holders manage their accounts online at www.getipass.com, 24 hours a day, 7 days a week – a 5 percent increase from 2009.

For traveling customers who prefer face-to-face service closer to work or home, the Tollway's six customer service centers at Tollway Oases and at Tollway Headquarters provide comprehensive I-PASS services. These centers served an estimated 430,000 customers in 2010, including facilitating sales and providing complete I-PASS and unpaid toll and violation payment services.

Face-to-face customer service was further enhanced in 2010 via the Tollway's Mobile I-PASS services. In addition to planning and implementing visits to more than 30 businesses along the Tollway System, the Illinois Tollway partnered with the Illinois Secretary of State to plan visits within 12 key driver's services facilities in Chicago, the suburbs and greater Rockford area. Altogether, Mobile I-PASS has provided services to more than 500 customers in 2010.

To reach customers directly, the Tollway anticipates sending eight e-newsletters throughout 2010 targeting more than 1 million I-PASS customers with each edition. In addition, throughout 2010, approximately 150,000 e-mails and letters were sent weekly alerting customers to low balance status and about 80,000 notices were proactively issued monthly regarding credit card expiration.

Promoting Economic Growth

Under direction from the Board of Directors and the Executive Director, the Illinois Tollway took steps in 2010 to ensure that the agency is contributing to regional economic growth.

Building on its commitment to engage the services of disadvantaged business enterprises in Tollway construction projects, the agency created a pilot program to increase opportunities for small businesses. In 2010, \$10 million was set aside for ramp improvements at five interchanges and included a \$3.7 million investment in small businesses from around the region. The Illinois Tollway also continues to expand and promote its Diversity Program through continued outreach and special events.

In addition, the Tollway has begun forming new partnerships to gain access to the latest innovative practices, benefit from the most advanced technologies and serve as a partner to some of the most prestigious educational institutions and research laboratories in the nation, if not the world, located in Chicago and Illinois. In 2010 the Tollway signed a memorandum of understanding with Argonne National Laboratories to develop future research and demonstration projects focusing on energy efficiency and alternative energies.

Furthering Transparency and Accountability

In 2010 the Illinois Tollway took major steps to enhance the transparency and accountability to the public and toll-paying customers. Access to contracts and information about construction work being performed under contract was expanded in 2010 through enhancements to the Doing Business section of the Tollway's Web site and the creation of a Construction Project Tracker.

The Tollway also worked with the Legislature and Governor Pat Quinn to implement a new law creating the Office of Toll Highway Inspector General to oversee operations at the agency. This new office is authorized to investigate ethics violations not covered in the State Officials and Employees Ethics Act, involving allegations of fraud, waste, abuse, mismanagement and misconduct.

Congestion-Relief Program - Year Six

In 2010 the Tollway completed additional work set out in the Congestion-Relief Program (CRP) to deliver roadway resurfacing and bridge and interchange repair projects to customers on schedule and on budget.

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

Within the Congestion-Relief Program (CRP), the Tollway is planning to invest nearly \$2.0 billion to reconstruct and widen the majority of the Tri-State Tollway. By the end of 2010 approximately \$1.8 billion will be expended within the CRP on the Tri-State Tollway.

Approximately \$65.8 million will be expended on the Tri-State Tollway in 2010 for work including: roadway resurfacing and bridge rehabilitation on the Edens Spur with an estimated cost of \$15.7 million; in addition, 2010 expenditures included detailed design work totaling \$8.4 million for future roadway and bridge rehabilitation from 95th Street to Balmoral Avenue; roadside improvements totaling \$2.5 million; construction of Bioswales in the Cook County Forest Preserve (CCFP) Easement from Higgins Road to Lake-Cook Road totaling approximately \$3.9 million; an estimated \$1.1 million for the North Chicago Wetland Mitigation project; and remaining landscaping and punchlist projects.

Reagan Memorial Tollway (I-88)

By the end of 2010, an estimated \$718.5 million will be expended within the CRP on the Reagan Memorial Tollway.

An estimated \$10.4 million will be expended in 2010 on the Reagan Memorial which mainly includes repairs to EJ&E Railroad, as well as remaining landscape and punchlist projects between the Eisenhower Expressway (I-290) and Finley Road, and areas surrounding the new Fox River Bridge.

Jane Addams Memorial Tollway (I-90)

On the Jane Addams Memorial Tollway approximately \$304.0 million will be expended within the CRP by the end of 2010. Approximately \$22.3 million will be expended in 2010 to complete the roadside improvement contract between Rockton Road and the Cherry Valley Interchange, and to continue design efforts for future rehabilitation of the corridor between the Kennedy Expressway (I-90) and Cherry Valley.

Veterans Memorial Tollway (I-355)

By the end of 2010 more than \$829.1 million will be spent on widening, rehabilitating, and extending the Veterans Memorial Tollway as part of the CRP. Estimated expenditures total \$54.0 million in 2010 to rehabilitate roadway and bridges from I-55 to Army Trail Road.

Open Road Tolling (ORT)

As of year-end 2010, approximately \$701.8 million will be expended to deliver Open Road Tolling at the 22 mainline plazas systemwide and reconstruct or rehabilitate the existing plaza cash lanes and facilities. This included reconstruction of the pavement through the plazas to accommodate the new roadway geometry necessary to implement Open Road Tolling.

Systemwide Improvements

By the end of 2010, the Tollway will have committed approximately \$368.3 million for systemwide improvements, which include bridge rehabilitation, pavement, drainage, and interchange improvements, program management services, and other similar professional services. Additionally, intermittent Hot Mixed Asphalt (HMA) pavement repairs were completed on the Jane Addams Memorial Tollway and intermittent Portland Cement Concrete (PCC) repairs were completed on the Tri-State, Veterans Memorial, and Reagan Memorial Tollways.

In 2010, the Tollway will spend approximately \$64.1 million which includes bridge repairs on the Jane Addams Memorial Tollway, the Reagan Memorial Tollway, and the Tri-State Tollway. Pavement repairs included HMA repairs on the Jane Addams Memorial and PCC repairs on the Tri-State and Reagan Memorial Tollways. Also included are repairs and rehabilitation work on ramps at five interchanges totaling approximately \$7.0 million on IL Route 251, Peace Road and Farnsworth Avenue on the Reagan Memorial Tollway, Milwaukee Avenue on the Tri-State Tollway, and Genoa Road on the Jane Addams Memorial Tollway.

Fiscal Year 2011 Budget**Maintenance & Operations Budget**

The FY2011 Operating Budget is \$255.0 million to fund the ongoing operating costs of the Tollway, a decrease of \$10.3 million or 3.9 percent below the Original 2010 Budget.

Personal Services total \$143.6 million including Salaries, Wages, Social Security and Retirement. This category decreased by \$4.3 million or 2.9 percent below the Original 2010 Budget amount. Salaries and Wages decreased by \$4.2 million or 3.8 percent, while Social Security and Retirement contributions decreased by \$106 thousand or 0.3 percent. The Personal Services category accounts for 56.3 percent of total operating expenses in 2011.

The Tollway's insurance costs total \$38.6 million or 15.2 percent of the 2011 Operating Budget, a \$627 thousand or 1.6 percent decrease compared to the Original 2010 Budget. The Tollway pays for Group Health Insurance, Property Insurance, Worker's Compensation Insurance as well as the Illinois State Police District 15 Group Health Insurance.

Other major cost categories in the 2011 Operating Budget include Outside Services at \$19.6 million, Equipment Maintenance \$12.7 million, Credit Card Fees and Bank Charges \$12.2 million, Materials-Operational \$6.0 million, Utilities \$5.1 million, Contracted Maintenance Service \$4.1 million, Fuels and Oils \$3.3 million, Consulting Services \$2.8 million, Telephone \$2.3 million and Replacement Parts \$2.1 million.

Capital Program

In 2011, the rebuilding of the Illinois Tollway continues as we enter the seventh year of the Congestion-Relief Program - *Open Roads for a Faster Future*. The Tollway continues its pursuit towards the five major objectives outlined in the program:

Fix It: Fix the existing infrastructure by rebuilding/restoring and widening much of the roads systemwide.

Congestion Relief: Reduce travel times by converting the entire mainline system to Open Road Tolling to allow I-PASS users to pay tolls electronically at highway speeds. *(Completed)*

Meet Needs of Growing Communities: Extend I-355 south to accommodate the needs of growing communities. *(Completed)*

Enhance Local Economies: Establish corridor planning councils to strengthen the partnership between the Tollway and the communities it serves.

Cutting-Edge Initiatives: Implement Intelligent Transportation System (ITS) technology and congestion pricing to better manage congestion and serve Tollway customers.

The Tollway is on schedule and well on its way to making the systemwide improvements initiated during the first six years of the Congestion-Relief Program (CRP). While designers, engineers, construction crews and support staff work together on multiple road projects, the Tollway is committed to completing the CRP on time and on budget. The 2011 Budget reflects the priorities of the CRP and the need to maintain operations in support of this extensive program, as well as daily toll operations.

Additionally, funding is allocated in the 2011 Budget for the following initiatives to support the Tollway's Congestion-Relief Program:

Business Systems

\$22.5 million (capital)

The 2011 Budget allocates \$22.5 million to the Department of Business Systems, which is responsible for the operation and maintenance of the Electronic Tolling System hardware and software including collecting toll revenue from toll violators and assessing fines and imposing sanctions. The Tollway will allocate \$4.3 million to implement a Disaster Recovery/Business Continuity strategy to protect critical information resources and services, minimize the risk of unplanned interruptions, and ensure

the availability of the core systems and subsystems associated with the Toll Revenue Management and Maintenance Program (TRMMP). To improve and enhance the efficiency of the TRMMP system, \$2.0 million will be expended for software enhancements, as well as additional camera placements to increase the efficiency of the Violation Enforcement System. Additionally, \$1.0 million will be expended to replace and upgrade obsolete uninterruptable power supply units for the Customer Service Center and Dynamic Message Signs. The 2011 budget includes \$13.5 million for transponder purchases at the rate of approximately 600,000 units annually, including approximately 200,000 aging transponder replacements.

Information Technology Systems **\$9.0 million (capital)**

Approximately \$2.4 million will be allocated to continue the Tollway's effort to replace its Web and e-Commerce and public key infrastructure in order to provide uninterrupted online account management services for more than 3 million I-PASS account holders. The 2011 Budget includes \$1.0 million for Independent Verification and Validation Services to assist the organization-wide implementation of the Enterprise Resource Planning solution to integrate all functions/departments onto a single efficient computer system. In addition, \$5.7 million will fund the following projects to continue the Tollway's effort to improve and maintain the Information Technology systems and facilities: systemwide computer infrastructure modernization, including hardware and software upgrades and replacements; station standby DC power battery plant replacement; a disaster recovery solution implementation; systemwide communications tower preservation and tower replacement at M-1 (Tri-State Tollway I-294 Alsip) and M-6 (Jane Addams Memorial Tollway I-90 Marengo); Next Generation Network facilities integration; Tollway Intranet enhancement; Personally Identifiable Information (PII) security compliance; Payment Card Industry Data Security Standards Compliance; Network security assessment and improvement implementation; and toll plaza intercom system replacement.

Intelligent Transportation Systems (ITS) **\$5.2 million (capital)**

The Tollway will continue to utilize the Intelligent Transportation Systems (ITS) to monitor and detect traffic incidents, and to improve accident response time. More than \$1.4 million will be allocated to migrate ITS equipment and services to the Next Generation Network. The 2011 Budget will provide \$1.7 million to enhance and upgrade the ITS system, as well as to expand and maintain the Tollway's fiber optics operations. In addition, more than \$2.1 million will be expended to: upgrade and improve systemwide Dynamic Message Signs; install systemwide Ramp Count/Queue Detectors; install (twelve units) and relocation (five units) of CCTV cameras; implement the Video Incident Detection Pilot Program for automated detection and notification of traffic incidents; and complete the Weigh-In-Motion installation at two Tri-State Tollway locations.

**Illinois State Police District 15
Personnel and Equipment
\$2.9 million (capital)**

District 15 State Police Troopers will provide extra coverage in construction zones and areas with high speed or crash percentages, and provide officers to work toll violation details to reduce the number of toll scofflaws. The 2011 Budget includes funding for projects to provide Troopers with equipment including IWIN computers, digital In-Car video cameras, and automated license plate reading technology, LiveScan fingerprint machines, handheld LIDAR radar guns, 3D laser scanner, firearms animated training system and LIDAR certification equipment.

**Illinois Executive Order 11:
Reduce the Environmental Impact of Illinois State Government Operations
\$3.7 million (capital)**

The 2011 Budget includes funding for the following projects to continue its effort to comply with Illinois Executive Order 11 to reduce the Environmental Impact of Illinois State Government Operations: fuel site rehabilitation, fleet emission reduction initiative, and waste oil tanks replacement at M-Sites; above-ground fuel storage tank installation at M-4 (Tri-State Tollway I-94 IL Route 132); continuation of the Alternative Energy Assessment Study and implementation of the recommended energy conservation initiatives; systemwide heating and cooling equipment upgrades and replacement, Central Administration building repairs to conserve energy consumption and reduce impact on environment.

Budget Summary

The Tollway is a non-appropriated entity, which is self-supporting, depending solely on the revenues from operations and proceeds from the issuance of revenue bonds for the expansion, reconstruction and improvement of the Tollway System. The 2011 Budget is a balanced budget in which revenues provide sufficient resources for operating and maintenance expenses, debt service and required deposits to the Renewal/Replacement and Improvement Accounts.

The FY2011 Budget allocates \$680 million of Revenues as follows:

- \$255 million to fund maintenance and operations, a decrease of \$10.3 million or 3.9 percent below the Original FY2010 operating expenses of \$265.3 million.
- \$251 million for debt service transfers, including \$4 million for the possible restructuring of a portion of the Tollway's synthetic fixed rate debt.
- \$174 million will be allocated to the Renewal/Replacement and Improvement Accounts, providing a portion of the funding for the Congestion-Relief Program and other non-roadway capital investments.

Tollway Organization and Background

THE TOLLWAY

The Illinois State Toll Highway Authority was created under the Toll Highway Act (“Act”) as an instrumentality and administrative agency of the State of Illinois to provide for the construction, operation, regulation and maintenance of a system of toll highways within the State of Illinois. Under the Act, on April 1, 1968, the Tollway assumed all the obligations, powers, duties, functions and assets of its predecessor agency, The Illinois State Toll Highway Commission. The Act authorizes the issuance of revenue bonds for the purposes, among others, of financing expansions of the Tollway System and reconstruction of and improvements to the Tollway System, and authorizes the issuance of refunding bonds for the purpose of refunding any bonds of the Authority then outstanding at maturity or on any redemption date.

The Tollway is empowered to enter into contracts to: acquire, own, use, lease, operate and dispose of personal and real property, including rights-of-way, franchises and easements; establish and amend resolutions, by-laws, rules, regulations and to fix and revise tolls; acquire, construct, relocate, operate, regulate and maintain the Tollway System; exercise the power of eminent domain; and contract for services and supplies, including services and supplies for the various customer service areas on the Tollway System.

Board of Directors

The Tollway is governed by an 11-member Board of Directors that includes the Governor of Illinois and the Secretary of the Illinois Department of Transportation, ex officio. Nine directors are appointed by the Governor, with the advice and consent of the Illinois Senate, from the State at large with a goal of maximizing representation from the areas served by the Tollway System. These nine directors are appointed for a term of 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 by the Governor as Chair of the Tollway. The current Chair, Paula Wolff, was initially appointed by Governor Pat Quinn as a Director and Chair of the Tollway on August 13, 2009.

Organizational Structure

The Tollway’s organizational structure consists of 13 departments including Administration, Audit, Business Systems, Communications, Engineering, Directors and Executive, Finance, Information Technology, Investigations, Legal, Procurement, Illinois State Police District 15 and Toll Operations. The Executive Director manages the day-to-day operations of the Tollway. Tollway department chiefs report to the Executive Director. The Commander of District 15 of the State Police also reports to the Superintendent of the State Police, and the General Counsel to the Tollway also reports to the Attorney General of the State of Illinois.

The Administration Department is responsible for the development and implementation of administrative policies and procedures and employee compliance therewith.

The Audit Department recommends policies and procedures to ensure that the Tollway's Board members and employees, contractors and/or vendors adhere to all state and federal laws and internal rules and regulations.

The Department of Business Systems is responsible for overseeing the the open road toll system and collecting toll revenue from toll violators, assessing fines and imposing sanctions. The Department's responsibilities include customer service associated with the issuance of I-PASS transponders and toll collection.

The Communications Department is responsible for all external and internal communications between the Tollway and its constituents, including customers, news media, elected and appointed officials, the general public and employees.

The Directors and the Executive Department manage Tollway affairs consistent with the Act.

The Engineering Department is responsible for the design, construction and maintenance of the roadway. It also coordinates with community groups, government agencies, and planning organizations on transportation and land-use policy. In addition, the Engineering Department directs the Diversity Program for the Tollway.

The Finance Department is responsible for all general accounting, budgeting, treasury functions, financial reporting, accounts payable, payroll, risk management and debt management. In addition, the Finance Department coordinates with the State Treasurer on the management of cash and investments, and with the State Comptroller on the issuance of payments for Tollway payroll and goods and services.

The Information Technology Department is responsible for planning, directing, and controlling all information technologies and telecommunications throughout the Tollway.

The Investigations Department is responsible for investigating allegations of waste, inefficiencies, fraud, corruption, misconduct and mismanagement in the day-to-day operations of the Tollway.

The Legal Department is a Bureau of the Office of the Attorney General of the State of Illinois and is, by law, the legal advisor and attorney for the Tollway.

The Procurement Department is responsible for all purchasing and procurement issues and is authorized to execute contracts and place orders for goods and services. Additionally, the Procurement Department is responsible for warehousing all inventory.

Illinois State Police – District 15 – is one of 21 districts of the Illinois State Police, responsible for providing comprehensive law enforcement services. The entire Tollway System comprises District 15. State police patrol the Tollway System to enforce speed limits and traffic laws, assist disabled motorists, and provide special details for operations, such as overweight vehicle enforcement.

The Toll Operations Department is responsible for providing the necessary resources and services to maintain the Tollway's toll operations, as well as managing the collection and counting of tolls. Additionally, it oversees the day-to-day maintenance and upkeep of the Tollway's facilities systemwide.

THE TOLLWAY SYSTEM

The Tollway System presently consists of approximately 286 miles of limited access highway in twelve counties in Northern Illinois, and is an integral part of the expressway system in Northern Illinois and the U.S. Interstate Highway System. The entire Tollway System has been designated a part of the U.S. 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 areas surrounding Chicago expanded throughout the 1960's and 1970's, the Tollway System evolved into primarily a commuter travel system, serving suburban Chicago and Chicago O'Hare International Airport. At the present time, the four routes of the Tollway System (see "Routes") serve, among other areas, suburban Cook County and the Chicago area collar counties, which together represent one of the fastest growing areas in Illinois in terms of population and employment.

Routes

The Tollway System is currently made up of four Tollways: the Jane Addams Memorial (I-90), the Tri-State (I-94, I-294, I-80), the Veterans Memorial (I-355) and the Ronald Reagan Memorial (I-88).

The Jane Addams Memorial Tollway (I-90), formerly the Northwest Tollway, constituting a portion of U.S. Interstate Highway 90, is a 76-mile roadway. The Jane Addams Memorial Tollway begins east of the intersection of the Kennedy Expressway from downtown Chicago and the Tri-State Tollway in the vicinity of O'Hare International Airport, and extends to the west, crossing the Fox River just north of Elgin, Illinois. From there, it runs northwesterly to Rockford, Illinois, and then northerly to a point near the Illinois-Wisconsin border, where it feeds into the Wisconsin portion of Interstate 90 leading to Madison, Wisconsin.

The Tri-State Tollway (I-94, I-294, I-80), constituting portions of Interstates 80, 94 and 294 and including the 5-mile Edens Spur, is an 84-mile beltway around the Chicago metropolitan area. It extends from a point near the Indiana State line where it intersects with the Bishop Ford and the Kingery Expressways to a point near the Illinois-Wisconsin border, where it connects with U.S. Route 41 and U.S. Interstate Highway 94 from Milwaukee. The Tri-State also connects with the Reagan Memorial Tollway (I-88) to the western suburbs, the Eisenhower Expressway to downtown Chicago, the Jane Addams Memorial Tollway (I-90) to the northwest suburbs, the Kennedy Expressway to downtown Chicago, the north end of the Edens Expressway to the north shore suburbs and downtown Chicago, and the Stevenson Expressway to downtown Chicago. From its southern terminus, the Tri-State Tollway has a direct connection to the Indiana Toll Road via the Kingery Expressway and Interstate 80. The Tri-State Tollway is the most traveled Tollway in the system, accounting for approximately 44 percent of the Tollway System's volume.

The Veterans Memorial Tollway (I-355), formerly the North-South Tollway, is a 30-mile highway generally paralleling Illinois Route 53 in DuPage and Will Counties between approximately the intersection of Army Trail Road and the Interstate 290 spur in Addison on the north and Interstate 80 (near Joliet) on the south. The Veterans Memorial Tollway, which opened in December 1989, is the newest addition to the Tollway System and consists of six through lanes along its entire length. The Veterans Memorial Tollway runs through or near the communities of Lemont, Lockport, Homer Glen, New Lenox, Bolingbrook, Downers Grove, Naperville, Lombard, Glen Ellyn and Wheaton. As part of the Congestion-Relief Program (CRP), a 12.5-mile south extension of the Veterans Memorial Tollway through Will County from Interstate 55 to Interstate 80 (the “South Extension”) opened on November 12, 2007, increasing the size of the Veterans Memorial Tollway to 30 miles.

Reagan Memorial Tollway (I-88), formerly the East-West Tollway, constituting a portion of Interstate 88, covers 96.5 miles and begins east of the junction of the Tri-State Tollway (I-294) and the Eisenhower Expressway and runs southwest and west, providing service to Oak Brook, Naperville, Aurora, DeKalb and Dixon, Illinois, ending at U.S. Route 30 in the Sterling/Rock Falls area. From U.S. Route 30, Interstate 88 is a toll-free facility connecting to Interstate 80 and the Quad Cities.



Illinois Tollway
 Open Roads for a Faster Future
 MAP ID: 041074/E/03
 Map produced by the Illinois State Toll Highway Authority GIS Group

Revenue Sources and Underlying Assumptions

The Tollway is a non-appropriated entity; it is self-supporting, depending solely on the revenues derived from operations and proceeds from the issuance of revenue bonds to finance expansions of the Tollway System and reconstruction of and improvements to the Tollway System. The Tollway does not receive any state or federal funding for operational uses.

Revenues

“Revenues” are defined per the Amended and Restated Trust Indenture as (i) all tolls, fees, charges, rents, and other income and receipts derived from the operation of the Tollway System, (ii) proceeds of any use and occupancy insurance relating to the Tollway System and of any other insurance which insures against loss of revenues, (iii) investment income from any moneys or securities held in Funds, Accounts, or Sub-Accounts established under the Indenture, other than the Construction Fund, and (iv) amounts transferred from the Construction Fund to the Revenue Fund and transfers to the Trustee by the Tollway from the System Reserve Account. Revenues exclude state and federal grants and appropriations, loan proceeds, gifts or donations of any kind, transfers, if any, to the Tollway as permitted under any Escrow Agreement and receipts not related to the Tollway’s performance of its obligations under the Indenture or to the operations of the Tollway System.

For budgetary purposes, the Tollway classifies Revenues into three categories: Tolls and Evasion Recovery, Investment Income, and Concessions and Miscellaneous. The revenues generated from toll collection and evasion recovery have been combined to correctly associate revenues from evasion recovery programs with toll revenues.

Toll Revenue Estimates

In October of each year, the Tollway’s independent Traffic Engineer, Wilbur Smith Associates, provides expected toll revenue estimates for the budget process. An estimate is provided for the current year by using actual data for the first eight months and estimates for the last four months of the year. A month-by-month estimate of toll revenue for the following year is also provided. The estimation process combines traffic trend data with a travel demand modeling process that can take into account the effect of changing socioeconomic and network characteristics on Tollway usage levels.

The travel demand modeling process used is similar to that used in the regional transportation planning process employed by the Chicago Metropolitan Agency for Planning in Northeastern Illinois and the Rockford Area Transportation Study in the Rockford area. The modeling process takes into account current and future socioeconomic conditions and the characteristics of the transportation network. The modeling process is specifically adapted to the unique characteristics of the Tollway system. For most highway trips the path chosen is generally the fastest routing that will get the motorist to the desired destination. On the Tollway system the additional consideration is the toll cost. Using the Tollway for a portion of the trip involves the motorist trading off the time savings in using the Tollway versus the additional cost of the tolls. The simulation process uses value of time considerations in modeling path selections.

In addition to travel times and toll costs, the modeling process takes into account the physical characteristics of the roadway system, which can change over time. For example, construction activities to add lanes temporarily change network characteristics which impact traveler route choices during the time of construction. The construction activity generally reduces the capacity and speed through the construction zone, thus decreasing the desirability of using that section of the Tollway for certain trips resulting in reduced use of the Tollway. After construction is completed, the additional lanes add capacity, reducing congestion and increasing use of the Tollway. Both the usage levels during construction and the resulting benefits of the additional lanes are accounted for by the travel demand modeling process.

The Tollway's Traffic Engineer utilizes a general methodology for developing estimates for the following year. Prior year transactions by month by vehicle class for each toll plaza are entered into a database. Recent trend data coupled with a short-term estimate of economic conditions are used to develop base transactions by plaza by vehicle type. The base case situation represents what would happen if there were to be no changes to the highway network in general and specifically the Tollway network in the next year. These base estimates are then adjusted for construction projects (both on and off the Tollway) and roadway changes caused by the completion of construction activity. These adjustments are made by using the travel demand modeling process previously described.

Once the monthly transaction estimates are finalized, they are converted into expected toll revenue estimates at each plaza by applying the toll rate, vehicle class and payment type to the number of transactions in that category. The revenue estimates for the year are simply the sum of all the revenues by plaza. The Tollway's Traffic Engineer (WSA) has estimated expected toll revenues to total \$664.8 million in 2010 and a Base Case estimate to total \$687.7 million in 2011. Please refer to WSA's Toll Revenue Certificate on page 120.

Adjustments to Toll Revenue Estimates

The "expected revenues" provided by the Traffic Engineer represent the revenue that would be collected if every vehicle paid the exact published toll based on vehicle class, time of day and payment type. The expected revenue does not account for overpayments, underpayments, exemptions, revenue lost due to toll avoidance and for 2011, an additional contingency for slower economic growth. The Tollway takes this described leakage and additional contingency for 2011 into consideration in estimating toll revenue of \$619.4 million in 2010 and \$636.0 million in 2011. Please refer to the Certificate of Authorized Officer on page 130.

Evasion Recovery

Expected revenues provided by the Traffic Engineer also do not account for the fines collected from violations through the violation enforcement process. Amounts of revenue reported in the Tollway's annual budget, quarterly statements and annual financial reports include proceeds from violation enforcement.

Public Act 94-0636 allows the Tollway to implement a toll violation enforcement system. Over time, the Tollway has created an automated Violation Enforcement System (VES) to collect violations. Using VES, the Tollway captures images of the license plates of vehicles that pass through lanes without paying the full toll either by I-PASS or cash. This system takes multiple images for every vehicle that violates.

First notices for violators include a \$20 fine and the cash toll for each 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. Fines are dismissed within appropriate time frames for I-PASS customers that have valid accounts when such customers have received notices due to incorrect account information, transponder problems or other similar problems with the collection and application of the electronic toll.

Of the Tollway's total revenues, Evasion Recovery revenue is expected to generate approximately \$32 million in 2010 and \$34 million in 2011.

Investment Income

Income from investments is expected to be \$1.6 million in 2010 and \$2.0 million in 2011. The increase in investment income is attributed to a modest increase in returns on investments during 2011.

Concessions and Miscellaneous Revenues

Concessions revenue is generated from the Tollway's oases, where third-party vendors provide fuel, food and other conveniences to users of the Tollway. Miscellaneous income includes revenue from overweight truck fines, rental and easement income, tower co-location fees, rental income from fiber optic lines, transponder fees, insufficient I-PASS fees, finance charges, scrap material sales and other miscellaneous receipts. Income from Concessions and Miscellaneous revenue is expected to be \$7 million in 2010 and \$8 million in 2011.

Fund Structure

Fund and Account Description

The Amended and Restated Trust Indenture (the Indenture), effective March 31, 1999, an agreement between the Tollway and the Trustee (as Fiduciary for Bondholders) that pledges the Tollway's revenues, moneys and securities in all funds and accounts to secure payment on the bonds. The Indenture establishes two funds, the Revenue Fund and Construction Fund; all Revenues are deposited to the Revenue Fund, and proceeds from the issuance of revenue bonds are deposited to the Construction Fund (earnings on the Construction Fund are retained therein). Within the Revenue Fund, the Indenture establishes the following: Maintenance and Operations, Debt Service, Renewal and Replacement, Improvement, and System Reserve as well as sub-accounts within the Maintenance and Operations and Debt Service Account. The Indenture establishes the order and amount of allocation from the Revenue Fund to the various accounts and sub-accounts.

Revenue Fund

The Tollway must deliver all Revenues (other than investment income, unless otherwise directed by the Indenture), within five business days after receipt, for deposit in the Revenue Fund. On or before the 20th day of each month, the Treasurer of the State of Illinois, at the direction of the Tollway, will transfer or apply the balance in the Revenue Fund not previously transferred or applied in the following order of priority:

First, to the Operating Sub-Account of the Maintenance and Operations Account;

Second, to the Operating Reserve Sub-Account of the Maintenance and Operations Account;

Third, to the Interest Sub-Account, Principal Sub-Account and Redemption Sub-Account of the Debt Service Account, in that order of priority, for deposits relating to the Senior Bonds;

Fourth, to the Provider Payment Sub-Account of the Debt Service Account to pay Costs of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds or to reimburse Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds for payments of principal or interest made by such Providers and fees of such Providers and to make termination payments then due and owing with respect to any such Credit Enhancement or Qualified Hedge Agreements outstanding prior to the effective date of the Seventh Supplemental Indenture (June 22, 2005), which contained an amendment establishing the Termination Account (but no such deposit for any termination payment for a Qualified Hedge Agreement shall be made if there is any deficiency in the Debt Reserve Account);

Fifth, to the Debt Reserve Account;

Sixth, to any Junior Bond Debt Service Account or any Junior Bond Debt Reserve Account;

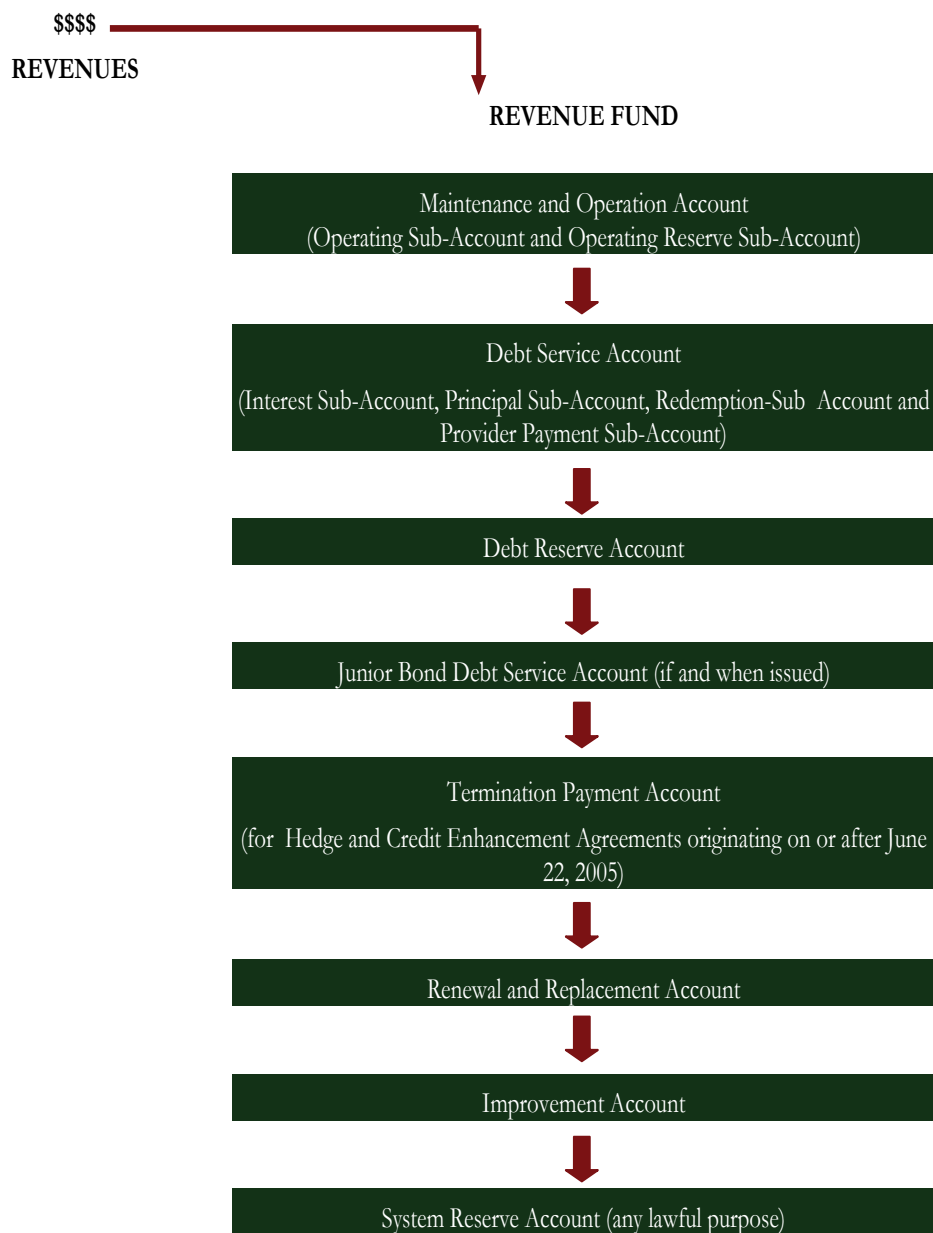
Seventh, to the Termination Payment Account to pay termination payments then due and owing with respect to Credit Enhancement and Qualified Hedge Agreements executed and delivered on or after the effective date of the ammendment establishing the Termination Account (June 22, 2005);

Eighth, to the Renewal and Replacement Account;

Ninth, at the direction of the Tollway, to the Improvement Account; and

Tenth, the balance of such amounts in the Revenue Fund, to the System Reserve Account.

Overview of Flow of Funds



Maintenance and Operations Account

The Maintenance and Operations Account consists of the Operating Sub-Account and the Operating Reserve Sub-Account. Monies 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 the amount necessary, the excess will be withdrawn from such Sub-Account and applied as Revenues. By resolution, the Board originally voted to maintain a \$25 million balance in this account and subsequently authorized a balance of \$17 million.

Debt Service Account and Debt Reserve Account

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

Revenues are required to be deposited to cover the interest, principal, and sinking fund installment amounts due and unpaid for bonds, the costs and reimbursements (and termination payments for agreements executed before June 22, 2005) of providers of 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 (maximum annual debt service) and to make any required reimbursement to Providers of Debt Reserve Account Credit Facilities.

Termination Payment Account

This account was established in the Seventh Supplemental Indenture (June 22, 2005) to pay termination payments due to any providers of Credit Enhancement and Qualified Hedge Agreements executed on or after June 22, 2005. No funds are expected to be allocated to this account in 2011.

Renewal and Replacement Account

Revenues must be credited to the Renewal and Replacement Account in an amount set forth in the annual budget. This amount is determined based on recommendations of the Consulting Engineer. Additional funds can be transferred to this account by the Tollway, based on the Capital Program expenditures, but such funds can only be used on Renewal and Replacement projects.

Improvement Account

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

System Reserve Account

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.

Construction Fund

The Construction Fund is held as a separate segregated fund. The Construction Fund receives funds from the sale of bonds and the investment of such bond 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.

Fiscal Year 2009 - 2011
Statement of Revenues/Expenditures/Transfers and
Changes in Accounts and Fund Balances(Millions)

| | 2009 | 2010 | 2011 |
|--|----------------|-----------------|----------------|
| Maintenance and Operations Account | Actual | Estimate | Budget |
| Beginning Balance | \$19.5 | \$22.0 | \$18.7 |
| Transfer from Revenue Fund | 257.7 | 255.0 | 255.0 |
| Expenditures | (255.2) | (258.3) | (255.0) |
| Ending Balance | \$22.0 | \$18.7 | \$18.7 |
| | 2009 | 2010 | 2011 |
| Debt Service Account (1) | Actual | Estimate | Budget |
| Beginning Balance | \$62.9 | \$25.9 | \$80.2 |
| Transfer from Revenue Fund (2) | 183.6 | 225.0 | 251.0 |
| Transfer from Improvement Account | 56.4 | 30.0 | 0.0 |
| Federal Subsidy for Build America Bonds | 6.4 | 16.1 | 16.2 |
| Bonds Retired | (97.2) | (1.1) | (49.9) |
| Interest Payments | (181.9) | (198.3) | (201.0) |
| Other Financing Costs/Swap Terminations | (4.3) | (17.4) | (12.0) |
| Ending Balance | \$25.9 | \$80.2 | \$84.5 |
| | 2009 | 2010 | 2011 |
| Renewal and Replacement Account | Actual | Estimate | Budget |
| Beginning Balance | \$132.0 | \$138.2 | \$123.9 |
| Transfer from Revenue Fund (2) | 161.5 | 180.0 | 174.0 |
| Expenditures | (155.3) | (194.3) | (175.2) |
| Ending Balance | \$138.2 | \$123.9 | \$122.7 |
| | 2009 | 2010 | 2011 |
| Improvement Account | Actual | Estimate | Budget |
| Beginning Balance | \$56.4 | \$210.1 | \$108.0 |
| Transfer from Revenue Fund (2) | 51.9 | 0.0 | 0.0 |
| Transfer from Construction Fund | 901.8 | 0.0 | 0.0 |
| Transfer to Debt Service Account/Swap Term | (56.4) | (30.0) | 0.0 |
| Expenditures (3) | (743.6) | (72.1) | (61.7) |
| Ending Balance | \$210.1 | \$108.0 | \$46.3 |
| | 2009 | 2010 | 2011 |
| Construction Fund | Actual | Estimate | Budget |
| Beginning Balance | \$166.5 | \$0.0 | \$0.0 |
| Bond Proceeds (4) | 735.3 | 0.0 | 0.0 |
| Transfers to Improvement Account | (901.8) | 0.0 | 0.0 |
| Ending Balance | \$0.0 | \$0.0 | \$0.0 |

(1) 2010 and 2011 Ending Balance includes \$19.4 million held by Trustee for optional swap termination payments.

(2) Includes Allocation of Interest Income.

(3) Expenditures reflect cost recovery pursuant to Intergovernmental Agreements.

(4) Bond Proceeds are net of underwriters discount, issuance costs and Debt Service Reserve deposits.

Budget Summaries

Sources of Revenue

Fiscal Year 2011

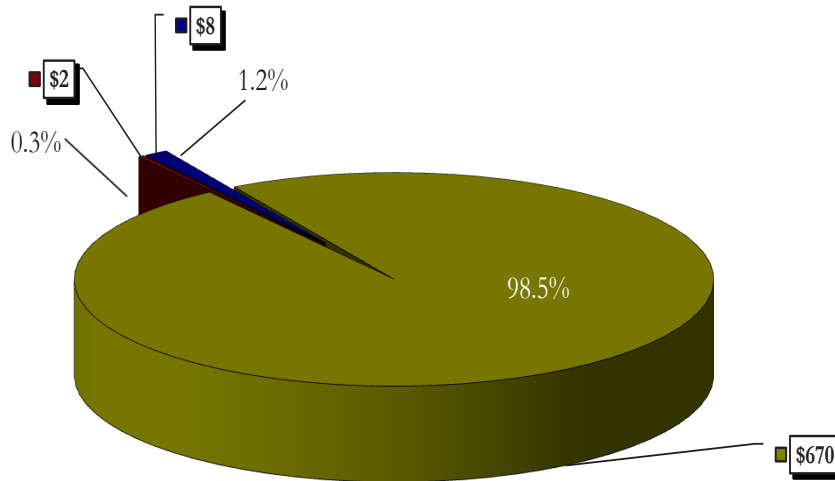
(\$ in Millions)

| Sources | FY 2010 <u>Budget</u> | FY 2010 <u>Estimates</u> | FY 2011 <u>Projections</u> |
|------------------------------------|--------------------------|-----------------------------|-------------------------------|
| Toll & Evasion Recovery | \$680 | \$651 | \$670 |
| Investment Income | 8 | 2 | 2 |
| Concessions & Misc. | 8 | 7 | 8 |
| Total | \$696 | \$660 | \$680 |

2011 Revenue Projections

\$680 Million

(\$ in Millions)



| | | |
|---------------------------|---------------------|-----------------------|
| ■ Toll & Evasion Recovery | ■ Investment Income | ■ Concessions & Misc. |
|---------------------------|---------------------|-----------------------|

Allocation of Revenue

Fiscal Year 2011

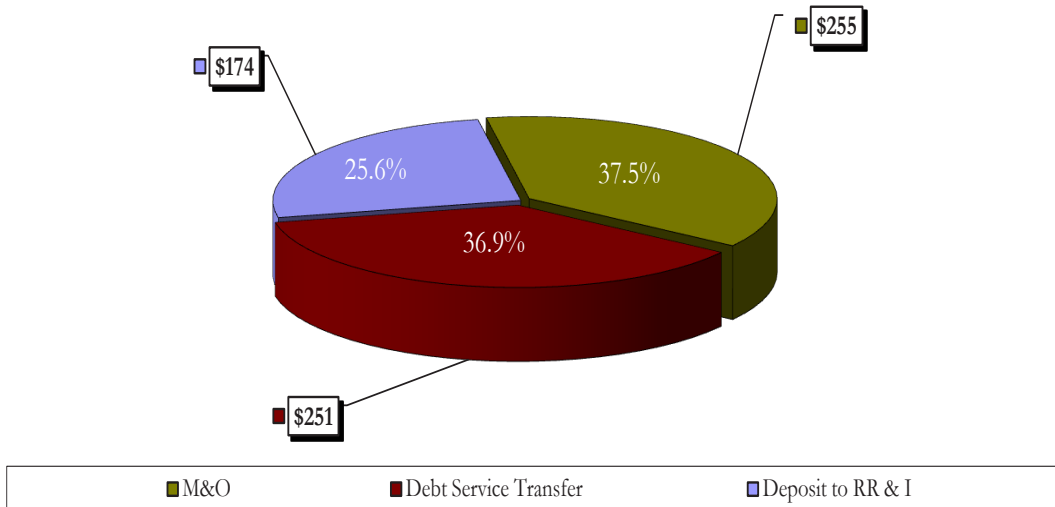
(\$ in Millions)

| Allocations | FY 2010 <u>Budget</u> | FY 2010 <u>Estimates</u> | FY 2011 <u>Projections</u> |
|-----------------------|--------------------------|-----------------------------|-------------------------------|
| M&O | \$265 | \$255 | \$255 |
| Debt Service Transfer | 231 | 225 | 251 |
| Deposit to RR & I | 200 | 180 | 174 |
| Total | \$696 | \$660 | \$680 |

2011 Projected Allocation of Revenue

\$680 Million

(\$ in Millions)



Capital Program Projections

Fiscal Year 2011

(\$ in Millions)

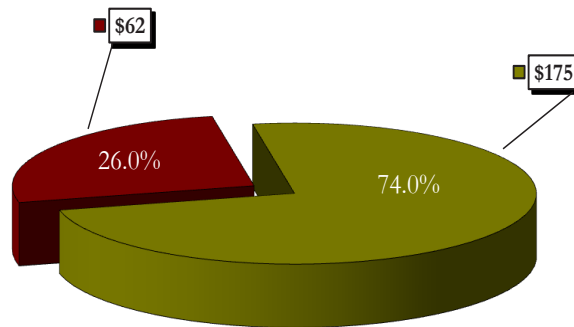
(All Capital Accounts)

| | FY 2010 <u>Estimates</u> | FY 2011 <u>Projections</u> |
|--------------------------|-----------------------------|-------------------------------|
| Beginning Balance | \$348 | \$232 |
| Deposit to RRI | 180 | 174 |
| Provide for Swap | | |
| Transaction Cost | (30) | - |
| Expenditures | (266) | (237) |
| Ending Balance | \$232 | \$169 |

2011 Projected Capital Expenditures

\$237 Million

(\$ in Millions)



■ Renewal & Replacement Account

■ Improvement Account

2011 Requested Headcount

| Department | 2008 Budget | 2009 Budget | 2010 Budget | 2011 Request | Change From 2010 Budget |
|--|----------------|----------------|----------------|-----------------|----------------------------|
| Administration | 41 | 41 | 40 | 34 | (6) |
| Audit | 11 | 11 | 11 | 11 | - |
| Business Systems | 63 | 69 | 72 | 66 | (6) |
| Communications | 12 | 11 | 11 | 11 | - |
| Engineering | 594 | 598 | 592 | 576 | (16) |
| Executive Management & Board of Directors | 6 | 7 | 8 | 7 | (1) |
| Finance | 57 | 58 | 55 | 51 | (4) |
| Information Technology | 75 | 75 | 72 | 68 | (4) |
| Investigations | 4 | 4 | 4 | 6 | 2 |
| Legal | 12 | 12 | 12 | 12 | - |
| Procurement | 56 | 54 | 54 | 53 | (1) |
| State Police | 19 | 19 | 19 | 19 | - |
| Toll Operations | 833 | 824 | 754 | 684 | (70) |
| Total Headcount | 1,783 | 1,783 | 1,704 | 1,598 | (106) |

2011 Maintenance & Operations Budget

By Category

(\$ in Millions)

| Category | 2009 Actual Expenditures | 2010 Original Budget | 2010 Revised Budget | 2011 Budget Request | \$ Change from Original Budget |
|---|--------------------------------|----------------------------|---------------------------|---------------------------|---|
| Salary & Wages | \$106.4 | \$108.7 | \$106.7 | \$104.5 | (\$4.2) |
| FICA & Retirement | 33.7 | 39.2 | 38.5 | 39.1 | (0.1) |
| Group Insurance | 26.8 | 28.9 | 28.4 | 27.9 | (1.0) |
| Contractual Services | 37.8 | 42.8 | 42.1 | 39.2 | (3.6) |
| Employee Development | 1.1 | 1.0 | 1.0 | 0.9 | (0.1) |
| Utilities | 8.1 | 7.9 | 7.4 | 7.4 | (0.5) |
| Operational Materials & Supplies | 11.4 | 11.1 | 10.9 | 8.7 | (2.4) |
| Parts & Fuels | 5.9 | 6.4 | 6.0 | 5.6 | (0.8) |
| Equipment / Office Rental / Maintenance | 11.4 | 11.3 | 11.0 | 13.4 | 2.1 |
| All Other Insurance | 13.9 | 10.4 | 8.7 | 10.7 | 0.3 |
| Recovery of Expenses | (1.7) | (2.4) | (2.4) | (2.4) | 0.0 |
| Total M&O Costs | \$254.8 | \$265.3 | \$258.3 | \$255.0 | (\$10.3) |

2011 Maintenance & Operations Budget
By Major Account

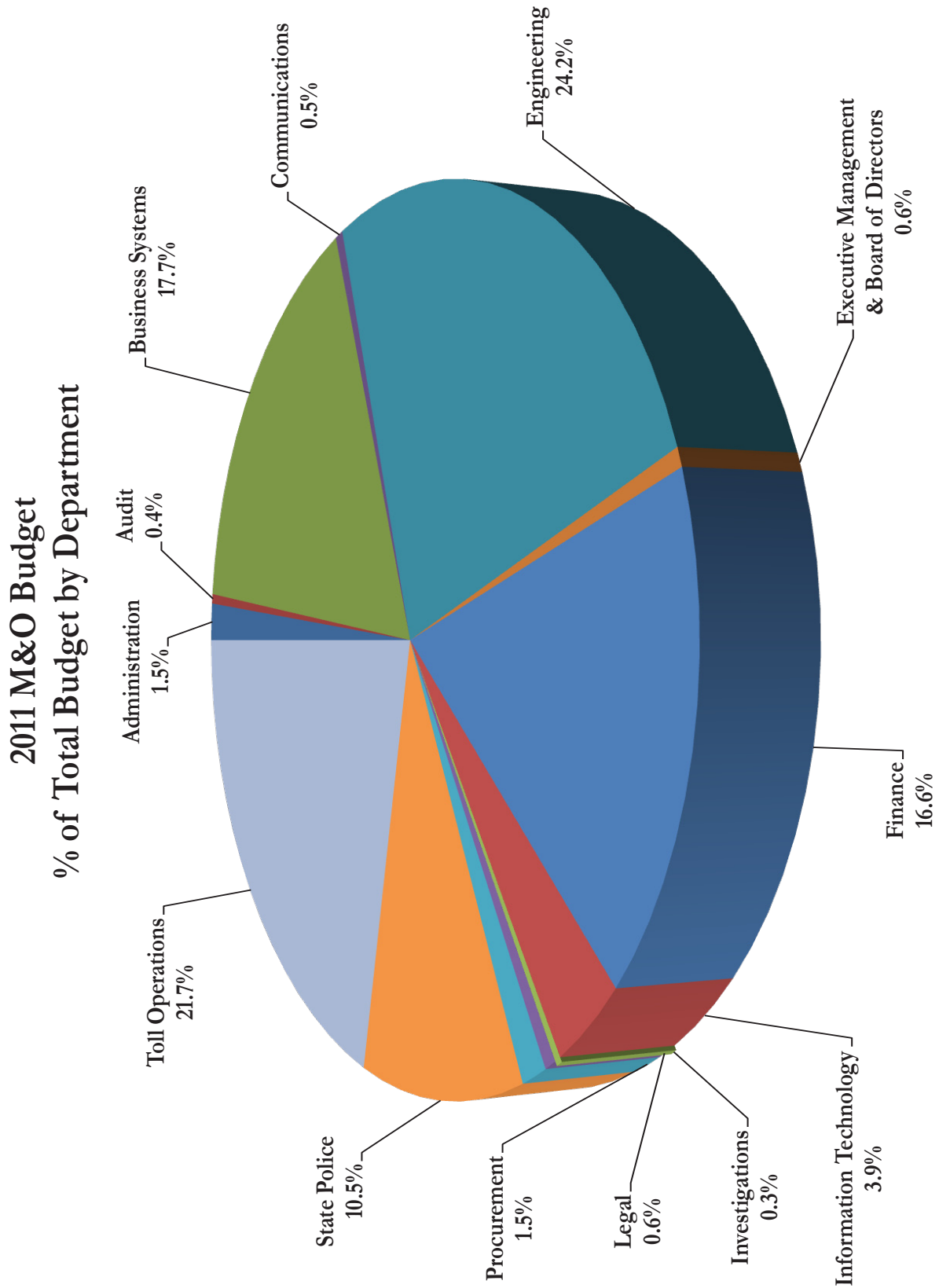
| MAJOR ACCOUNT DESCRIPTION | 2009 Actual | Original 2010 Budget | Revised 2010 Budget | 2011 Request | \$ Change from Original Budget | % Change |
|---------------------------------|-----------------------|----------------------------|---------------------------|-----------------------|-----------------------------------|--------------|
| SALARIES & WAGES | \$ 106,411,381 | \$ 108,731,713 | \$ 106,687,412 | \$ 104,549,309 | \$ (4,182,404) | -3.8% |
| FICA | \$ 7,203,083 | \$ 7,325,915 | \$ 7,169,503 | \$ 6,952,664 | \$ (373,251) | -5.1% |
| RETIREMENT | \$ 26,485,997 | \$ 31,874,518 | \$ 31,275,232 | \$ 32,141,594 | \$ 267,076 | 0.8% |
| PAYROLL SUB-TOTAL | \$ 140,100,461 | \$ 147,932,146 | \$ 145,132,147 | \$ 143,643,567 | \$ (4,288,579) | -2.9% |
| EMPLOYEE GROUP INSURANCE | \$ 26,745,521 | \$ 28,875,000 | \$ 28,375,000 | \$ 27,923,000 | \$ (952,000) | -3.3% |
| OUTSIDE SERVICES | \$ 21,787,931 | \$ 22,572,111 | \$ 22,361,111 | \$ 19,631,575 | \$ (2,940,536) | -13.0% |
| OFFICE EQUIPMENT-MAINTENANCE | \$ 10,831,646 | \$ 10,533,835 | \$ 10,307,835 | \$ 12,661,263 | \$ 2,127,428 | 20.2% |
| BANK CHARGES | \$ 11,146,122 | \$ 12,156,000 | \$ 12,056,000 | \$ 12,164,000 | \$ 8,000 | 0.1% |
| WORKER'S COMPENSATION INSURANCE | \$ 11,811,044 | \$ 7,800,000 | \$ 6,100,000 | \$ 8,425,000 | \$ 625,000 | 8.0% |
| MATERIALS - OPERATIONAL | \$ 8,885,396 | \$ 6,882,700 | \$ 6,866,700 | \$ 5,985,544 | \$ (897,156) | -13.0% |
| UTILITIES & RR&J RELOCATE | \$ 5,567,798 | \$ 5,101,500 | \$ 4,851,500 | \$ 5,101,000 | \$ (500) | 0.0% |
| CONTRACTED MAINTENANCE SERVICE | \$ 2,074,501 | \$ 4,321,300 | \$ 4,117,300 | \$ 4,088,500 | \$ (232,800) | -5.4% |
| FUELS AND OILS | \$ 3,346,820 | \$ 4,053,350 | \$ 3,853,350 | \$ 3,285,925 | \$ (767,425) | -18.9% |
| CONSULTING SERVICES | \$ 2,540,528 | \$ 3,141,000 | \$ 2,990,000 | \$ 2,791,157 | \$ (349,843) | -11.1% |
| PROPERTY INSURANCE | \$ 2,035,289 | \$ 2,600,000 | \$ 2,600,000 | \$ 2,300,000 | \$ (300,000) | -11.5% |
| TELEPHONE & TELEGRAPH | \$ 2,566,484 | \$ 2,756,500 | \$ 2,578,500 | \$ 2,272,575 | \$ (483,925) | -17.6% |
| REPLACEMENT PARTS | \$ 2,422,896 | \$ 2,201,730 | \$ 1,970,730 | \$ 2,145,140 | \$ (56,590) | -2.6% |
| SUPPLIES - OPERATIONAL | \$ 1,114,166 | \$ 1,425,420 | \$ 1,404,420 | \$ 1,212,689 | \$ (212,731) | -14.9% |
| POSTAGE AND EXPRESS | \$ 597,305 | \$ 472,550 | \$ 472,550 | \$ 773,340 | \$ 300,790 | 63.7% |
| OFFICE EQUIPMENT RENTALS | \$ 589,547 | \$ 736,860 | \$ 736,860 | \$ 659,102 | \$ (77,758) | -10.6% |
| SUPPLIES - OFFICE | \$ 431,997 | \$ 510,590 | \$ 510,590 | \$ 452,297 | \$ (58,293) | -11.4% |
| UNIFORMS & ACCESSORIES | \$ 550,409 | \$ 470,860 | \$ 468,860 | \$ 417,170 | \$ (53,690) | -11.4% |
| ARMORED TRUCK SERVICE | \$ 193,481 | \$ 240,000 | \$ 240,000 | \$ 270,000 | \$ 30,000 | 12.5% |
| DUES, BOOKS & SUBSCRIPTIONS | \$ 329,552 | \$ 260,625 | \$ 259,625 | \$ 174,057 | \$ (86,568) | -33.2% |
| TRAVEL AND SUBSISTENCE | \$ 105,703 | \$ 160,330 | \$ 159,330 | \$ 158,039 | \$ (2,291) | -1.4% |
| EMPLOYEE TRAINING | \$ 104,811 | \$ 158,400 | \$ 158,400 | \$ 134,020 | \$ (24,380) | -15.4% |
| TOOLS & EQUIPMENT | \$ 139,173 | \$ 140,522 | \$ 139,522 | \$ 130,515 | \$ (10,007) | -7.1% |
| OTHER EXPENSES | \$ 60,150 | \$ 1,414,837 | \$ 1,214,837 | \$ 126,289 | \$ (1,288,548) | -91.1% |
| PRINTING & PUBLICATIONS | \$ 18,122 | \$ 115,400 | \$ 114,400 | \$ 100,679 | \$ (14,721) | -12.8% |
| ADVERTISING & PROMOTION | \$ 10,009 | \$ 114,500 | \$ 114,500 | \$ 97,500 | \$ (17,000) | -14.8% |
| OTHER CAPITAL EQUIPMENT | \$ 52,785 | \$ 171,020 | \$ 165,020 | \$ 72,600 | \$ (98,420) | -57.5% |
| EMPLOYMENT MEDICAL EXPENS | \$ 52,965 | \$ 40,000 | \$ 40,000 | \$ 65,000 | \$ 25,000 | 62.5% |
| OFFICE EQUIPMENT | \$ 23,986 | \$ 59,100 | \$ 59,100 | \$ 37,150 | \$ (21,950) | -37.1% |
| BUILDING EQUIPMENT | \$ 67,414 | \$ 102,949 | \$ 102,949 | \$ 35,541 | \$ (67,408) | -65.5% |
| BOND TRUSTEE | \$ 15,346 | \$ 50,000 | \$ 50,000 | \$ 25,000 | \$ (25,000) | -50.0% |
| ROADWAY EQUIPMENT | \$ 143,311 | \$ 60,060 | \$ 60,060 | \$ 19,000 | \$ (41,060) | -68.4% |
| POLICE CAPITAL EQUIPMENT | \$ 29,189 | \$ 10,000 | \$ 10,000 | \$ 9,500 | \$ (500) | -5.0% |
| TOLL COLLECTION EQUIPMENT | \$ - | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ (0) | 0.0% |
| CASH HANDLING EQUIPMENT | \$ - | \$ 35,500 | \$ 35,500 | \$ - | \$ (35,500) | -100.0% |
| RECOVERY OF EXPENSES | \$ (1,672,507) | \$ (2,375,500) | \$ (2,375,500) | \$ (2,398,700) | \$ (23,200) | 1.0% |
| TOTAL NON-PAYROLL COSTS | \$ 114,718,890 | \$ 117,374,050 | \$ 113,174,050 | \$ 111,350,467 | \$ (6,023,583) | -5.1% |
| TOTAL M & O COSTS | \$ 254,819,351 | \$ 265,306,197 | \$ 258,306,197 | \$ 254,994,034 | \$ (10,312,163) | -3.9% |

2011 Budget by Department

(\$ in Millions)

| Department | 2009 Actual Expenditures | 2010 Original Budget | 2010 Revised Budget | 2011 Budget Request | \$ Change from Original Budget |
|--|--------------------------------|----------------------------|---------------------------|---------------------------|---|
| Administration | \$3.5 | \$4.1 | \$4.1 | \$3.9 | (\$0.2) |
| Audit | 0.6 | 0.9 | 0.9 | 1.0 | 0.1 |
| Business Systems | 43.9 | 47.2 | 46.2 | 45.0 | (2.2) |
| Communications | 0.9 | 1.3 | 1.3 | 1.3 | 0.0 |
| Engineering | 64.8 | 65.6 | 63.4 | 61.7 | (3.9) |
| Executive Management & Board of Directors | 1.2 | 1.5 | 1.5 | 1.6 | 0.1 |
| Finance | 43.6 | 44.1 | 41.9 | 42.3 | (1.8) |
| Information Technology | 8.6 | 10.4 | 9.4 | 9.9 | (0.5) |
| Investigations | 0.6 | 0.5 | 0.5 | 0.8 | 0.3 |
| Legal | 1.4 | 1.6 | 1.6 | 1.6 | 0.0 |
| Procurement | 3.9 | 3.9 | 3.9 | 3.7 | (0.2) |
| State Police | 25.6 | 25.2 | 25.2 | 26.8 | 1.6 |
| Toll Operations | 56.2 | 59.0 | 58.4 | 55.4 | (3.6) |
| Total | \$254.8 | \$265.3 | \$258.3 | \$255.0 | (\$10.3) |

*Numbers may not add to totals due to rounding



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2010 Departmental Budgets and Narratives

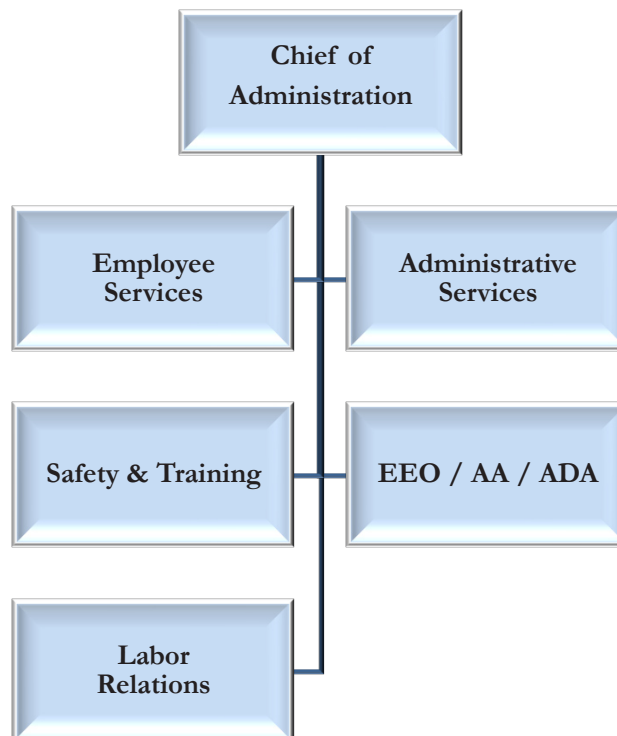
Administration

Description:

The Administration Department is responsible for the development, implementation and compliance of administrative policies and procedures. In addition, Administration is responsible for appropriating human resources to meet the operational needs of the Tollway. The department serves as the Tollway’s key contact for employee relations and employment issues. The Administration Department ensures that interdepartmental as well as inter-organizational issues are addressed so the Tollway functions efficiently and effectively.

The Administration Department oversees the following functions:

- Employee Services (Human Resources, Employee Benefits and Employee Services)
- Administration Services (Central Information Services (CIS) and Customer Relations)
- Safety & Training
- EEO/AA/ADA
- Labor Relations (Grievances & Labor Negotiations)



| MAJOR ACCOUNT DESCRIPTION | 2009 Actual | Original / Revised 2010 Budget | 2011 Request | \$ Change from Original Budget | % Change |
|------------------------------|--------------------|---|--------------------|---|--------------|
| SALARY & WAGES | \$1,783,105 | \$1,977,576 | \$1,827,604 | (\$149,972) | -7.6% |
| FICA & RETIREMENT | 571,314 | 731,010 | 701,672 | (29,338) | -4.0% |
| TELEPHONE & TELEGRAPH | 698,089 | 726,000 | 739,000 | 13,000 | 1.8% |
| OFFICE EQUIPMENT RENTALS | 279,235 | 416,100 | 342,000 | (74,100) | -17.8% |
| SUPPLIES - OFFICE | 51,294 | 87,000 | 87,000 | - | 0.0% |
| OFFICE EQUIPMENT-MAINTENANCE | 37,765 | 49,500 | 66,000 | 16,500 | 33.3% |
| EMPLOYMENT MEDICAL EXPENS | 52,965 | 40,000 | 65,000 | 25,000 | 62.5% |
| OUTSIDE SERVICES | 39,612 | 34,500 | 54,000 | 19,500 | 56.5% |
| EMPLOYEE TRAINING | 12,987 | 15,000 | 15,000 | - | 0.0% |
| TRAVEL AND SUBSISTENCE | 887 | 9,000 | 9,000 | - | 0.0% |
| DUES, BOOKS & SUBSCRIPTIONS | 8,612 | 9,000 | 9,000 | - | 0.0% |
| SUPPLIES - OPERATIONAL | 3,563 | 12,000 | 8,500 | (3,500) | -29.2% |
| OFFICE EQUIPMENT | 4,573 | 7,500 | 7,000 | (500) | -6.7% |
| POSTAGE AND EXPRESS | 100,092 | 8,200 | 6,000 | (2,200) | -26.8% |
| BUILDING EQUIPMENT | 1,400 | 5,000 | 5,000 | - | 0.0% |
| ADVERTISING & PROMOTION | 250 | 3,500 | 3,500 | - | 0.0% |
| PRINTING & PUBLICATIONS | 238 | 1,500 | 500 | (1,000) | -66.7% |
| OTHER MINOR ACCOUNTS | 5,923 | 10,600 | - | (10,600) | |
| SUBTOTAL | \$3,651,905 | \$4,142,986 | \$3,945,776 | (\$197,210) | -4.8% |
| RECOVERY OF EXPENSES | (\$122,187) | (\$1,800) | - | \$1,800 | -100.0% |
| DEPARTMENT TOTAL | \$3,529,718 | \$4,141,186 | \$3,945,776 | (\$195,410) | -4.7% |

The Fiscal Year 2011 Budget Request is \$3.9 million, a decrease of \$195 thousand or 4.7% below the Fiscal Year 2010 Budget amount. Total payroll is \$2.5 million and includes 34 positions.

Department M&O Highlights:

- Salaries and Wages decreased by \$150 thousand compared to the 2010 Budget. This decrease reflects annual wage adjustments required by collective bargaining agreements and the phasing/elimination of departmental vacancies.
- FICA and Retirement decreased by \$29 thousand compared to the 2010 Budget due to phasing/elimination of vacancies but partially offset by the SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- Outside Services increased by \$20 thousand due to higher costs for Health Fair and stroke screenings.
- Employment Medical Expenses increased by \$25 thousand as a result of higher contract costs for pre-employment screening, fingerprints, and drug and alcohol testing.

Administration continued

- Office Equipment Maintenance increased by \$17 thousand to cover the rise in copy room maintenance contract costs.
- Telephone & Telegraph increased by \$13 thousand compared to the 2010 Budget.
- Equipment Rentals decreased by \$74 thousand leaving a sufficient amount to cover maintenance contracts for copiers/fax machines, as well as U.S. Postal Meters.
- The Operational Supplies category decreased by \$4 thousand based on estimated needs for 2011.

Audit

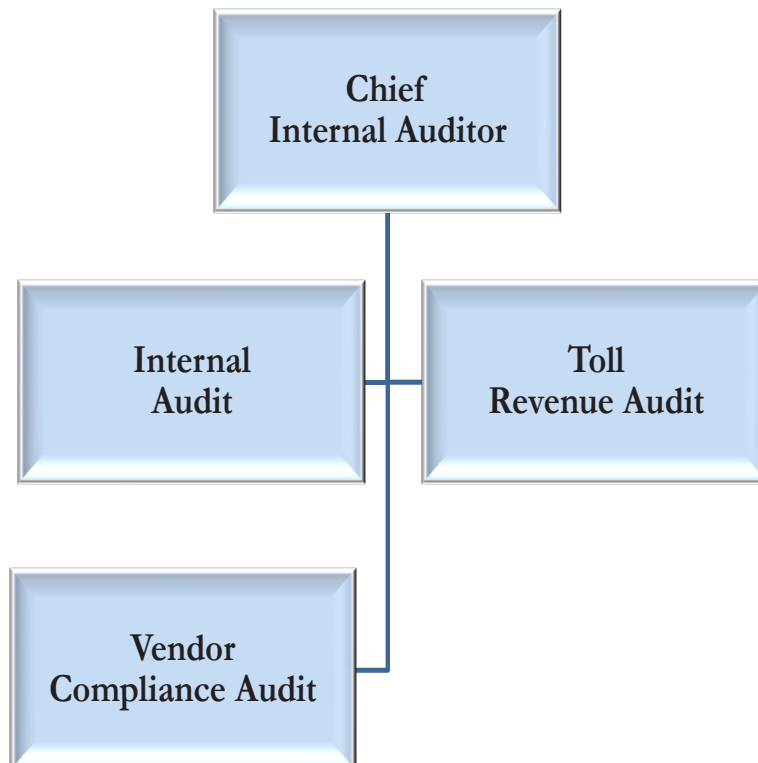
Description:

The Internal Audit Department promotes accountability and integrity by conducting independent audits and reviews regarding the efficiency and effectiveness of Tollway operations. Internal Audit is responsible for recommending improvements and changes that increase the economy, efficiency and effectiveness of Tollway projects and processes. It advises operating departments on techniques, controls and best practices for mitigating risks while promoting the highest professional and ethical standards in the issuance and oversight of contracts and ensures accountability and integrity in the handling of public revenues received by the Tollway.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve Tollway operations. It helps the Tollway accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Audit Department oversees the following functions:

- Internal Audit
- Toll Revenue Audit
- Vendor Compliance Audit



| MAJOR ACCOUNT DESCRIPTION | 2009 | Original / Revised | 2011 | \$ Change | % |
|-----------------------------|------------------|--------------------|--------------------|----------------------|--------------|
| | Actual | 2010 Budget | Request | from Original Budget | Change |
| SALARY & WAGES | \$446,399 | \$649,373 | \$723,287 | \$73,914 | 11.4% |
| FICA & RETIREMENT | 144,101 | 240,041 | 277,692 | 37,651 | 15.7% |
| EMPLOYEE TRAINING | - | - | 6,700 | 6,700 | |
| DUES, BOOKS & SUBSCRIPTIONS | - | - | 2,300 | 2,300 | |
| BUILDING EQUIPMENT | - | 2,000 | 2,000 | (0) | 0.0% |
| SUPPLIES - OFFICE | 1,626 | 2,000 | 1,500 | (500) | -25.0% |
| SUPPLIES - OPERATIONAL | 45 | 1,000 | 800 | (200) | -20.0% |
| OTHER MINOR ACCOUNTS | - | 5,000 | 500 | (4,500) | -90.0% |
| DEPARTMENT TOTAL | \$592,171 | \$899,414 | \$1,014,779 | \$115,365 | 12.8% |

The Fiscal Year 2011 Budget Request is \$1.0 million; an increase of \$115 thousand or 12.8% over the Fiscal Year 2010 Budget amount. Total payroll is \$1.0 million and includes 11 positions.

Department M&O Highlights:

- Salaries and Wages increased by \$74 thousand compared to the 2010 Budget. This increase reflects phased funding for one Chief Internal Auditor position. Per P.A. 96-795, effective July 1, 2010, or 30ILCS10/2002a, the Executive Director shall appoint a Chief Internal Auditor.
- FICA and Retirement increased by \$38 thousand compared to the 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- Employee Training increased by \$7 thousand. The Institute of Internal Auditors Audit Standards require that auditors enhance their knowledge, skills and other competencies through continuing professional development.
- Dues, Books & Subscriptions increased by \$2 thousand compared to the 2010 Budget.
- Within minor accounts equipment maintenance decreased by \$5 thousand primarily for Roadway CCTV Security Equipment.

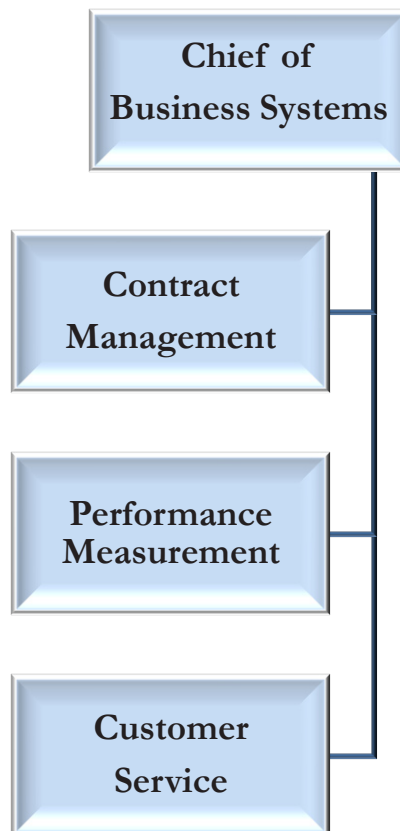
Business Systems

Description:

The Business Systems Department is responsible for the operation and maintenance of the Electronic Tolling System hardware and software which also includes collecting toll revenue from toll violators and assessing fines and imposing sanctions. The Department monitors the contracts and performance of the structure surrounding the Electronic Tolling System known as Open Road Tolling. Additionally, Business Systems provides support through the Customer Call Center which acts as a single point of contact for all customer calls that relate to I-PASS, violations processing and missed toll services.

Business Systems oversees the following functions:

- Violation Enforcement System
- Customer Service
- Contract Management
- Performance Measurement



Business Systems continued

| MAJOR ACCOUNT DESCRIPTION | 2009 | Original | Revised | 2011 | \$ Change | |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | Actual | 2010 Budget | 2010 Budget | | Request | from Original Budget |
| SALARY & WAGES | \$2,837,260 | \$3,414,474 | \$3,414,474 | \$3,054,420 | (\$360,054) | -10.5% |
| FICA & RETIREMENT | 915,117 | 1,262,157 | 1,262,157 | 1,172,683 | (89,474) | -7.1% |
| OUTSIDE SERVICES | 17,511,401 | 17,405,686 | 17,205,686 | 15,255,200 | (2,150,486) | -12.4% |
| BANK CHARGES | 11,060,712 | 12,006,000 | 11,906,000 | 12,000,000 | (6,000) | 0.0% |
| OFFICE EQUIPMENT-MAINTENANCE | 8,976,646 | 8,309,500 | 8,159,500 | 10,606,012 | 2,296,512 | 27.6% |
| CONTRACTED MAINTENANCE SERVICE | 409,969 | 1,403,300 | 1,203,300 | 1,180,000 | (223,300) | -15.9% |
| TELEPHONE & TELEGRAPH | 1,601,594 | 1,560,000 | 1,385,000 | 1,065,600 | (494,400) | -31.7% |
| POSTAGE AND EXPRESS | 445,700 | 406,900 | 406,900 | 713,500 | 306,600 | 75.4% |
| OFFICE EQUIPMENT RENTALS | 251,482 | 255,660 | 255,660 | 257,277 | 1,617 | 0.6% |
| SUPPLIES - OFFICE | 90,701 | 131,000 | 131,000 | 94,850 | (36,150) | -27.6% |
| OTHER EXPENSES | 9,275 | 1,354,487 | 1,154,487 | 86,150 | (1,268,337) | -93.6% |
| DUES, BOOKS & SUBSCRIPTIONS | 70,181 | 146,000 | 146,000 | 70,000 | (76,000) | -52.1% |
| PRINTING & PUBLICATIONS | - | 40,000 | 40,000 | 30,000 | (10,000) | -25.0% |
| MATERIALS - OPERATIONAL | - | 10,000 | 10,000 | 14,000 | 4,000 | 40.0% |
| OTHER CAPITAL EQUIPMENT | 17,185 | 57,750 | 57,750 | 11,000 | (46,750) | -81.0% |
| REPLACEMENT PARTS | (113) | 10,000 | 10,000 | 9,450 | (550) | -5.5% |
| EMPLOYEE TRAINING | - | 12,000 | 12,000 | 5,000 | (7,000) | -58.3% |
| ADVERTISING & PROMOTION | (15) | 15,000 | 15,000 | 5,000 | (10,000) | -66.7% |
| OFFICE EQUIPMENT | 8,190 | 8,500 | 8,500 | 5,000 | (3,500) | -41.2% |
| TRAVEL AND SUBSISTENCE | 4,816 | 7,000 | 7,000 | 4,750 | (2,250) | -32.1% |
| SUPPLIES - OPERATIONAL | 4,107 | 4,500 | 4,500 | 4,000 | (500) | -11.1% |
| OTHER MINOR ACCOUNTS | - | 101,500 | 76,500 | 1,200 | (100,300) | -98.8% |
| SUBTOTAL | \$44,214,208 | \$47,921,414 | \$46,871,414 | \$45,645,092 | (\$2,276,322) | -4.8% |
| RECOVERY OF EXPENSES | (\$335,923) | (\$720,000) | (\$720,000) | (\$700,000) | \$20,000 | -2.8% |
| DEPARTMENT TOTAL | \$43,878,285 | \$47,201,414 | \$46,151,414 | \$44,945,092 | (\$2,256,322) | -4.8% |

The Fiscal Year 2011 Budget Request is \$45.0 million, a decrease of \$2.3 million or 4.8% below the Fiscal Year 2010 Budget amount. Total payroll is \$4.2 million and includes 66 positions.

Department M&O Highlights:

- Salaries and Wages decreased by \$360 thousand compared to the Original 2010 Budget. This decrease reflects annual wage adjustments required by collective bargaining agreements and the phasing/elimination of departmental vacancies.
- FICA and Retirement decreased by \$89 thousand compared to the Original 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7% combined with the phasing/elimination of departmental vacancies.

Business Systems continued

- The Other Outside Services category decreased by \$2.2 million due to a price decrease for image review, along with expected improvements in lane technology performance which will reduce subsequent violation processing costs compared to the Original 2010 budget.
- The Office Equipment-Maintenance category increased by \$2.3 million due to project management costs previously funded from capital at \$1.2 million and the transfer of software licenses and support services at \$1.1 million previously in the Other Expenses category.
- The Contracted Maintenance Service category decreased by \$223 thousand. It includes the violation hearing officers and project management consultant costs.
- The Telephone & Telegraph category decreased by \$494 thousand for the 800 MegaCom and retail activation lines based on the anticipated call projection for the 2011 budget year.
- The Postage and Express category increased by \$307 thousand due to the addition of notifications relating to the transponder replacement program initiated in 2010.
- The Other Expenses category decreased by \$1.3 million due mainly to the re-classification of software licenses and support services which was transferred to the Office Equipment-Maintenance category above.

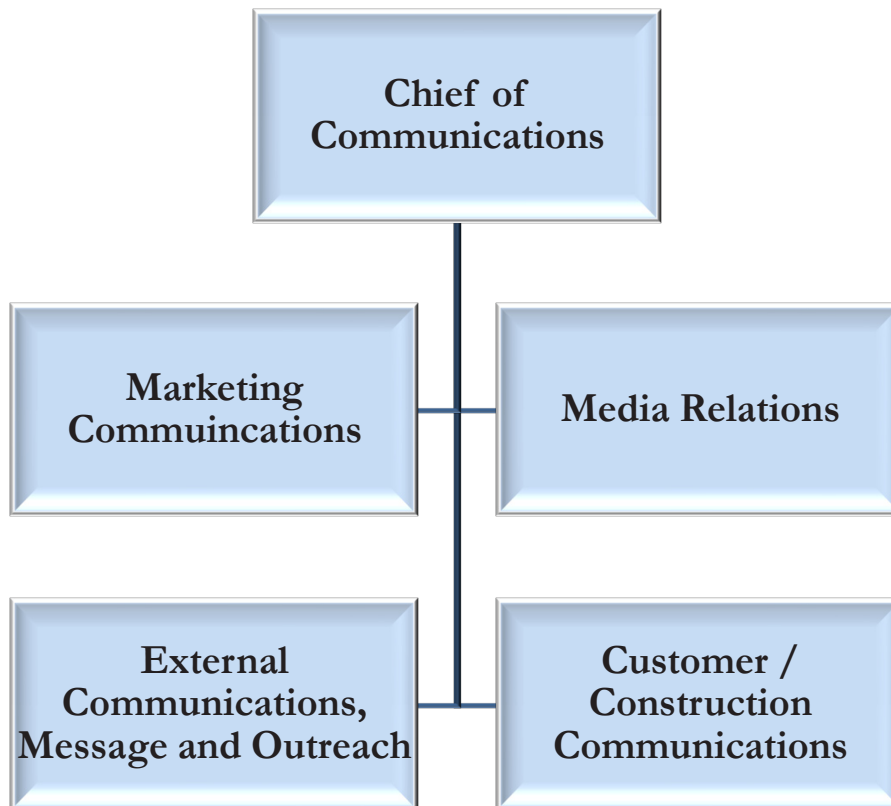
Communications

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 Department's focus is effective communication with all constituencies in order to enhance customer service and raise awareness of the Tollway as a safe and efficient travel option.

The Communications Department oversees the following functions:

- Customer/Construction Communications
- External Communications, Message and Outreach
- Media Relations
- Marketing Communications



| MAJOR ACCOUNT DESCRIPTION | 2009 Actual | Original / Revised 2010 Budget | 2011 Request | \$ Change from Original Budget | % Change |
|------------------------------|------------------|---|--------------------|---|--------------|
| SALARY & WAGES | \$611,857 | \$747,225 | \$791,223 | \$43,998 | 5.9% |
| FICA & RETIREMENT | 198,726 | 276,211 | 303,774 | 27,563 | 10.0% |
| ADVERTISING & PROMOTION | 1,832 | 85,000 | 85,000 | - | 0.0% |
| PRINTING & PUBLICATIONS | 19,736 | 50,000 | 50,000 | - | 0.0% |
| CONSULTING SERVICES | 39,600 | 85,000 | 25,857 | (59,143) | -69.6% |
| OTHER CAPITAL EQUIPMENT | 6,560 | 30,000 | 22,000 | (8,000) | -26.7% |
| OUTSIDE SERVICES | 11,388 | 30,000 | 20,000 | (10,000) | -33.3% |
| OFFICE EQUIPMENT RENTALS | 1,195 | 10,000 | 10,000 | - | 0.0% |
| SUPPLIES - OFFICE | 7,014 | 6,940 | 6,940 | - | 0.0% |
| TRAVEL AND SUBSISTENCE | 3,826 | 5,000 | 5,000 | - | 0.0% |
| POSTAGE AND EXPRESS | 4,739 | 4,000 | 4,000 | - | 0.0% |
| EMPLOYEE TRAINING | 14,145 | 3,500 | 3,500 | - | 0.0% |
| DUES, BOOKS & SUBSCRIPTIONS | 1,674 | 3,200 | 3,200 | - | 0.0% |
| OFFICE EQUIPMENT-MAINTENANCE | 616 | 3,000 | 3,000 | - | 0.0% |
| SUPPLIES - OPERATIONAL | 1,658 | 2,500 | 2,500 | - | 0.0% |
| OFFICE EQUIPMENT | 2,641 | 1,400 | 1,400 | - | 0.0% |
| OTHER MINOR ACCOUNTS | 60 | 1,060 | 1,060 | - | 0.0% |
| DEPARTMENT TOTAL | \$927,267 | \$1,344,036 | \$1,338,454 | (\$5,582) | -0.4% |

The Fiscal Year 2011 Budget Request is \$1.3 million, a decrease of \$6 thousand or 0.4% below the Fiscal Year 2010 Budget amount. Total payroll is \$1.1 million and includes 11 positions.

Department M&O Highlights:

- Salaries and Wages increased by \$44 thousand due to a job reclassification and the addition of an intern.
- FICA and Retirement increased by \$28 thousand compared to the 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- Consulting Services decreased by \$59 thousand by having certain functions handled internally.
- Other Capital Equipment decreased by \$8 thousand due to a one-time Board Webcast equipment purchase in 2010.
- Outside Services decreased by \$10 thousand due to the reduced need for outside vendors.

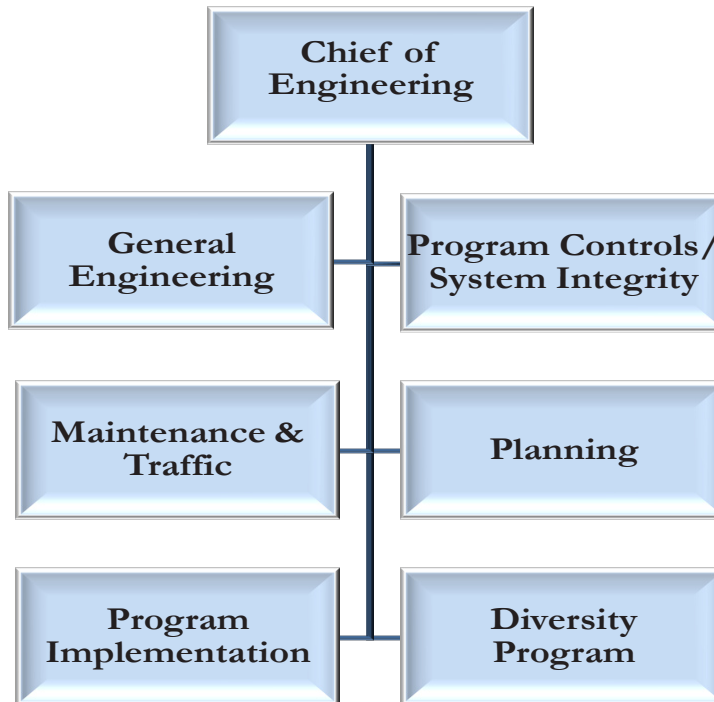
Engineering

Description:

The Engineering Department is responsible for the planning, design, construction, operation and maintenance of our roadways, as well as the Diversity Program. Additionally, Engineering coordinates with community groups, government agencies, and planning organizations on transportation and land-use policy. This Department oversees annual inspections of the pavement, bridges and drainage systems, as well as the overall day-to-day maintenance of the Tollway's fleet and roadway system.

The Engineering Department oversees the following functions:

- Planning
- Design
- Construction
- Program Management
- Maintenance & Traffic
- Diversity Program



Departmental Budgets and Narratives

| MAJOR ACCOUNT DESCRIPTION | 2009 Actual | Original 2010 Budget | Revised 2010 Budget | 2011 Request | \$ Change from Original Budget | % |
|--------------------------------|---------------------|----------------------------|---------------------------|---------------------|---|--------------|
| SALARY & WAGES | \$35,142,573 | \$35,337,758 | \$34,011,888 | \$33,712,056 | (\$1,625,702) | -4.6% |
| FICA & RETIREMENT | 11,411,035 | 13,062,602 | 12,572,472 | 12,943,070 | (119,532) | -0.9% |
| MATERIALS - OPERATIONAL | 8,652,605 | 6,602,900 | 6,602,900 | 5,717,544 | (885,356) | -13.4% |
| FUELS AND OILS | 3,350,729 | 4,052,850 | 3,852,850 | 3,280,925 | (771,925) | -19.0% |
| CONTRACTED MAINTENANCE SERVICE | 817,827 | 1,823,000 | 1,823,000 | 1,838,500 | 15,500 | 0.9% |
| REPLACEMENT PARTS | 2,087,672 | 1,872,130 | 1,672,130 | 1,812,750 | (59,380) | -3.2% |
| CONSULTING SERVICES | 1,703,460 | 1,750,000 | 1,750,000 | 1,713,300 | (36,700) | -2.1% |
| OFFICE EQUIPMENT-MAINTENANCE | 748,784 | 766,135 | 766,135 | 801,951 | 35,816 | 4.7% |
| OUTSIDE SERVICES | 689,486 | 552,425 | 552,425 | 512,125 | (40,300) | -7.3% |
| SUPPLIES - OPERATIONAL | 345,282 | 401,370 | 401,370 | 288,439 | (112,931) | -28.1% |
| TOOLS & EQUIPMENT | 101,134 | 95,722 | 95,722 | 82,040 | (13,682) | -14.3% |
| SUPPLIES - OFFICE | 82,161 | 76,250 | 76,250 | 76,957 | 707 | 0.9% |
| UNIFORMS & ACCESSORIES | 117,386 | 108,500 | 108,500 | 57,910 | (50,590) | -46.6% |
| OFFICE EQUIPMENT RENTALS | 47,381 | 42,000 | 42,000 | 42,875 | 875 | 2.1% |
| EMPLOYEE TRAINING | 19,297 | 33,600 | 33,600 | 31,920 | (1,680) | -5.0% |
| TRAVEL AND SUBSISTENCE | 19,505 | 29,330 | 29,330 | 27,864 | (1,466) | -5.0% |
| DUES, BOOKS & SUBSCRIPTIONS | 42,026 | 22,125 | 22,125 | 18,919 | (3,206) | -14.5% |
| OTHER EXPENSES | 5,477 | 14,550 | 14,550 | 14,674 | 124 | 0.9% |
| ROADWAY EQUIPMENT | 143,311 | 52,060 | 52,060 | 12,000 | (40,060) | -76.9% |
| POSTAGE AND EXPRESS | 6,925 | 10,750 | 10,750 | 7,975 | (2,775) | -25.8% |
| OTHER CAPITAL EQUIPMENT | 20,786 | 35,770 | 35,770 | 5,725 | (30,045) | -84.0% |
| OTHER MINOR ACCOUNTS | 279,403 | 72,848 | 72,848 | 11,910 | (60,938) | -83.7% |
| SUBTOTAL | \$65,834,245 | \$66,814,675 | \$64,598,675 | \$63,011,429 | (\$3,803,246) | -5.7% |
| RECOVERY OF EXPENSES | (\$1,043,046) | (\$1,251,200) | (\$1,251,200) | (\$1,301,200) | (\$50,000) | 4.0% |
| DEPARTMENT TOTAL | \$64,791,199 | \$65,563,475 | \$63,347,475 | \$61,710,229 | (\$3,853,246) | -5.9% |

The Fiscal Year 2011 Budget Request is \$61.7 million, a decrease of \$3.9 million or 5.9% below the Fiscal Year 2010 Original Budget amount. Total payroll is \$46.7 million and includes 576 positions.

Department M&O Highlights:

- Salaries and Wages decreased by \$1.6 million compared to the Original 2010 Budget. This decrease reflects annual wage adjustments required by collective bargaining agreements and the phasing/elimination of departmental vacancies.
- FICA and Retirement decreased by \$120 thousand compared to the Original 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7% combined with the phasing/elimination of departmental vacancies.
- A major portion of the Materials-Operational category includes the supply of de-icing salt and other winter roadway materials. The 2011 Budget reflects some price stabilization for salt resulting in a decrease of \$885 thousand compared to the Original 2010 Budget. This category also includes items such as replacement guard rails and attenuators.

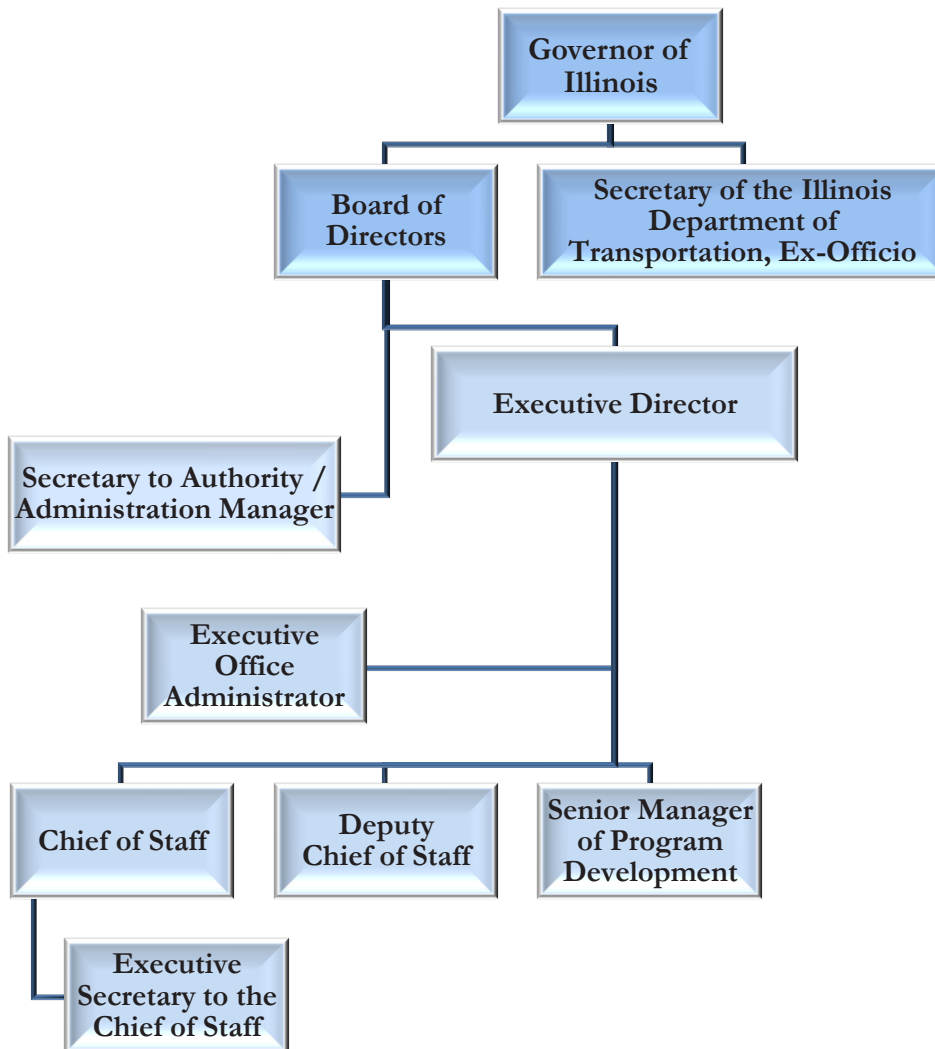
Engineering continued

- During 2010, Fuel and Oil pricing continued to decrease although fuel consumption increased due to the addition of more lane miles and the winter weather which caused snow plow trucks and Illinois State Police squad cars to use more fuel. With estimated fuel consumption, some price stabilization and increased use of E-85 fuel factored in, the 2011 Budget Request reflects a decrease of \$772 thousand.
- Replacement Parts decreased by \$59 thousand in an effort to reduce spending and is not expected to have an impact on vehicle and equipment performance.
- Equipment Maintenance increased by \$36 thousand due to the normal escalation of fees and the continued expansion of the system under the Delcan maintenance contract for TIMS. This account also includes maintenance increases for Cisco, the Cartegraph FLEX license renewals for versatools, Fleet's AVL and CSI Auto-Fuel Systems, Dispatch's CAD System and Planning's ESRI Software.
- The Supplies-Operational category in both Roadway Maintenance and Fleet was reduced by \$113 thousand. This category includes items such as roadway barricades, welding and automotive supplies.
- Other Outside Services which includes scavenger, towing and Fleet repairs, was reduced by \$40 thousand.

Executive Management and Board of Directors Office

Description:

The Executive Management and Board of Directors Office is comprised of the Board Chair, eight appointed Directors, two Ex-Officio Directors and the Executive Management staff. This office provides the management expertise to conceptually identify and set policies for the Tollway agency. This Office also develops and implements a strategic plan that allows for the efficient and effective use of all available resources to accomplish the Tollway’s mission.



| MAJOR ACCOUNT DESCRIPTION | 2009 | Original / Revised | 2011 | \$ Change | % |
|-----------------------------|--------------------|--------------------|--------------------|----------------------|-------------|
| | Actual | 2010 Budget | Request | from Original Budget | Change |
| SALARY & WAGES | \$721,507 | \$995,908 | \$983,342 | (\$12,566) | -1.3% |
| FICA & RETIREMENT | 208,739 | 368,137 | 377,534 | 9,397 | 2.6% |
| OUTSIDE SERVICES | 84,243 | 80,000 | 150,000 | 70,000 | 87.5% |
| DUES, BOOKS & SUBSCRIPTIONS | 175,768 | 33,800 | 33,800 | - | 0.0% |
| TRAVEL AND SUBSISTENCE | 4,858 | 16,000 | 16,000 | - | 0.0% |
| OTHER EXPENSES | 4,886 | 8,500 | 8,500 | - | 0.0% |
| ADVERTISING & PROMOTION | - | 4,000 | 4,000 | - | 0.0% |
| PRINTING & PUBLICATIONS | 339 | 4,000 | 4,000 | - | 0.0% |
| EMPLOYEE TRAINING | 58 | 3,300 | 3,300 | - | 0.0% |
| SUPPLIES - OFFICE | 2,637 | 2,200 | 2,200 | - | 0.0% |
| POSTAGE AND EXPRESS | 645 | 1,700 | 1,700 | - | 0.0% |
| OTHER CAPITAL EQUIPMENT | - | 1,500 | 1,500 | - | 0.0% |
| OTHER MINOR ACCOUNTS | 139 | 1,400 | 1,400 | - | 0.0% |
| DEPARTMENT TOTAL | \$1,203,817 | \$1,520,445 | \$1,587,276 | \$66,831 | 4.4% |

The Fiscal Year 2011 Budget Request is \$1.6 million, an increase of \$67 thousand or 4.4% above the Fiscal Year 2010 Budget amount. Total payroll is \$1.4 million and includes 7 positions.

Department M&O Highlights:

- Salaries and Wages decreased by \$13 thousand compared to the 2010 Budget. This decrease reflects the appointment of a new Executive Director and Chief of Staff who both accepted less compensation for their respective positions.
- FICA and Retirement increased by \$9 thousand compared to the 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- The Outside Services category increased by \$70 thousand to cover the need for additional liaison services.
- Other categories such as Dues, Books & Subscriptions, and Office Supplies remain the same as the 2010 Budget.

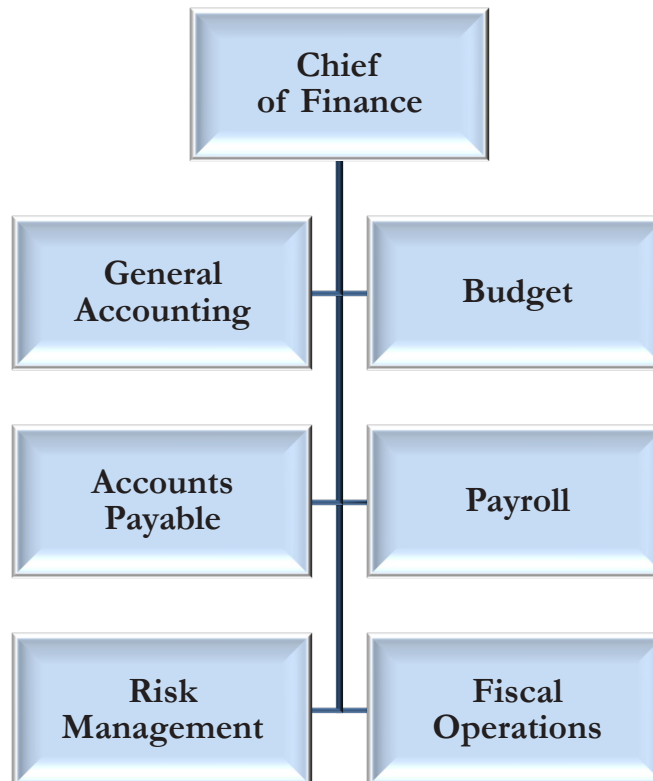
Finance

Description:

The Finance Department is responsible for all general accounting, financial reporting, capital and operations budgeting, accounts payable, payroll, and risk management. In addition, Finance manages all bond issuances and coordinates the management of cash and investments with the state Treasurer's Office.

Finance oversees the following functions:

- General Accounting
- Budget
- Accounts Payable
- Payroll
- Risk Management
- Fiscal Operations



Finance continued

| MAJOR ACCOUNT DESCRIPTION | 2009 Actual | Original 2010 Budget | Revised 2010 Budget | 2011 Request | \$ Change from Original Budget | % Change |
|---------------------------------|---------------------|----------------------------|---------------------------|---------------------|---|--------------|
| SALARY & WAGES | \$2,329,921 | \$2,747,533 | \$2,747,533 | \$2,592,628 | (\$154,905) | -5.6% |
| FICA & RETIREMENT | 911,878 | 1,015,626 | 1,015,626 | 995,388 | (20,238) | -2.0% |
| EMPLOYEE GROUP INSURANCE | 23,644,192 | 26,305,000 | 25,805,000 | 25,130,000 | (1,175,000) | -4.5% |
| WORKER'S COMPENSATION INSURANCE | 11,811,044 | 7,800,000 | 6,100,000 | 8,425,000 | 625,000 | 8.0% |
| OUTSIDE SERVICES | 2,882,986 | 3,675,000 | 3,675,000 | 2,925,000 | (750,000) | -20.4% |
| PROPERTY INSURANCE | 2,035,289 | 2,600,000 | 2,600,000 | 2,300,000 | (300,000) | -11.5% |
| BANK CHARGES | 85,410 | 150,000 | 150,000 | 164,000 | 14,000 | 9.3% |
| BOND TRUSTEE | 15,346 | 50,000 | 50,000 | 25,000 | (25,000) | -50.0% |
| SUPPLIES - OFFICE | 20,101 | 22,000 | 22,000 | 21,000 | (1,000) | -4.5% |
| POSTAGE AND EXPRESS | 8,945 | 8,500 | 8,500 | 12,000 | 3,500 | 41.2% |
| DUES, BOOKS & SUBSCRIPTIONS | 5,282 | 8,000 | 8,000 | 7,000 | (1,000) | -12.5% |
| OFFICE EQUIPMENT-MAINTENANCE | 6,623 | 6,000 | 6,000 | 6,000 | - | 0.0% |
| PRINTING & PUBLICATIONS | 1,928 | 4,000 | 4,000 | 3,000 | (1,000) | -25.0% |
| OTHER EXPENSES | 1,225 | 4,000 | 4,000 | 3,000 | (1,000) | -25.0% |
| TRAVEL AND SUBSISTENCE | 1,263 | 4,000 | 4,000 | 2,000 | (2,000) | -50.0% |
| OTHER MINOR ACCOUNTS | 1,541 | 18,100 | 18,100 | 6,500 | (11,600) | -64.1% |
| SUBTOTAL | \$43,762,974 | \$44,417,759 | \$42,217,759 | \$42,617,516 | (\$1,800,243) | -4.1% |
| RECOVERY OF EXPENSES | (\$142,013) | (\$300,000) | (\$300,000) | (\$300,000) | - | 0.0% |
| DEPARTMENT TOTAL | \$43,620,961 | \$44,117,759 | \$41,917,759 | \$42,317,516 | (\$1,800,243) | -4.1% |

The Fiscal Year 2011 Budget Request is \$42.3 million; a decrease of \$1.8 million or 4.1% below the Fiscal Year 2010 Original Budget amount. Total payroll is \$3.6 million and includes 51 positions.

Department M&O Highlights:

- Salaries and Wages decreased by \$155 thousand compared to the Original 2010 Budget. This decrease reflects annual wage adjustments required by collective bargaining agreements and the phasing/elimination of departmental vacancies.
- FICA and Retirement decreased by \$20 thousand compared to the Original 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7% combined with the phasing/elimination of departmental vacancies.
- Within the Finance department's budget, Group Insurance was reduced by \$1.2 million or 4.5% and is based on projected employee enrollment and potential cost saving measures as well as an increase in insurance costs allocated to staffing for the Capital Program. This account includes group medical, dental, optical and life as well as retiree health and life insurance.
- Worker's Compensation Insurance increased by \$625 thousand or 8.0% based on the latest actuarial study which projects a rise in the value of claims for 2011.

Finance continued

- Other Outside Services decreased by \$750 thousand based on projected collection agency fees, external audit fees and emergency road services (fire and ambulance).
- Property Insurance decreased by \$300 thousand. This account category covers buildings, bridges, vehicles and liability insurance.

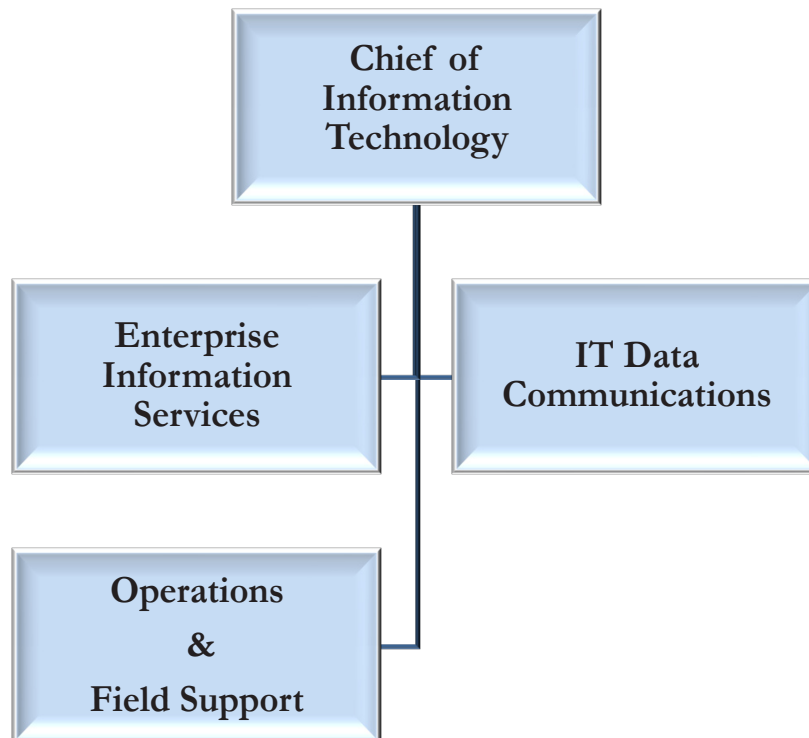
Information Technology

Description:

The Information Technology Department is responsible for planning, directing, and controlling all information technologies and telecommunications as well as providing the Tollway with strategic guidance and user/client services.

Information Technology oversees the following functions:

- Enterprise Information Services
- Data Communications
- Operations & Field Support



Information Technology continued

| MAJOR ACCOUNT DESCRIPTION | 2009 | Original | Revised | 2011 | \$ Change | |
|--------------------------------|--------------------|---------------------|--------------------|--------------------|--------------------|----------------------------|
| | Actual | 2010 Budget | 2010 Budget | | Request | from Original Budget |
| SALARY & WAGES | \$4,207,411 | \$4,631,913 | \$4,096,010 | \$4,522,847 | (\$109,066) | -2.4% |
| FICA & RETIREMENT | 1,366,516 | 1,712,187 | 1,514,090 | 1,736,457 | 24,270 | 1.4% |
| CONSULTING SERVICES | 797,468 | 1,205,000 | 1,079,000 | 1,052,000 | (153,000) | -12.7% |
| OFFICE EQUIPMENT-MAINTENANCE | 938,993 | 1,172,500 | 1,096,500 | 969,500 | (203,000) | -17.3% |
| CONTRACTED MAINTENANCE SERVICE | 808,992 | 800,000 | 796,000 | 800,000 | - | 0.0% |
| TELEPHONE & TELEGRAPH | 247,469 | 435,000 | 432,000 | 435,000 | - | 0.0% |
| REPLACEMENT PARTS | 89,650 | 141,000 | 110,000 | 125,000 | (16,000) | -11.3% |
| SUPPLIES - OPERATIONAL | 49,823 | 116,250 | 95,250 | 112,500 | (3,750) | -3.2% |
| OUTSIDE SERVICES | 38,884 | 72,000 | 61,000 | 53,000 | (19,000) | -26.4% |
| MATERIALS - OPERATIONAL | 14,760 | 34,000 | 18,000 | 21,500 | (12,500) | -36.8% |
| EMPLOYEE TRAINING | 37,039 | 30,000 | 30,000 | 20,000 | (10,000) | -33.3% |
| OTHER CAPITAL EQUIPMENT | 8,253 | 15,500 | 9,500 | 10,000 | (5,500) | -35.5% |
| SUPPLIES - OFFICE | 6,648 | 6,000 | 6,000 | 5,800 | (200) | -3.3% |
| TOOLS & EQUIPMENT | 4,724 | 7,000 | 6,000 | 5,500 | (1,500) | -21.4% |
| TRAVEL AND SUBSISTENCE | 3,243 | 6,000 | 5,000 | 5,000 | (1,000) | -16.7% |
| DUES, BOOKS & SUBSCRIPTIONS | 2,533 | 3,200 | 2,200 | 3,100 | (100) | -3.1% |
| POSTAGE AND EXPRESS | 2,883 | 2,500 | 2,500 | 2,700 | 200 | 8.0% |
| OTHER MINOR ACCOUNTS | 2,467 | 9,450 | 6,450 | 8,250 | (1,200) | -12.7% |
| DEPARTMENT TOTAL | \$8,627,755 | \$10,399,500 | \$9,365,500 | \$9,888,154 | (\$511,346) | -4.9% |

The Fiscal Year 2011 Budget Request is \$9.9 million, a decrease of \$511 thousand or 4.9% below the Fiscal Year 2010 Original Budget. Total payroll is \$6.3 million and includes 68 positions.

Department M&O Highlights:

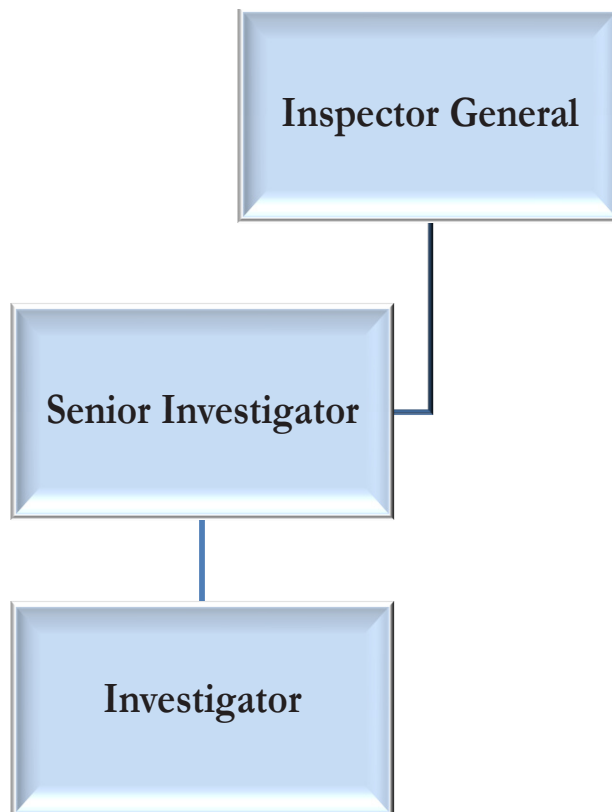
- Salaries and Wages decreased by \$109 thousand compared to the Original 2010 Budget. This decrease reflects annual wage adjustments required by collective bargaining agreements and the phasing/elimination of departmental vacancies.
- FICA and Retirement increased by \$24 thousand compared to the Original 2010 Budget due to the phasing/elimination of vacancies partially offset by the SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- Equipment Maintenance was reduced by \$203 thousand to reflect a decrease in amounts allocated for Unisys and Kronos along with other hardware and software maintenance contract renewals.
- The majority of the spending in the Consulting Services category is for the Tollway's Web and IVR hosting services; the 2011 Budget Request for this account decreased by \$153 thousand.
- Other Outside Services decreased by \$19 thousand primarily due to a reduced need by Data Communications for outside support.
- Operational Materials decreased by \$13 thousand compared to the Original 2010 Budget.

INVESTIGATIONS

Description:

It is the intent of the Investigations Office to provide accountability and protect the integrity of the Illinois Tollway. The Investigations Office 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.

Beginning January 2011, the Investigations Office will become the Office of the Inspector General with the same goals, but with additional statutory authority, including subpoena power.



Investigations continued

| MAJOR ACCOUNT DESCRIPTION | 2009 Actual | Original / Revised 2010 Budget | 2011 Request | \$ Change from Original Budget | % Change |
|-----------------------------|------------------|---|------------------|---|--------------|
| SALARY & WAGES | \$438,157 | \$364,898 | \$535,126 | \$170,228 | 46.7% |
| FICA & RETIREMENT | 142,029 | 134,885 | 205,451 | 70,566 | 52.3% |
| EMPLOYEE TRAINING | 4,905 | 8,000 | 10,000 | 2,000 | 25.0% |
| DUES, BOOKS & SUBSCRIPTIONS | 6,691 | 8,000 | 6,000 | (2,000) | -25.0% |
| TRAVEL AND SUBSISTENCE | 2,593 | 2,000 | 4,000 | 2,000 | 100.0% |
| SUPPLIES - OFFICE | 2,099 | 2,000 | 2,000 | - | 0.0% |
| OFFICE EQUIPMENT | - | 2,000 | 2,000 | - | 0.0% |
| OTHER CAPITAL EQUIPMENT | - | 2,000 | 2,000 | - | 0.0% |
| OTHER MINOR ACCOUNTS | 290 | 800 | 1,000 | 200 | 25.0% |
| DEPARTMENT TOTAL | \$596,764 | \$524,583 | \$767,577 | \$242,994 | 46.3% |

The Fiscal Year 2011 Budget Request is \$768 thousand; an increase of \$243 thousand or 46.3% above the Fiscal Year 2010 Budget amount. Total payroll is \$741 thousand and includes 6 positions.

Department M&O Highlights:

- Salaries and Wages increased by \$170 thousand compared to the 2010 Budget. This increase reflects funding for one vacant Senior Investigator position and two additional Investigators.
- FICA and Retirement increased by \$71 thousand compared to the 2010 Budget due to new personnel as well as the SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- Employee Training increased by \$2 thousand due to training for new personnel.
- Dues, Books and Subscriptions decreased by \$2 thousand compared to the 2010 Budget.
- Travel and Subsistence increased by \$2 thousand to accommodate conference attendance.

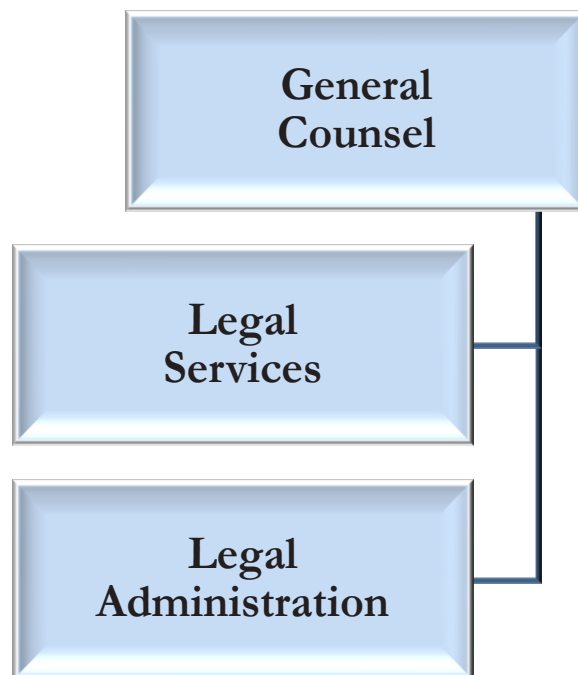
Legal

Description:

The Legal 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. The Department provides legal assistance in all aspects of the Tollway operations, including contract preparation, financing operations, construction activities and employee labor relations.

The Legal Department oversees the following functions:

- Contracts
- Bond Issues
- Personal Injury Cases
- Recovery of Expenses
- Violation Enforcement Collection Efforts



| MAJOR ACCOUNT DESCRIPTION | 2009 Actual | Original / Revised 2010 Budget | 2011 Request | \$ Change from Original Budget | % Change |
|-----------------------------|--------------------|---|--------------------|---|-------------|
| SALARY & WAGES | \$944,968 | \$992,378 | \$1,017,289 | \$24,911 | 2.5% |
| FICA & RETIREMENT | 301,280 | 364,920 | 390,568 | 25,648 | 7.0% |
| OUTSIDE SERVICES | 97,852 | 160,000 | 160,000 | - | 0.0% |
| DUES, BOOKS & SUBSCRIPTIONS | 10,818 | 18,000 | 17,100 | (900) | -5.0% |
| TRAVEL AND SUBSISTENCE | 4,287 | 6,500 | 6,175 | (325) | -5.0% |
| SUPPLIES - OFFICE | 5,162 | 5,000 | 4,750 | (250) | -5.0% |
| OTHER EXPENSES | 4,996 | 5,000 | 4,750 | (250) | -5.0% |
| EMPLOYEE TRAINING | 1,738 | 3,000 | 2,850 | (150) | -5.0% |
| SUPPLIES - OPERATIONAL | 2,885 | 2,000 | 1,900 | (100) | -5.0% |
| POSTAGE AND EXPRESS | 2,038 | 2,000 | 1,900 | (100) | -5.0% |
| OTHER MINOR ACCOUNTS | 32 | 2,700 | - | (2,700) | -100.0% |
| SUBTOTAL | \$1,376,057 | \$1,561,498 | \$1,607,282 | \$45,784 | 2.9% |
| RECOVERY OF EXPENSES | (\$5,899) | (\$5,000) | (\$5,000) | - | 0.0% |
| DEPARTMENT TOTAL | \$1,370,158 | \$1,556,498 | \$1,602,282 | \$45,784 | 2.9% |

The Fiscal Year 2011 Budget Request is \$1.6 million, an increase of \$46 thousand or 2.9% above Fiscal Year 2010 Budget amount. Total payroll is \$1.4 million and includes 12 positions.

Department M&O Highlights:

- Salaries and Wages increased by \$25 thousand compared to the 2010 Budget. This increase reflects full funding for one additional Legal Intern position.
- FICA and Retirement increased by \$26 thousand compared to the 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- Dues, Books & Subscriptions decreased by \$1 thousand compared to the 2010 Budget.
- Other Minor Accounts decreased by \$3 thousand primarily due to reduced spending on office equipment.

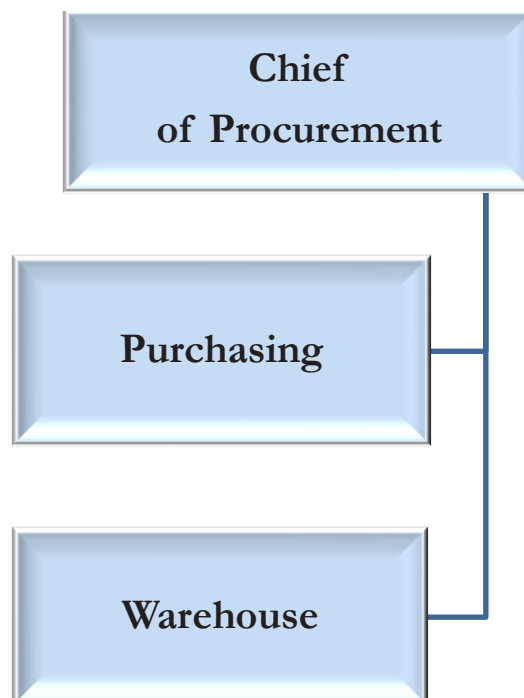
Procurement

Description:

The Procurement Department is responsible for all purchasing and procurement activities of the Tollway. The Department is authorized to execute contracts and place orders for goods and services; they are also responsible for the warehouse function.

The Procurement Department oversees the following functions:

- Purchasing
- Central Warehouse



| MAJOR ACCOUNT DESCRIPTION | 2009 | Original / Revised | 2011 | \$ Change | % |
|-----------------------------|--------------------|--------------------|--------------------|----------------------|--------------|
| | Actual | 2010 Budget | Request | from Original Budget | Change |
| SALARY & WAGES | \$2,643,273 | \$2,745,779 | \$2,599,559 | (\$146,220) | -5.3% |
| FICA & RETIREMENT | 865,173 | 1,014,977 | 998,049 | (16,928) | -1.7% |
| OUTSIDE SERVICES | 20,797 | 21,500 | 20,000 | (1,500) | -7.0% |
| SUPPLIES - OFFICE | 53,642 | 22,500 | 16,000 | (6,500) | -28.9% |
| OFFICE EQUIPMENT RENTALS | 5,634 | 7,000 | 5,000 | (2,000) | -28.6% |
| EMPLOYEE TRAINING | 4,969 | 8,000 | 4,750 | (3,250) | -40.6% |
| PRINTING & PUBLICATIONS | (6,941) | 5,100 | 4,000 | (1,100) | -21.6% |
| SUPPLIES - OPERATIONAL | 32,775 | 4,200 | 3,000 | (1,200) | -28.6% |
| UNIFORMS & ACCESSORIES | 104,356 | 3,000 | 2,500 | (500) | -16.7% |
| OTHER EXPENSES | 16,234 | 2,000 | 1,000 | (1,000) | -50.0% |
| TRAVEL AND SUBSISTENCE | 4,456 | 5,500 | 500 | (5,000) | -90.9% |
| OFFICE EQUIPMENT | 4,568 | 4,500 | 500 | (4,000) | -88.9% |
| DUES, BOOKS & SUBSCRIPTIONS | 4,049 | 5,500 | 250 | (5,250) | -95.5% |
| OTHER MINOR ACCOUNTS | 144,626 | 16,600 | - | (16,600) | -100.0% |
| SUBTOTAL | \$3,897,612 | \$3,866,156 | \$3,655,108 | (\$211,048) | -5.5% |
| RECOVERY OF EXPENSES | (\$4,309) | (\$5,000) | (\$5,000) | - | 0.0% |
| DEPARTMENT TOTAL | \$3,893,304 | \$3,861,156 | \$3,650,108 | (\$211,048) | -5.5% |

The Fiscal Year 2011 Budget Request is \$3.7 million; a decrease of \$211 thousand or 5.5% below the Fiscal Year 2010 Budget amount. Total payroll is \$3.6 million and includes 53 positions.

Department M&O Highlights:

- Salaries and Wages decreased by \$146 thousand compared to the 2010 Budget. This decrease reflects annual wage adjustments required by collective bargaining agreements and the phasing/elimination of departmental vacancies.
- FICA and Retirement decreased by \$17 thousand compared to the 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7% combined with the phasing/elimination of departmental vacancies.
- Other Minor Accounts decreased by \$17 thousand mainly due to the elimination of Advertising & Promotion, Postage and Office Equipment- Maintenance expenses.
- Office Supplies decreased by \$7 thousand and Office Equipment decreased by \$4 thousand as less supplies and equipment are needed in 2011.

Procurement continued

- Dues, Books & Subscriptions decreased by \$5 thousand and Travel and Subsistence decreased by \$5 thousand as a less expenses are anticipated in these categories.
- Employee Training decreased by \$3 thousand leaving a sufficient amount for staff training.

State Police

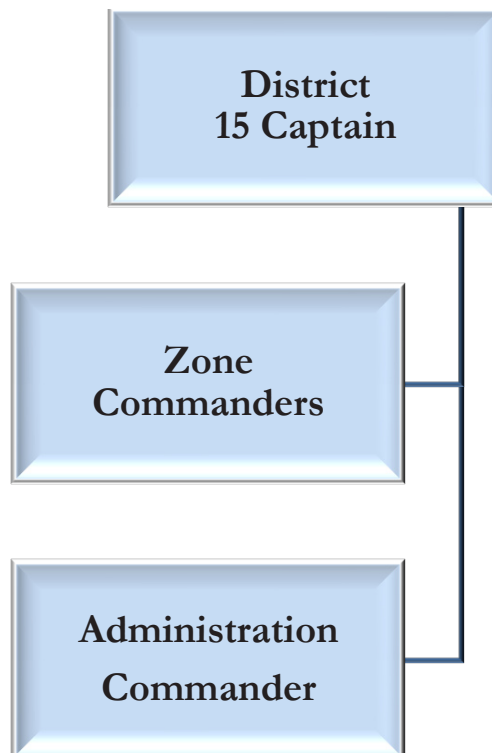
Description:

Illinois State Police (ISP) – District 15 – is one of 21 districts of the Illinois State Police, responsible for providing comprehensive law enforcement services. The entire Tollway System comprises District 15. State Police patrol the Tollway System to enforce speed limits and traffic laws, assist disabled motorists, and provide special details for operations, such as overweight vehicles. The District Commander reports to the Executive Director of the Tollway and to the Director of the ISP.

District 15 is a unique ISP District serving a mobile community comprised of travelers from across the country and local commuters. Troopers assigned to District 15 cover 12 different counties, coordinate with five state police districts and four toll roads. District 15 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.

District 15 State Police oversees the following functions:

- Zone Commanders
- Administration Commander
- Support Services
- Video Surveillance



| MAJOR ACCOUNT DESCRIPTION | 2009 Actual | Original / Revised 2010 Budget | 2011 Request | \$ Change from Original Budget | % Change |
|------------------------------|---------------------|---|---------------------|---|-------------|
| SALARY & WAGES | \$17,359,837 | \$16,755,867 | \$17,655,533 | \$899,666 | 5.4% |
| FICA & RETIREMENT | 4,635,482 | 5,203,481 | 5,733,131 | 529,650 | 10.2% |
| EMPLOYEE GROUP INSURANCE | 3,101,329 | 2,570,000 | 2,793,000 | 223,000 | 8.7% |
| SUPPLIES - OPERATIONAL | 111,972 | 250,000 | 237,500 | (12,500) | -5.0% |
| OFFICE EQUIPMENT-MAINTENANCE | 108,543 | 174,000 | 165,300 | (8,700) | -5.0% |
| UNIFORMS & ACCESSORIES | 82,018 | 100,000 | 104,500 | 4,500 | 4.5% |
| OUTSIDE SERVICES | 75,443 | 75,000 | 71,250 | (3,750) | -5.0% |
| SUPPLIES - OFFICE | 18,594 | 35,000 | 33,250 | (1,750) | -5.0% |
| TELEPHONE & TELEGRAPH | 14,649 | 30,000 | 28,500 | (1,500) | -5.0% |
| POSTAGE AND EXPRESS | 23,101 | 24,000 | 22,800 | (1,200) | -5.0% |
| EMPLOYEE TRAINING | 7,665 | 20,000 | 19,000 | (1,000) | -5.0% |
| REPLACEMENT PARTS | 12,608 | 15,000 | 14,250 | (750) | -5.0% |
| POLICE CAPITAL EQUIPMENT | 14,409 | 10,000 | 9,500 | (500) | -5.0% |
| TRAVEL AND SUBSISTENCE | 2,861 | 5,000 | 4,750 | (250) | -5.0% |
| PRINTING & PUBLICATIONS | 407 | 2,800 | 2,660 | (140) | -5.0% |
| DUES, BOOKS & SUBSCRIPTIONS | 1,470 | 1,500 | 2,138 | 638 | 42.5% |
| OFFICE EQUIPMENT | 2,136 | 2,000 | 1,900 | (100) | -5.0% |
| OTHER MINOR ACCOUNTS | 1,112 | 7,500 | 2,375 | (5,125) | -68.3% |
| SUBTOTAL | \$25,573,636 | \$25,281,148 | \$26,901,337 | \$1,620,189 | 6.4% |
| RECOVERY OF EXPENSES | (\$14,165) | (\$87,500) | (\$87,500) | - | 0.0% |
| DEPARTMENT TOTAL | \$25,559,472 | \$25,193,648 | \$26,813,837 | \$1,620,189 | 6.4% |

The Fiscal Year 2011 Budget Request is \$26.8 million; an increase of \$1.6 million or 6.4% over the Fiscal Year 2010 Budget amount. Total payroll is \$23.4 million for 19 civilian positions and 185 troopers.

Department M&O Highlights:

- Salaries and Wages increased by \$900 thousand or 5.4% compared to the 2010 Budget. This increase reflects annual wage adjustments required by collective bargaining agreements and funding for currently vacant positions.
- FICA and Retirement increased by \$530 thousand compared to the 2010 Budget due to the SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- Group Insurance increased by \$223 thousand to fund the costs of additional troopers.
- Uniforms and accessories increased by \$5 thousand due to increased contract costs.

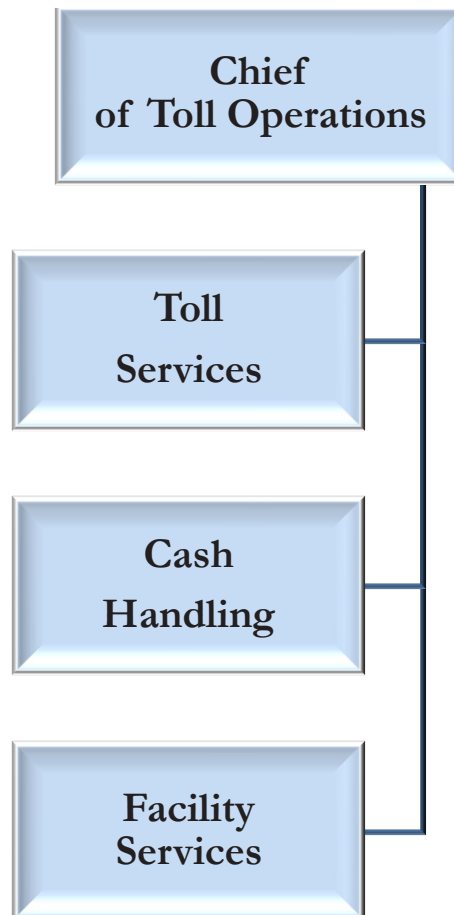
Toll Operations

Description:

The Toll Operations Department is responsible for providing the necessary resources and support services required for toll collection and cash handling operations as well as the maintenance of all Tollway buildings.

The Toll Operations Department oversees the following functions:

- Toll Collection
- Cash Handling
- Operational Support Services
- Facility Services



| MAJOR ACCOUNT DESCRIPTION | 2009 | Original | Revised | 2011 | \$ Change | % Change |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|--------------|
| | Actual | 2010 Budget | 2010 Budget | | Request | |
| SALARY & WAGES | \$36,945,112 | \$37,371,032 | \$37,188,504 | \$34,534,395 | (\$2,836,637) | -7.6% |
| FICA & RETIREMENT | 12,017,690 | 13,814,200 | 13,746,728 | 13,258,790 | (555,410) | -4.0% |
| UTILITIES & RR&I RELOCATE | 5,367,998 | 5,101,500 | 4,851,500 | 5,101,000 | (500) | 0.0% |
| SUPPLIES - OPERATIONAL | 560,169 | 627,500 | 627,500 | 551,950 | (75,550) | -12.0% |
| OUTSIDE SERVICES | 335,839 | 466,000 | 466,000 | 411,000 | (55,000) | -11.8% |
| ARMORED TRUCK SERVICE | 193,481 | 240,000 | 240,000 | 270,000 | 30,000 | 12.5% |
| CONTRACTED MAINTENANCE SERVICE | 35,402 | 295,000 | 295,000 | 270,000 | (25,000) | -8.5% |
| UNIFORMS & ACCESSORIES | 241,649 | 248,500 | 248,500 | 248,500 | (0) | 0.0% |
| MATERIALS - OPERATIONAL | 152,695 | 232,800 | 232,800 | 232,500 | (300) | -0.1% |
| REPLACEMENT PARTS | 174,154 | 161,700 | 161,700 | 183,690 | 21,990 | 13.6% |
| SUPPLIES - OFFICE | 90,317 | 112,700 | 112,700 | 100,050 | (12,650) | -11.2% |
| TRAVEL AND SUBSISTENCE | 53,109 | 65,000 | 65,000 | 72,500 | 7,500 | 11.5% |
| OFFICE EQUIPMENT-MAINTENANCE | 12,175 | 45,000 | 45,000 | 43,500 | (1,500) | -3.3% |
| TOOLS & EQUIPMENT | 19,421 | 35,700 | 35,700 | 41,350 | 5,650 | 15.8% |
| BUILDING EQUIPMENT | 8,185 | 40,000 | 40,000 | 25,500 | (14,500) | -36.2% |
| OTHER CAPITAL EQUIPMENT | - | 23,000 | 23,000 | 18,375 | (4,625) | -20.1% |
| OFFICE EQUIPMENT | 560 | 14,500 | 14,500 | 12,325 | (2,175) | -15.0% |
| EMPLOYEE TRAINING | 2,022 | 17,000 | 17,000 | 10,000 | (7,000) | -41.2% |
| ROADWAY EQUIPMENT | - | 8,000 | 8,000 | 7,000 | (1,000) | -12.5% |
| OTHER EXPENSES | 16,764 | 17,700 | 17,700 | 5,615 | (12,085) | -68.3% |
| OTHER MINOR ACCOUNTS | 6,703 | 51,250 | 51,250 | 14,915 | (36,335) | -70.9% |
| DEPARTMENT TOTAL | \$56,233,446 | \$58,988,082 | \$58,488,082 | \$55,412,955 | (\$3,575,127) | -6.1% |

The Fiscal Year 2011 Budget Request is \$55.4 million, a decrease of \$3.6 million or 6.1% below the Fiscal Year 2010 Original Budget amount. Total payroll is \$47.8 million and includes 684 positions.

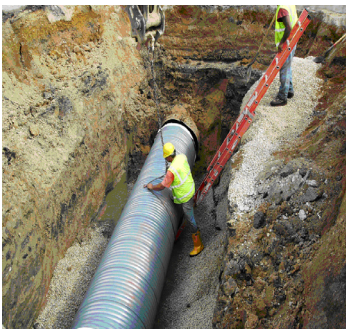
Department M&O Highlights:

- Salaries and Wages decreased by \$2.8 million compared to the Original 2010 Budget. This decrease reflects annual wage adjustments required by collective bargaining agreements as well as the elimination of 70 vacant positions and the phasing of the remaining vacant positions.
- FICA and Retirement decreased by \$555 thousand compared to the Original 2010 Budget due to the phasing/elimination of vacancies, but partially offset by SERS Pension Contribution Rate increase from 29.3% to 30.7%.
- Armored Truck Service, which includes the cost of rolled coin, increased by \$30 thousand based on a revised contract.

Toll Operations continued

- Replacement Parts increased by \$22 thousand mainly due to aging equipment requiring more frequent repairs.
- Operational Supplies decreased by \$76 thousand mainly due to the installation of hand driers that will result in a reduction in paper towel supplies.
- Office Supplies was reduced by \$13 thousand for 2011.
- Other Minor Accounts decreased by \$36 thousand mainly due to a decreased need for outside services and new cash handling equipment.

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Capital Program

The fiscal year 2011 capital request reflects the Tollway's commitment to maintain and upgrade the existing facilities and infrastructure of the system. The request includes funding for the seventh year of the multi-year Congestion-Relief Program (CRP). The estimated cost of the CRP is being reduced from \$6.1 billion to \$5.8 billion, a reduction of approximately \$300 million, to reflect actual savings from projects completed and closed, anticipated project savings from future closeouts, and modifications to scope of work on the Jane Addams Memorial Tollway (I-90) Corridor. For fiscal year 2011, \$192.0 million is allocated for the CRP and \$86.9 million is allocated to support other needs such as roadway equipment and vehicles, building repair and improvements, and technological equipment and enhancements. The 2011 "Other" Request totals \$86.9 million; it is anticipated an estimated \$45 million will be earned.

Fiscal Year 2011 - Capital Program

(\$ millions)

| | 2009 Actual Earned | 2010 Estimate Earned | 2011 Request |
|--|-----------------------|-------------------------|-----------------|
| Tri-State Tollway (I-294/ I-94) | \$ 483.0 | \$ 65.8 | \$ 14.4 |
| Jane Addams Memorial Tollway (I-90) | \$ 111.5 | \$ 22.3 | \$ 104.9 |
| Reagan Memorial Tollway (I-88) | \$ 127.8 | \$ 10.4 | \$ 7.6 |
| Veterans Memorial Tollway (I-355) | \$ 39.5 | \$ 55.1 | \$ 5.2 |
| Open Road Tolling (ORT) | \$ 4.3 | \$ 3.7 | \$ 0.5 |
| Systemwide Improvements | \$ 82.2 | \$ 64.1 | \$ 59.4 |
| Congestion-Relief Program Subtotal | \$ 848.3 | \$ 221.4 | \$ 192.0 |
| * "Other" Capital Projects Subtotal | \$ 54.1 | \$ 45.0 | \$ 86.9 |
| TOTAL CAPITAL PROGRAM | \$ 902.4 | \$ 266.4 | \$ 278.9 |

* 2011 Request includes \$36.1 million new and \$50.8 million 2010 carry-over of which \$45 million estimated to be earned in 2011.

The Tollway's capital budget is a financial plan of capital project expenditures for the fiscal year beginning January 1 and ending December 31. The capital budget provides funding for non-recurring expenditures for the preservation, replacement, repair, renewal, reconstruction, modification, and expansion of the Tollway System. The capital budget is funded from current revenues, proceeds from the sale of revenue bonds and interest income.

The Tollway adheres to the covenants of its Trust Indenture and Generally Accepted Accounting Principles (GAAP) to provide direction for capital budgeting. Per the Trust Indenture, a capital project of the Tollway is to be classified as either (a) Improvement; or (b) Renewal and Replacement. These categories are defined as follows:

Improvement: means any system expansion project or any acquisition, installation, construction, reconstruction, modification or enhancement of or to any real or personal property (other than Operating Expenses) for which a currently effective resolution of the Authority has been adopted authorizing the deposit of Revenues to the credit of the Improvement Account including, without limitation, the cost of related feasibility studies, plans, designs or other related expenditures.

Renewal and Replacement: means any preservation, replacement, repairs, renewals and reconstruction or modification of the Tollway System or any part of it constituting real or personal property, whether leased or purchased, but does not include system expansion projects.

The Tollway's 2011 capital budget is comprised of the seventh year projects from the CRP and other capital projects necessary to maintain, improve and enhance Tollway assets, including new technologies, building improvements and machinery/equipment. The goals of the 2011 capital budget mirror those established with the CRP and include maintaining and improving the capital infrastructure of the existing system by:

- Ensuring the system remains in a state of good repair;
- Providing congestion relief by converting the entire mainline system to Open Road Tolling (*complete*) and widening many miles of toll roads; (*complete*)
- Extending I-355 south to accommodate the needs of growing communities (*opened to traffic November 2007*);
- Establishing corridor planning councils to strengthen the partnerships between the Tollway and the communities it serves;
- Improving mobility for communities served by the Tollway through a revamped interchange policy, inter-modalism and context-sensitive improvements such as noisewalls and bike paths; and
- Implementing intelligent transportation systems to better serve customers.

Capital Planning

The Tollway works in partnership with local communities and officials to provide the 12-county region it serves with comprehensive strategic transportation solutions, recognizing the value of an integrated approach to project development and implementation. This helps balance the local interests with a shared vision for the region and promotes a fair distribution of benefits by meeting the needs of a singular community.

Input from local committees has been and continues to be instrumental in the successful development and implementation of regionally significant projects. Additionally, ongoing dialogue with local businesses ensures that long-term benefits of an improved transportation network are understood and the short-term impact of construction is clearly communicated.

The Tollway's leadership continues to work closely with residents, business owners, local and state government officials, as well as other transportation agencies to continuously evaluate needs and establish priorities for providing Northern Illinois with a coordinated plan to balance travel demand with population and economic growth.

Planning Process

The Tollway uses a comprehensive capital planning process, where decisions are made in a transparent manner. The process includes analyzing and evaluating the needs of the Tollway and its surrounding communities and developing strategies to increase system efficiency while taking into consideration the condition of Tollway assets.

The planning process begins with stakeholder departments, including Finance, Engineering, Information Technology, and others sharing information on departmental needs. During this process, projects are reviewed for consideration in accordance with near-term and long-range Tollway goals. Projects are evaluated through a rigorous and thoughtful prioritization process based on several criteria including:

- Condition – assessment of existing roadway network and facilities
- Benefit – congestion relief, improved operations, etc.
- Safety – reduce crashes, improved traffic flow and response time, etc.
- Community – anticipated local and regional growth
- Financing – impact on revenue, future maintenance and operational costs
- Cost – estimated project cost and risk
- Multi-agency implementation support

The proposed projects are evaluated against detailed asset inventories and condition assessments to assist the Tollway in developing priorities and investment strategies. Then, a thorough cost-benefit analysis is performed to justify the proposed capital expenditures and impacts to the operating budget resulting from project implementation.

In 2010, the Tollway began a very public and open process to discuss and evaluate a number of potential future projects and initiatives. Recognizing many changes over the past years, including dramatic changes in the economy as well as to state and Tollway leadership, the Tollway has restarted its capital planning and review process. Working with IDOT, transit agencies, local and regional transportation and planning agencies, the Tollway is updating project analyses to better reflect today's needs and economy, and seeking to identify projects which would significantly reduce area congestion, expand economic opportunities, and benefit the regional transportation infrastructure. This review process will identify approximate costs, regional and local support, as well as timeliness and financing options for projects from design through completion, for review by the Tollway Board of Directors. These comprehensive reviews will be publicly presented and posted on the Tollway's Web site.

Capital Budget Development

Program and project reviews are ongoing throughout the fiscal year; however, capital budget development begins each summer. The Budget Division meets with the Tollway's department chiefs and division managers to explain the overall process and to provide pertinent information regarding any funding or expenditure issues, budget process changes and general instructions. At this meeting, the Budget Manager outlines the Tollway's goals and direction for the new budget.

The Budget Division works with each department to compile a comprehensive list of capital needs which is used in identifying new projects to be recommended for funding. This list identifies preliminary project information such as name, location, description or scope, estimated cost and any operating impact. New projects and initiatives are also incorporated into the capital needs list. The requesting department prepares and submits a Capital Program Project Request Form which provides all necessary information including the priority of the project (scale of 1-100, 1 being the highest), schedule of the project (start and completion dates), purpose/objective of the project, the proposed project description, location and scope, operating budget impacts, cost-benefit analysis, future year funding impact analysis, alternatives, other affected departments, and basis for cost estimate.

Along with identifying new projects, the Budget Division works with departments to gather updated information regarding ongoing projects. Draft documents are developed showing all projects both ongoing and proposed. These draft documents are distributed to departments for review and the opportunity to add or revise any information. In conjunction with department chiefs, the Budget Division compiles a list of proposed and ongoing projects to be presented to key decision makers. The Budget Division meets with the Chief of Finance to discuss financial impacts and projects to be included in the proposed capital budget. The Budget Division coordinates with department chiefs and managers to obtain further justification of projects as requested by the Chief of Finance.

The revised proposed project list is compiled and reviewed again with department chiefs prior to presentation to Executive Management. Review and sign-off is completed by the Executive Director, and a tentative capital budget is presented to the Board of Directors in October for approval. Requested changes by the Board of Directors and Executive Management are incorporated into the tentative budget. Public Hearings are held in November and public comments are relayed to the Board of Directors for incorporation into the final budget. The Budget Division reviews and incorporates changes from the Board of Directors, Executive Management and public comments. A final budget is then presented to the Board of Directors for adoption in December.

Funding Sources

Funding for capital projects comes from three sources: current revenues, proceeds from the sale of revenue bonds and interest income. Current revenues are deposited in the Revenue Fund and transferred to the Renewal and Replacement Account and the Improvement Account; bond proceeds are deposited into the Construction Fund.

Use of Funds

Fiscal year 2011 capital expenditures are related to the seventh year of the CRP and other capital needs such as roadway equipment and vehicles, building repair and improvements, and technological equipment and enhancements. The CRP is divided into six corridors for reporting purposes: Tri-State Tollway, Jane Addams Memorial Tollway, Reagan Memorial Tollway, Veterans Memorial Tollway, Open Road Tolling, and Systemwide Improvements. Other capital needs are divided into Building Repairs and Maintenance, Equipment, Professional Services and Roadway.

Congestion-Relief Program

Overview

The estimated cost of the Congestion-Relief Program (CRP) is being reduced from \$6.1 billion to \$5.8 billion, a reduction of approximately \$300 million to reflect actual savings from projects completed and closed, anticipated project savings from future closeouts, and modifications to scope of work on the Jane Addams Memorial Tollway (I-90) Corridor.

By the end of 2010, the Tollway will have spent an estimated \$4.7 billion of the estimated \$5.8 billion on the design and construction contracts to complete 82 percent of the CRP on schedule and on budget.

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

An estimated \$1.8 billion or 91.8 percent of approximately \$2.0 billion of the CRP will be expended on the Tri-State Tollway by the end of 2010.

Reagan Memorial Tollway (I-88)

Nearly \$718.5 million or 72.8 percent of an estimated \$986.3 million will be expended within the CRP on the Reagan Memorial Tollway.

Jane Addams Memorial Tollway (I-90)

On the Jane Addams Memorial Tollway, approximately \$304.0 million or 47.2 percent of the \$643.9 million will be expended within the CRP by the end of 2010.

Veterans Memorial Tollway (I-355)

By the end of 2010 more than \$829.1 million or 99.4 percent of \$834.4 million will be spent on the Veterans Memorial Tollway as part of the CRP.

Open Road Tolling (ORT)

As of year-end 2010, the Tollway will spend approximately \$701.8 million or 99.9 percent of the \$702.3 million to deliver Open Road Tolling as part of the CRP.

Systemwide Improvements

By the end of 2010, the Tollway will have expended approximately \$368.3 million or 52 percent of the \$692.9 million estimate for systemwide improvements as part of the CRP, which includes bridge rehabilitation, pavement, drainage, and interchange improvements, program management services, and other similar professional services.

2011 Congestion-Relief Program

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

The 2011 capital budget for the Tri-State Tollway corridor is \$14.4 million. The Tri-State Tollway is the main by-pass around the Chicago-Metro Area, starting from an intersection with IL Route 394, near South Holland, to just south of the Wisconsin State Line.

Construction efforts continued in 2010 with the construction of bioswales in a Cook County Forest Preserve (CCFP) Easement from Higgins Road to Lake-Cook Road. Approximately \$2.9 million is estimated to be spent in 2011 to substantially complete the project and the North Chicago Wetland Mitigation project. In 2011, \$2.0 million is budgeted for design of the rehabilitation projects inclusive of bridges and roadway from 95th Street to Balmoral Avenue scheduled for construction in 2012.

In 2010 work will be completed on the rehabilitation of the Edens Spur between the Edens Expressway and Tri-State Tollway. In 2011, \$3.5 million is allocated to complete landscaping and noisewall installation on the Edens Spur and for the design of the rehabilitation of I-94 between Edens Spur and Half Day Road.

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

| Project | Scope | Length (miles) | Estimated Construction Period | 2011 Request (millions) |
|---------------------------------|--|-------------------|----------------------------------|----------------------------|
| Reconstruct | | | | |
| Reconstruct / Add Lane | I-294 I-394 to Balmoral Ave (MP 0.0 to 40.2) | 17.7 | 2005-2009 | \$1.4 |
| Reconstruct / Add Lane | I-294 Balmoral Avenue to Dempster Street (MP 40.2 to 44.5) | 4.3 | 2006-2009 | \$2.0 |
| Reconstruct / Add Lane | I-294 Dempster Street to Lake Cook Road (MP 44.5 to 52.9) | 8.4 | 2007-2010 | \$2.1 |
| Reconstruct / Add Lane | I-94 Half Day Road to IL 137 (Old MP 56.5 to 64.4) New MP 22.0 to 14.1 | 7.9 | 2007-2009 | \$1.5 |
| Reconstruct / Add Lane | I-94 IL 137 to Russell Road (Old MP 64.4 to 78.5) New MP 14.1 to 0 | 14.1 | 2007-2009 | \$1.9 |
| Sub Total: | | | | \$8.9 |
| Resurface | | | | |
| Rehabilitate / Resurfacing | I-294 95th Street to Balmoral Avenue (MP 17.6 to 40.5) | 4.3 | 2012 | \$2.0 |
| Rehabilitate / Resurfacing | I-94 Edens Spur (Old MP 48.5 to 53.5) New MP 25 to 30 | 5 | 2010-2011 | \$3.1 |
| Rehabilitate / Resurfacing | I-94 Edens Spur to Half Day Rd (Old MP 52.8 to 56.5) New MP 25 to 22 | 3.7 | 2012 | \$0.4 |
| Sub Total: | | | | \$5.5 |
| Tri-State Tollway Total: | | | | \$14.4 |

Jane Addams Memorial Tollway (I-90)

The Jane Addams Memorial Tollway runs in a northwest direction from near O'Hare International Airport to near South Beloit.

In 2011, the capital budget of \$104.9 million includes work on two sections of the Jane Addams Memorial Tollway for roadway rehabilitation/resurfacing from Barrington Road to the Elgin Toll Plaza and US20 (just west of Sandwald Road) to Genoa Road. The existing Hot Mix Asphalt (HMA) overlay will be removed, the underlying 52-year old concrete pavement will be patched and a new asphalt overlay will be placed in both sections. Design efforts for roadway and bridge rehabilitation between the Kennedy Expressway and Barrington Road will also be performed.

Jane Addams Memorial Tollway (I-90)

| Project | Scope | Length (miles) | Estimated Construction Period | 2011 Request (millions) |
|--|---|-------------------|----------------------------------|----------------------------|
| Reconstruct | | | | |
| Reconstruct / Add Lane | Newburg Road to Rockton Road (Old MP 61.8 to 76.1) New MP 2.7 to 17.0 | 14.3 | 2008-2009 | \$0.9 |
| Sub Total: | | | | \$0.9 |
| Design | | | | |
| Rehabilitate / Resurfacing | Kennedy Expressway to Newburg Road DESIGN ONLY (Old MP 0.0 to 61.8) New MP 17.0 to 78.5 | 62 | 2010-2011 | \$2.8 |
| Sub Total: | | | | \$2.8 |
| Restore | | | | |
| Rehabilitate / Resurfacing | IL 53 to Elgin Plaza (Barrington Rd to Elgin Plaza Portion in 2011) (Old MP 16.5 to 25.0) New MP 53.8 to 68.1 | 10.6 | 2010-2011 | \$40.3 |
| Rehabilitate / Resurfacing | Sandwald Road to Newburg Road (US20 to Genoa Rd Portion in 2011) (MP 33.9 to 61.8) | 27.9 | 2010-2016 | \$59.8 |
| Sub Total: | | | | \$100.1 |
| Regional Growth | | | | |
| Rehabilitate / Resurfacing | East River Interchange Inter-Agency Project New MP 12.5 | N/A | 2010-2011 | \$1.1 |
| Sub Total: | | | | \$1.1 |
| Jane Addams Memorial Tollway Total: | | | | \$104.9 |

Reagan Memorial Tollway (I-88)

The 2011 capital budget for the Reagan Memorial Tollway is \$7.6 million which includes \$1.5 million to complete remaining landscaping and closeout work for projects completed in 2010, and \$6.1 million for design services to be performed for the resurfacing of Deerpath Road to IL Route 251 scheduled to start construction in 2012.

| Ronald Reagan Memorial Tollway (I-88) | | | | |
|--|--|---------------------------|--|------------------------------------|
| Project | Scope | Length (miles) | Estimated Construction Period | 2011 Request (millions) |
| Reconstruct | | | | |
| Reconstruct / Add Lane | York Road to IL 83 (MP 137.0 to 139.2) | 2.2 | 2007-2009 | \$0.6 |
| Reconstruct / Add Lane | IL 83 to Finley Road (MP 131.9 to 137.0) | 5.1 | 2008-2009 | \$0.1 |
| Reconstruct / Add Lane | Finley Road to Washington (MP 126.5 to 132.2) | 5.7 | 2008-2009 | \$0.7 |
| Reconstruct / Add Lane | Washington St. to IL 59 (MP 122.9 to 126.5) | 3.6 | 2008-2009 | \$0.0 |
| Reconstruct / Add Lane | Aurora Plaza to Deerpath Road (MP 114.3 to 117.5) | 3.2 | 2007-2009 | \$0.2 |
| Reconstruct / Add Lane | Deerpath Road to IL 56 (MP 113.3 to 114.3) | 1 | 2012-2013 | \$0.9 |
| Sub Total: | | | | \$2.4 |
| Restore | | | | |
| Resurface | IL 56 to IL 251 (MP 76.2 to 113.5) | 3.2 | 2012-2013 | \$5.2 |
| Sub Total: | | | | \$5.2 |
| Ronald Reagan Memorial Tollway Total: | | | | \$7.6 |

Veterans Memorial Tollway (I-355)

The Veterans Memorial Tollway is the newest of the four Tollways with the section from Army Trail Road to I-55 opening in 1989. On Veterans Day 2007, a new 12.5 mile extension opened connecting I-55 to I-80, lengthening the tollway to 29.8 miles. The 2011 capital budget for the Veterans Memorial corridor is \$5.2 million to complete remaining landscaping and closeout work for the 2010 projects that were substantially completed and open to traffic.

| Veterans Memorial Tollway (I-355) | | | | |
|--|---|---------------------------|--|------------------------------------|
| Project | Scope | Length (miles) | Estimated Construction Period | 2011 Request (millions) |
| Restore | | | | |
| Resurfacing | I-55 to Army Trail Road | 13.0 | 2009-2011 | \$4.3 |
| Sub Total: | | | | \$4.3 |
| Regional Growth | | | | |
| South Extension | I-355 South Extension (I-55 to I-80) | 12.5 | 2004-2007 | \$0.9 |
| Sub Total: | | | | \$0.9 |
| Veterans Memorial Tollway Total: | | | | \$5.2 |

Open Road Tolling (ORT)

The 2011 capital budget allocates \$0.5 million for the reconstruction of mainline pavement to accommodate modifications to existing cash lanes at several Toll Plazas within the Tollway system.

| Open Road Tolling | | | | |
|---------------------------------|---|----------------|-------------------------------|-------------------------|
| Project | Scope | Length (miles) | Estimated Construction Period | 2011 Request (millions) |
| <i>Open Road Tolling</i> | | | | |
| Reconstruct | Mainline Reconstruct / Cash Lane Modifications | 0 | 2005-2010 | \$0.5 |
| Open Road Tolling Total: | | | | \$0.5 |

Systemwide Projects

The 2011 capital budget allocates \$59.4 million to maintain the integrity of the existing Tollway System. This includes the preservation, replacement, repairs, renewals and reconstruction or modification of the Tollway's infrastructure system and landscaping improvements. Also included is funding for personnel costs (Salary/Wage, FICA and Retirement, and Group Health Insurance) for staff working on the CRP.

This work is part of a maintenance and repair plan that was derived from an extensive review of the Tollway's 286 miles of roadway and structures. The scope of work was developed from assessment reports of pavement condition evaluations, bridge inspections and the review of various roadway appurtenances by the Tollway's Consulting Engineer. Appurtenances include drainage structures, embankments, guardrail, barriers, pavement markings, fencing, signage, lighting, and other miscellaneous structures.

| Systemwide Improvements | | | | |
|---|--------------------------|----------------|-------------------------------|-------------------------|
| Project | Scope | Length (miles) | Estimated Construction Period | 2011 Request (millions) |
| <i>Systemwide Needs</i> | | | | |
| Bridge Improvements | Bridge Improvements | - | Annual | \$13.6 |
| Interchange Improvements | Interchange Improvements | - | Annual | \$8.7 |
| Environmental / Program Mgmt & Miscellaneous | Systemwide | - | Annual | \$13.1 |
| Pavement Improvements | Pavement Improvements | - | Annual | \$24.1 |
| Systemwide Total: | | | | \$59.4 |

2011 Other Capital Projects

In addition to the Congestion-Relief Program (CRP), other capital projects are needed to support on-going operations of the Tollway and ensure that the existing roadway network is maintained and safe for travel. While the CRP is the largest component of the Tollway's Capital Program, other elements include new technologies to manage congestion, reduce travel times and provide enhanced customer service; improvements to maintenance buildings and other structures to maintain the Tollway's assets; and additional equipment to the State Police and maintenance staff to improve efficiency and enhance public safety. The 2011 capital budget allocates \$86.9 million to support these on-going Non-CRP capital projects, which includes \$50.8 million from 2010 carryovers and \$36.1 million for 2011 new requests. The Tollway anticipates that approximately \$45 million of the 2011 Non-CRP budget will be expended in 2011.

Building Repairs and Maintenance

The 2011 capital budget allocates \$11.8 million for Building Repairs and Maintenance. This includes approximately \$6.0 million for repairs to maintenance yard facilities and salt domes, replacements for inground vehicle hoist, HVAC and hot water system replacements. Additionally, nearly \$2.1 million is allocated for systemwide projects including roof and carpet tile replacements, station battery plant upgrades, asbestos removal, and automatic hand drier installations. Approximately \$1.7 million is allocated for replacements and preservation of radio towers. Also included is \$2.0 million of improvements to the Central Administration Building and plazas, such as electrical and HVAC upgrades and replacements, ground re-grading, and skylight and window repairs.

Equipment

The Tollway has allocated \$54.0 million to the Equipment portion of the 2011 capital budget. Approximately \$36.0 million will be devoted to technology related equipment including I-PASS transponder purchases, Enterprise Resource Planning System, Toll Revenue Maintenance and Management Program enhancements and disaster recovery implementation, Web and e-commerce upgrades, IWIN computers and digital in-car camera/video for State Police District 15, LAN/WAN and main-frame legacy system upgrades, computer infrastructure modernization and other similar programs. The 2011 capital budget for Equipment also includes \$9.1 million to replace and acquire new roadway vehicles and other fleet initiatives.

In addition, \$5.2 million will be spent for projects related to Intelligent Transportation Systems (ITS), which provides real time feedback on major roadway traffic conditions. ITS collaborates vital data from field equipment, such as closed circuit TV cameras, Dynamic Message Signs, and video incident detection. This timely data is further integrated by the Traffic Information Management System which allows the Tollway to manage incidents quickly and proficiently in an effort to improve traffic flow and alleviate congestion. The ITS budget also includes funding for Ramp Count/Queue detector installation and fiber optics program management and support services. Approximately \$2.7 million of the 2011 capital budget will be spent for machinery/tools and other miscellaneous capital

equipment purchases, and \$640 thousand for State Police District 15 equipment including automated license plate reading technology, LiveScan fingerprint machines, handheld LIDAR radar guns, indoor firing range target retrieval system.

Professional Services

The 2011 capital budget for Professional Services related to capital projects is \$15.4 million. This includes environmental services required for road improvements, management services related to maintenance facilities, general engineering and traffic engineering consulting, diversity and disparity program services, as well as financial services necessary for the implementation of the capital program.

Roadway

The Tollway will allocate \$6.1 million for the roadway portion of the capital budget. This includes annual roadway and facility maintenance costs, systemwide pavement markings, roadway signing and other miscellaneous improvements to support the Congestion-Relief Program.

| 2011 OTHER CAPITAL PROJECT HIGHLIGHTS | 2010 Carry-Over | 2011 New Request | 2011 Final Budget |
|---|--------------------|---------------------|----------------------|
| | (\$ thousands) | | |
| BUILDING REPAIRS AND MAINTENANCE | 9,308.4 | 2,469.8 | 11,778.2 |
| MAINTENANCE SITES | 4,553.4 | 1,399.8 | 5,953.2 |
| Maintenance Facilities Repairs - Phase II | 3,644.8 | 534.8 | 4,179.6 |
| Roadway Maintenance Yard Facility Repairs | 698.6 | - | 698.6 |
| Repair Salt Dome M-03 | - | 400.0 | 400.0 |
| Inground Vehicle Hoist Replace - M3 Touhy, M4 Grand & CAG Finley | 210.0 | 40.0 | 250.0 |
| Replace HVAC and Hot Water Systems - M-02, M-11, M-12 | - | 225.0 | 225.0 |
| Repair Salt Dome M-08 | - | 200.0 | 200.0 |
| SYSTEMWIDE | 1,728.9 | 360.0 | 2,088.9 |
| Roof Replace, Excluding New ORT Plazas & Plaza 89 Building Facilities | 1,355.0 | - | 1,355.0 |
| Station Battery Plant Upgrade | 100.0 | 200.0 | 300.0 |
| Upgrade HVAC Network Control System - CA, All Plazas & Pumping Stations | 61.9 | 150.0 | 211.9 |
| Asbestos Removal | 150.0 | - | 150.0 |
| Touch-Free Hand Driers | 52.0 | - | 52.0 |
| Replace Carpet Tile @ Central Warehouse and Road Wide | 10.0 | 10.0 | 20.0 |
| RADIO TOWER | 1,670.0 | - | 1,670.0 |
| Replace Tower M-06 Marengo | 600.0 | - | 600.0 |
| Replace Tower M-01 Alsip | 600.0 | - | 600.0 |
| Tower Preservation | 470.0 | - | 470.0 |
| CENTRAL ADMINISTRATION | 1,171.1 | 465.0 | 1,636.1 |
| Replace Boilers | 300.0 | 275.0 | 575.0 |
| Rebuild Chillers | 200.0 | 25.0 | 225.0 |
| Repair/Reseal Skylights | 100.0 | 20.0 | 120.0 |
| Replace Emergency ATS Transfer Switches | 100.0 | - | 100.0 |
| Windows Tinting | 100.0 | - | 100.0 |
| Replace Chiller Control Panel | 100.0 | - | 100.0 |
| Upgrade All Pneumatic Actuation to Electric | 100.0 | - | 100.0 |
| Re-Grade Central Administration Grounds | 100.0 | - | 100.0 |
| Replace Air-Intake Louvers for S1 and S2 Fan Units | 60.0 | 40.0 | 100.0 |
| Re-Caulking Building | - | 50.0 | 50.0 |
| Painting of Exterior Beams | - | 30.0 | 30.0 |
| Re-Glaze Windows | - | 25.0 | 25.0 |
| Replace Cooling S1 VSD Drive | 11.1 | - | 11.1 |
| PLAZAS | 185.0 | 245.0 | 430.0 |
| Replace HVAC Plazas 24, 89 | - | 150.0 | 150.0 |
| Install Back-Up Boiler Units Plazas 1 & 9 | 50.0 | 50.0 | 100.0 |
| Replace Heating & A/C Units (Gas) @ Unmanned Sites | 80.0 | - | 80.0 |
| Install Back-Up Generator/Transfer Switches Plaza 13 | 25.0 | 25.0 | 50.0 |
| Purchase Split A/C Units Plazas 1, 9, 21 | 30.0 | 20.0 | 50.0 |

| 2011 OTHER CAPITAL PROJECT HIGHLIGHTS (continued) | 2010 Carry- Over | 2011 New Request | 2011 Final Budget |
|--|---------------------|---------------------|----------------------|
| | (\$ thousands) | | |
| EQUIPMENT | 34,030.9 | 19,514.4 | 53,545.4 |
| TECHNOLOGY | 24,560.9 | 11,277.0 | 35,837.9 |
| Transponder Purchases | 3,920.0 | 9,600.0 | 13,520.0 |
| Enterprise Resource Planning System (ERP) | 5,000.0 | - | 5,000.0 |
| TRMMP Disaster Recovery Services & Implementation | 4,264.9 | - | 4,264.9 |
| Web, E-Commerce & PKI | 2,384.4 | - | 2,384.4 |
| TRMMP System and Software Enhancements | 2,000.0 | - | 2,000.0 |
| Replace IWIN Mobile Data Computer | 1,200.0 | - | 1,200.0 |
| Replace UPS Units | 973.0 | - | 973.0 |
| Automatic Coin Machine Purchase | 800.0 | - | 800.0 |
| LAN/WAN Maintenance Upgrade | 675.0 | - | 675.0 |
| Computer Infrastructure Modernization | 500.0 | - | 500.0 |
| Cameras Digital/Video In-Car - State Police | 448.0 | - | 448.0 |
| Mainframe Legacy System Replace & Upgrade | 400.0 | - | 400.0 |
| Contingency Software Needs | 80.1 | 300.0 | 380.1 |
| Payment Card Industry Data Security Standards Compliance | 50.0 | 300.0 | 350.0 |
| Disaster Recovery System | 300.0 | - | 300.0 |
| Replace IWIN Mobile Data Computer (37) | - | 296.0 | 296.0 |
| Consolidated Customer Service Center & Fulfillment | 63.9 | 200.0 | 263.9 |
| SW PII Security Project | 200.0 | 50.0 | 250.0 |
| SW Next Generation Network (NGN) | 229.3 | - | 229.3 |
| Develop Authority Intranet | 208.6 | - | 208.6 |
| Purchase 911 Telephone System - Dispatch | - | 200.0 | 200.0 |
| Dispatch Logging Recorder | 195.0 | - | 195.0 |
| Next Generation Roadside Equipment (RSE) | 175.0 | - | 175.0 |
| Reciprocity Hardware Upgrade | - | 160.0 | 160.0 |
| Security Improvements | 150.5 | - | 150.5 |
| On-Site Data Storage for GIS Images | 100.0 | - | 100.0 |
| Purchase Micro-Imager Machine | - | 81.0 | 81.0 |
| Replace CAD Monitor & Personal Computer and Servers | 80.8 | - | 80.8 |
| IG Secure Computer System and Software | - | 65.0 | 65.0 |
| Color Printer Replacement/Upgrade (37) | 37.5 | 25.0 | 62.5 |
| Financial Software Programs | 50.0 | - | 50.0 |
| Paperless Office | 50.0 | - | 50.0 |
| Replace Plaza Intercom | 25.0 | - | 25.0 |
| ROADWAY VEHICLES AND TRUCKS | 4,105.9 | 5,000.0 | 9,105.9 |
| Roadway Maintenance & Equipment - Fleet | 3,909.3 | 5,000.0 | 8,909.3 |
| Purchase Aerial Boom Lift Vans 30' (2) | 125.0 | - | 125.0 |
| Automatic Vehicle Location (AVL) | 58.0 | - | 58.0 |
| Fleet Emission Reduction Initiative @ M-Sites | 13.6 | - | 13.6 |

| 2011 OTHER CAPITAL PROJECT HIGHLIGHTS (continued) | 2010 Carry- Over | 2011 New Request | 2011 Final Budget |
|--|---------------------|---------------------|----------------------|
| | | (\$ thousands) | |
| EQUIPMENT (continued) | 34,030.9 | 19,514.4 | 53,545.4 |
| INTELLIGENT TRANSPORTATION SYSTEMS | 2,578.0 | 2,666.2 | 5,244.2 |
| TIMS Security - NGN Migration | 1,438.2 | - | 1,438.2 |
| ITS Fiber Optics Program Management | 194.3 | 630.7 | 825.0 |
| Dynamic Message Signs Upgrade/Improvement | - | 686.0 | 686.0 |
| TIMS Operation & Maintenance/ETC Portion of NET | 42.5 | 499.5 | 542.0 |
| Ramp Count/Queue Detector Installation | - | 500.0 | 500.0 |
| CCTV Camera Installation & Relocation (12 New, 5 Existing) | - | 350.0 | 350.0 |
| ITS Services Upon Request | 335.0 | - | 335.0 |
| Wireless CCTV Installation I-55 to IL 394 MP 24.3 to 0.0 | 267.3 | - | 267.3 |
| Video Incident Detection | 200.0 | - | 200.0 |
| Weigh-In-Motion Installation | 100.7 | - | 100.7 |
| EQUIPMENT MACHINERY/TOOLS | 1,787.5 | 250.0 | 2,037.5 |
| Fuel Site Rehabilitation @ M-Sites | 1,330.0 | - | 1,330.0 |
| Standby Generators (14) for Plazas | 150.0 | 50.0 | 200.0 |
| Purchase Cubicle Furniture | - | 200.0 | 200.0 |
| Replace Waste Oil Tank @ 9 M-Sites | 90.0 | - | 90.0 |
| Above-Ground Storage Tank Installation @ M4 IL 132 | 90.0 | - | 90.0 |
| Replace Air Compressors & Accessories | 85.0 | - | 85.0 |
| Replace Fuel Management System | 18.5 | - | 18.5 |
| Portable Air Conditioners (20) | 13.0 | - | 13.0 |
| Replace Mapping Plotter - CA | 11.0 | - | 11.0 |
| MISCELLANEOUS EQUIPMENT SYSTEMWIDE | 680.0 | - | 680.0 |
| Replace Automatic Coin Machine Cabinet | 355.0 | - | 355.0 |
| Capital Equipment Purchases | 325.0 | - | 325.0 |
| STATE POLICE | 318.6 | 321.2 | 639.8 |
| Automated License Plate Reading Technology | 132.5 | - | 132.5 |
| LiveScan Fingerprint Machines (4) | - | 120.0 | 120.0 |
| Replace Handheld Lidar Radar Guns (40) | - | 106.2 | 106.2 |
| Indoor Firing Range Target Retrieval System | 100.0 | - | 100.0 |
| 3D Laser Scanner | - | 95.0 | 95.0 |
| Firearms Animated Training Systems (FATS) | 75.0 | - | 75.0 |
| Lidar Equipment Certification | 11.2 | - | 11.2 |

Capital Program

| 2011 OTHER CAPITAL PROJECT HIGHLIGHTS (continued) | 2010 Carry- Over | 2011 New Request | 2011 Final Budget |
|--|---------------------|---------------------|----------------------|
| | (\$ thousands) | | |
| PROFESSIONAL SERVICES | 2,593.7 | 12,851.5 | 15,445.1 |
| MISCELLANEOUS PROJECTS | 1,156.0 | 12,079.2 | 13,235.2 |
| General Engineering Consultant 2011-2015 | - | 5,905.2 | 5,905.2 |
| Traffic Engineering Consultant 2011-2015 | - | 2,790.0 | 2,790.0 |
| Pavement Roadway Management Services & Quality Assurance 2010 | 208.0 | 1,234.0 | 1,442.0 |
| Maintenance Facility Program Manager | 873.0 | 440.0 | 1,313.0 |
| ERP Independent Verification and Validation | - | 1,000.0 | 1,000.0 |
| Manpower for Construction Sites - State Police Overtime | - | 300.0 | 300.0 |
| Perimeter Security Assessment and Improvement | - | 250.0 | 250.0 |
| Illinois Center of Transportation (ICI) Research Funding | - | 150.0 | 150.0 |
| Print Services, Web Plan, Advertising | 50.0 | 10.0 | 60.0 |
| Miscellaneous Project Wrap-up Costs | 25.0 | - | 25.0 |
| ENVIRONMENTAL | 956.0 | 643.9 | 1,599.9 |
| Biotic/Aquatic Species Surveys - IGA University of Illinois | 956.0 | - | 956.0 |
| Illinois State Geological Survey - IGA University of Illinois | - | 393.9 | 393.9 |
| Energy Conservation Initiatives | - | 250.0 | 250.0 |
| FINANCIAL | 243.0 | - | 243.0 |
| General Financial Advisors | 88.0 | - | 88.0 |
| Transactional Advisors Fee | 55.0 | - | 55.0 |
| Bond Services | 50.0 | - | 50.0 |
| Financial Planning Analyst | 50.0 | - | 50.0 |
| DIVERSITY AND EEO PROGRAMS | 63.6 | 128.4 | 192.0 |
| Diversity/ Disparity Program | 21.6 | 128.4 | 150.0 |
| Diversity Program Consultant | 42.0 | - | 42.0 |
| GEOGRAPHIC INFORMATION SYSTEM | 175.0 | - | 175.0 |
| Infrastructure Management Services | 150.0 | - | 150.0 |
| GIS Off Site Hosting Services | 25.0 | - | 25.0 |
| ROADWAY | 4,838.5 | 1,258.4 | 6,096.9 |
| MAINTENANCE, REPAIRS AND IMPROVEMENTS | 4,726.0 | 618.4 | 5,344.4 |
| Miscellaneous Repairs, Clean Drainage System, Guardrail, Fence | 1,801.2 | - | 1,801.2 |
| 2010-2011 Pavement Markings | 1,299.8 | - | 1,299.8 |
| Annual Roadway & Facility Maintenance | 1,000.0 | - | 1,000.0 |
| Design Management Upon Request | 350.0 | 300.0 | 650.0 |
| Construction Management Upon Request | 250.0 | 300.0 | 550.0 |
| Waukegan Toll Plaza Individual Sewage Disposal System Repair | 25.0 | 18.4 | 43.4 |
| SIGNAGE | 112.5 | 640.0 | 752.5 |
| Sign Shop Roadway Signing | - | 640.0 | 640.0 |
| Aluminum Extrusion Refurbishing | 112.5 | - | 112.5 |
| 2011 OTHER CAPITAL PROJECTS TOTAL | 50,771.5 | 36,094.1 | 86,865.7 |

Capital Projects Operating Impacts

Planning for the operational impact of the capital program is an important consideration during the Tollway's budget process. The cost of operating new and enhanced infrastructure is included in the operating budget in the fiscal year the asset becomes operational. Debt service payments on the debt issued for capital projects are also included in the debt service budget.

The existing Tollway system features a toll collection system incorporating mainline plazas and ramp plazas with accommodations for the combined use of I-PASS, automatic coin collection and manual lanes. As the Congestion-Relief Program is implemented, the toll collection system is expanded. The expansion includes the 12.5 mile extension of the Veterans Memorial Tollway; the widening of existing routes through the addition of lanes; and the construction of additional interchanges. Measured in terms of lane miles, the System will grow during the CRP by approximately 15.9%.

Cost Monitoring

The Tollway maintains a project management database which is used to monitor and measure program status, provide early identification of problem areas, provide for alternative analysis and ensure that pertinent information is communicated to project participants. It allows for real-time access for information on budgets, commitments, expenditures, cash flows, forecasts and performance status. Timely reporting of this information allows decisions to be made in advance and provides for effective cost control of the project.

Regularly published reports include performance measures to assess the magnitude of variations that occur on projects. The Tollway analyzes the causes of the variances and determines what corrective actions are required. Examples of financial reports that are developed to assist in the variance analysis include:

- Monthly Project Status Reports focus on schedule and cost status, proposed/pending changes and current project issues. These reports include detailed financial and schedule performance for each project, including change orders, forecast-at-completion and expenditure tracking. In addition, these reports provide a tool for management to follow the progress of each project.
- Exception Reports provide a forum for the initial disclosure of project issues that will potentially cause a project delay or cause a project budget overrun. These reports provide an opportunity to quickly address project impediments and trigger necessary actions to bring the anticipated project performance into line with the project plan.

- Change Order Reports reflect the original budget and indicate all subsequent changes approved by the Tollway or currently in the approval process. By also recording anticipated changes, the report provides a realistic assessment of the program and shows the remaining contingency by contract.

Schedule Monitoring

Program status and schedule changes are monitored and reported on a monthly basis via the master program schedule. The main goal of the schedule reporting process is to detect adverse trends in design, construction and administrative activities early enough to correct them. Modifications to schedule information may or may not require adjustments to other aspects of the overall project plan.

The master program schedule serves the following purposes:

- Validates the funding schedule and budget presently established by the capital budget;
- Explores various combinations of project implementation;
- Projects a consistent and reasonable level of effort and expenditure over the program term;
- Adjusts scopes of work and/or the distribution of funding as needed to respond to unforeseen conditions or capitalize on opportunities so as to meet implementation goals; and
- Establishes funding requirements for subsequent capital budgets.

Revisions to start and finish dates for the approved project schedule are generally made in response to scope changes. As potential delays/changes become apparent, a special schedule study will be initiated to determine if the lost time could be recovered and how changes to the originally anticipated schedule logic/sequence should best be reflected.

Change Management Control

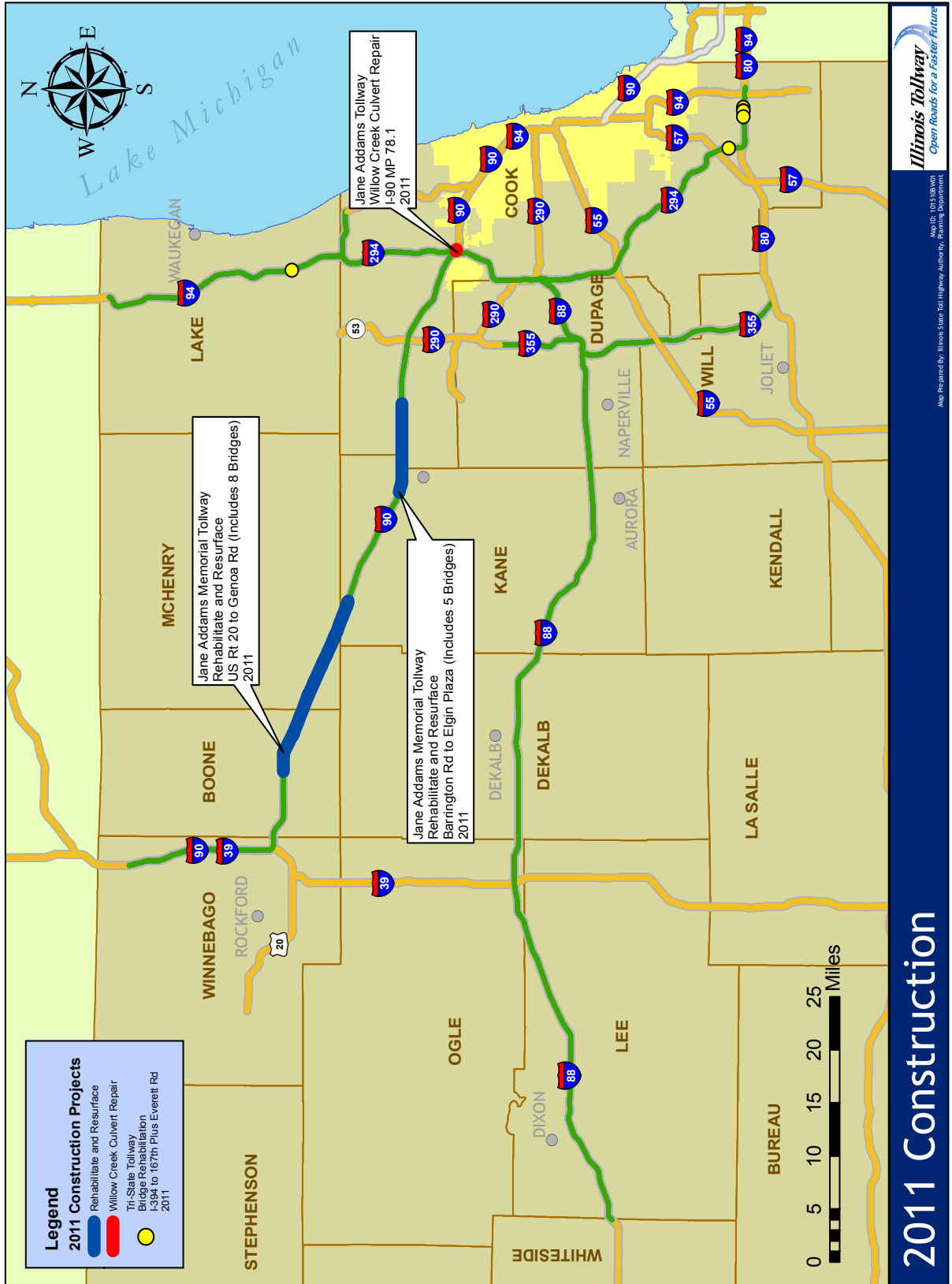
In order to reduce delay claims and complete projects on time and within budget, the Tollway has empowered staff to direct field changes to reduce the time for authorizing construction contractors to proceed, which helps maintain construction schedules. The process begins when the Contract Cost Change Controls Committee (C5) analyzes the scope of work, the estimated cost of the proposed change and identifies the cause of the change (design error, owner requested change, change in conditions, etc). The committee recommends approval, rejection or requests additional information and provides an authorization to proceed for those changes that are recommended for approval.

The Tollway's approval authority model is as follows:

| | |
|--------------------|-----------------|
| Project Manager | Up to \$30,000 |
| Chief Engineer | Up to \$100,000 |
| Executive Director | Up to \$150,000 |
| Chairman | Up to \$200,000 |
| Board | Over \$200,000 |

On a weekly basis, a list of potential change orders is entered into the project management database along with the pending and approved change orders. This information is used to develop various change management reports including:

- Program Change Order/Potential Change Order Log – this log is used to compare the current change order status versus the allocated construction contingency reserve funds at a summary level for all projects within the program;
- Outstanding Change Order Report – this report provides an analysis of pending and potential change orders, including number of days outstanding, ball-in-court reporting and forecasted final contract amount;
- Project Change Order/ Potential Change Order Log – this log identifies all approved, pending and potential contract changes at a detail level for all projects. It has the ability to provide process-related performance measures for all participants.





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Debt Management

DEBT MANAGEMENT

In September 2004, the Tollway's Board of Directors approved the 10-year \$5.3 billion Congestion-Relief Plan. The plan, which upon its commencement became known as the Congestion-Relief Program (the "CRP"), targeted financing as much as \$3 billion of program costs by issuing revenue bonds. In September 2007 the Tollway approved an update to the CRP which lengthened the CRP by two years from 2014 to 2016 and increased the cost of the CRP to \$6.3 billion. In connection with this update the amount of CRP costs targeted to be financed by revenue bonds was increased from \$3.0 to \$3.5 billion, with other costs to be financed from Tollway revenues deposited into the Renewal and Replacement Account and the Improvement Account. The Tollway completed six revenue bond issuances from 2005 through 2009 to finance the targeted \$3.5 billion of CRP costs.

Approximately \$4.8 billion of the CRP has been completed to date. As the CRP has progressed, its estimated cost has been reduced from \$6.3 billion to \$5.8 billion, primarily as a result of costs coming in below budget.

Debt Profile

Currently Outstanding Debt

On January 1, 2011, the Tollway has two scheduled principal payments totaling \$49,910,000. After making these principal payments due January 1, 2011, the Tollway will have \$4,016,765,000 par amount of bonds outstanding. Bonds which have financed or refinanced a portion of the CRP total \$3,649,860,000, and the remaining \$366,905,000 financed or refinanced pre-CRP projects. The \$3,649,860,000 CRP-related bond par amount exceeds the \$3.5 billion amount of CRP costs financed by bond proceeds by the funding of: issuance costs, capitalized interest, debt reserve account deposits, original issue discount/premium, and, in the case of the refunding of a portion of the Series 2006A Bonds by the Series 2008A Bonds, the extent by which the principal amount of purchased escrowed investment securities exceeded the principal amount of defeased Series 2006A Bonds.

The following table lists each outstanding series and its respective final maturity, principal scheduled to be outstanding on January 1, 2011, and interest rate type. Bond issues listed as Variable Rate are weekly mode (rates are reset weekly by a remarketing agent per then-current market conditions). In order to reduce exposure to interest rate risk, the Tollway entered into interest rate swap agreements for all of its outstanding variable rate bond issues. Per these agreements, swap providers pay a variable rate in exchange for fixed rate payments from the Tollway. Of the \$4,016,765,000 par amount of bonds outstanding, \$2,714,765,000 (67.6%) are traditional fixed rate bonds and \$1,302,000,000 (32.4%) are variable rate bonds that have been swapped to a fixed interest rate ("Synthetic Fixed Rate Bonds").

Illinois Tollway Outstanding Bonds as of January 1, 2011*

| <u>Series</u> | <u>Final Maturity</u> | <u>Principal Outstanding</u> | <u>Interest Rate</u> |
|-------------------|-----------------------|------------------------------|----------------------|
| 1992 Series A | 1/1/2012 | \$51,870,000 | Fixed |
| 1998 Series A | 1/1/2016 | 191,935,000 | Fixed |
| 1998 Series B | 1/1/2017 | 123,100,000 | Variable |
| 2005 Series A** | 1/1/2023 | 770,000,000 | Fixed |
| 2006 Series A-1** | 1/1/2031 | 291,660,000 | Fixed |
| 2007 Series A-1** | 7/1/2030 | 350,000,000 | Variable |
| 2007 Series A-2** | 7/1/2030 | 350,000,000 | Variable |
| 2008 Series A-1** | 1/1/2031 | 383,100,000 | Variable |
| 2008 Series A-2** | 1/1/2031 | 95,800,000 | Variable |
| 2008 Series B** | 1/1/2033 | 350,000,000 | Fixed |
| 2009 Series A** | 1/1/2034 | 500,000,000 | Fixed |
| 2009 Series B** | 12/1/2034 | 280,000,000 | Fixed |
| 2010 Series A-1** | 1/1/2031 | <u>279,300,000</u> | Fixed |
| Totals | | \$4,016,765,000 | |

* Amounts shown are after payments due 1/01/2011, the funds for which are remitted to the Bond Trustee during the prior fiscal year.

** CRP financing.

Planned 2011 Debt Issuance

No additional bond issuances to finance new project costs are expected in 2011. The Tollway will continue to explore opportunities to reduce risks associated with its Synthetic Fixed Rate Bonds. On July 1, 2010 the Tollway closed a refunding of a portion of its Series 2008A-2 Synthetic Fixed Rate Bonds by issuing Series 2010A-1 traditional fixed rate bonds. This reduced the Tollway's amount of Synthetic Fixed Rate Bonds from \$1,589,300,000 to \$1,302,000,000. The Tollway expects to further reduce risks of the Synthetic Fixed Rate Bonds in the remaining months of 2010 by diversifying its liquidity providers. The Tollway expects to obtain commitments to provide liquidity from multiple providers to replace Dexia Credit Local, the Tollway's existing liquidity provider on its \$1,178,900,000 outstanding Series 2007A and 2008A Bonds. Such obtained commitments to provide liquidity would likely become effective in the first quarter of 2011.

For purposes of this Tentative Budget, the Tollway has assumed \$12 million of costs related to the Synthetic Fixed Rate Bonds in 2011, for fees payable to liquidity providers, remarketing agents and bond rating agencies, and for costs related to the liquidity replacements described in the preceding paragraph.

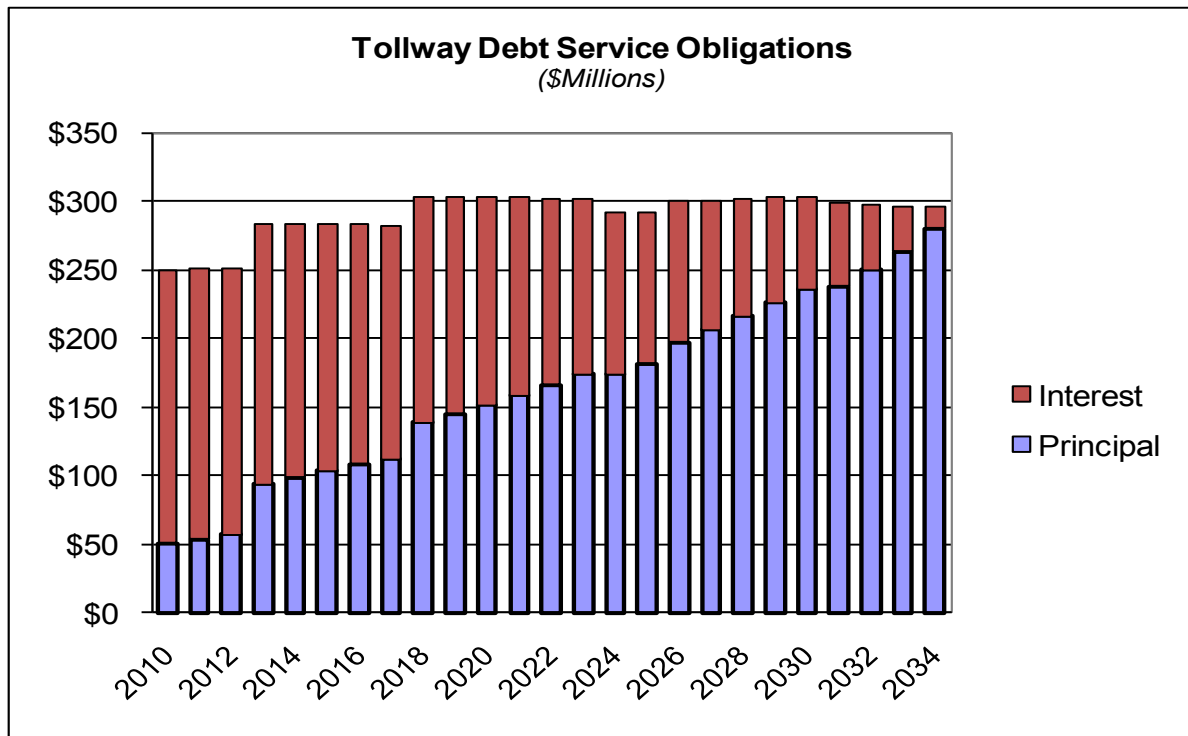
Throughout 2011 the Tollway will monitor the credit markets for opportunities to refund more of its Synthetic Fixed Rate Bonds with traditional fixed rate bonds. The cost of such a refunding for the Tollway would be a combination of the Tollway's cost of borrowing plus its cost of terminating the interest rate swap agreements associated with the bonds refunded. The purpose of such a refunding would be to reduce interest rate risk and to reduce risks associated with the liquidity providers. The Tollway may deem that such risk reduction is in the Tollway's best

interests, even if it is accompanied by an increase in debt service. As a result, for purposes of this fiscal year 2011 budget, the Tollway has elected to include \$4 million for the possible restructuring of synthetic fixed rate debt.

This budget assumes no bonds / debt service related to any capital expenditures beyond the Congestion-Relief Program. At its November 2008 Board Meeting, the Tollway Board approved an additional capital program and a commercial vehicle toll increase (to begin in 2015) intended to support financing for that additional capital program. The Board subsequently placed that additional capital program on hold (before such program had been initiated) and it remains on hold.

Debt Service Obligations

The following graph shows annual debt service on all Tollway Bonds through their maturities. This is gross debt service, and does not net out \$12 million prepayment of Series 2009B interest due in fiscal year 2010, nor does it net out anticipated federal subsidies in connection with the Tollway’s outstanding Build America Bonds, i.e. its \$500 million Series 2009A and \$280 million Series 2009B Bonds. Per the provisions of the American Recovery and Reinvestment Act’s Build America Bonds program, the Tollway expects to receive rebate payments equal to 35% of the interest payments on these taxable Series 2009A/B Bonds. Such subsidy payments are expected to reduce 2010 debt service by \$16.1 million and 2011 debt service by \$16.2 million.



Security for the Bonds

The Tollway's bonds are secured by a pledge of and lien on the Net Revenues generated by the Tollway system in accordance with the Amended and Restated Trust Indenture of 1999 ("Master Indenture") and each respective Supplemental Indenture. Net Revenues are defined in the Master Indenture as the annual revenues of the system less operating expenses. To help ensure a sufficient amount of revenues to cover debt service, the Master Trust Indenture, through which all of the Tollway's outstanding debt has been issued, includes a toll rate covenant which requires that tolls be set at rates which will produce a minimum of 1.3X debt service coverage. Furthermore, additional bonds may be issued only to the extent that the Tollway certifies: (i) compliance with the toll rate covenant for a 12-month period within the preceding 18 months; and (ii) projected compliance with the toll rate covenant for each year through five years after the completion of the projects financed by those additional bonds. The Tollway's debt service coverage is estimated to be 1.61x in 2010 and budgeted at 1.67x in 2011, both before adjustments for pre-paid interest and expected federal subsidies related to the Build America Bonds program. After giving credit for the pre-paid interest and expected federal subsidies, debt service coverage is estimated to be 1.81x in 2010 and budgeted at 1.79x in 2011. All of these coverages are well above the 1.3x covenant level.

Additional security is provided by the Tollway's Debt Reserve Account which is funded at maximum annual debt service ("MADS") on all senior lien debt. As of December 1, 2010, MADS is \$302,814,096 million (which is the debt service obligation for fiscal year 2018), and the Debt Reserve Account has a market value of \$302,854,301, consisting of \$202,854,301 in investments and a \$100 million surety policy from Berkshire Hathaway Assurance Corporation. Berkshire Hathaway Assurance Corporation is rated "Aa1" by Moody's and "AA+" by Standard & Poor's. The surety policy is guaranteed by Columbia Insurance Company which is rated "A++" (highest rating) by A.M. Best.

Debt Service Coverage Ratios

The Tollway has historically maintained debt service coverage ratios well in excess of required ratios. Debt Service Coverage Ratios are calculated by dividing the Net Revenues (i.e. revenues less operating expenses) by the Aggregate Debt Service for a given year. The following chart shows actual debt service coverage for fiscal years 2005 through 2009, estimated debt service coverage for 2010 and budgeted debt service coverage for 2011. Please note that the following chart does not include annual costs related to the Bonds (liquidity, remarketing, etc.).

| | Actual | | | | | Estimated | Budgeted |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Operating Revenues | \$613,034 | \$606,954 | \$637,794 | \$691,113 | \$658,052 | \$660,000 | \$680,000 |
| Operating Expenses | <u>\$205,575</u> | <u>\$213,510</u> | <u>\$222,295</u> | <u>\$244,275</u> | <u>\$255,185</u> | <u>\$258,300</u> | <u>\$255,000</u> |
| Net Operating Revenues | \$407,459 | \$393,444 | \$415,499 | \$446,838 | \$402,867 | \$401,700 | \$425,000 |
| Debt Service | <u>\$99,366</u> | <u>\$145,633</u> | <u>\$172,284</u> | <u>\$198,429</u> | <u>\$173,319</u> | <u>\$249,900</u> | <u>\$254,000</u> |
| Debt Service Coverage (X) | 4.10 | 2.70 | 2.41 | 2.25 | 2.32 | 1.61 | 1.67 |
| Build America Bond ("BAB") Subsidies & Pre-Paid Interest | | -- | -- | -- | -- | \$28,133 | \$16,244 |
| Debt Service Coverage after BAB Subsidies & Pre-paid Interest (X) | | -- | -- | -- | -- | 1.81 | 1.79 |

Municipal Bond Ratings

In concert with each new bond issuance, the Tollway applies for a municipal bond rating from Fitch Ratings, Moody's Investor Services and Standard & Poor's Corporation. Each rating agency reviews the Tollway's current fiscal condition, capital financing plan, debt coverage ratios and various other factors to assess the Tollway's ability to repay its debt obligations. The underlying ratings of the Tollway's bonds are Aa3, AA- and AA- by Moody's Investors Service, Fitch Ratings and Standard and Poor's, respectively. These ratings were confirmed in June 2009 in connection with the Tollway's issuance of the 2010 Series A-1 Revenue Bonds. Moody's and Standard & Poor's maintain Stable Outlooks for the Tollway's ratings, while Fitch maintains a Negative Outlook, which it initiated in May 2009.

Interest Rate Exchange Agreements

To lower its borrowing costs, the Tollway has entered into multiple variable-to-fixed interest rate exchange agreements (swaps). These swap agreements produce a "synthetic fixed interest rate" in which the Tollway pays a fixed interest rate to the swap provider in exchange for the swap provider's payment of a variable interest rate intended to approximate the variable interest rate paid by the Tollway to bondholders. In all cases the synthetic fixed interest rates were lower than the fixed interest rates otherwise accessible in the market at the times the various bonds were issued. The Tollway entered into two swaps for the Series 1998B Bonds (the "1998B Swaps"), four swaps for the Series 2007A Bonds (the "2007A Swaps") and four swaps for the Series 2008A Bonds (the "2008A Swaps"). One of the swaps for the Series 2008A Bonds was terminated in connection with the refunding of a portion of the Series 2008A Bonds in 2010.

The 1998B Swaps were entered into as “interest-cost-based” swaps – swaps in which swap providers pay a variable rate amount exactly equal to the variable rate amount owed to bondholders. In certain events, these swaps may convert to SIFMA-based Swaps, in which the swap providers would pay a variable interest rate amount based on an index known as the USD SIFMA Municipal Swap Index. No such events have ever occurred on the 1998B Swaps.

The 2007A Swaps and 2008A Swaps are all SIFMA-based swaps. The Tollway exchanges a fixed rate payment to swap providers for a variable rate payment based on the USD SIFMA Municipal Swap Index. Historically the difference between the interest rates set on Tollway variable rate bonds and the SIFMA Index have been immaterial. In late September of 2008, credit concerns regarding the credit enhancement providers on the Tollway’s Series 2007A and Series 2008A Bonds caused the variable rates on Tollway bonds to rise significantly above the SIFMA Index, and this situation continued during the first two quarters of 2009. Since the second quarter of 2009, there has not been a material difference between the variable rates on Tollway bonds and the SIFMA Index.

Mark-to-market valuations of the Tollway’s swaps typically decline in value (from the Tollway’s perspective) when interest rates decline and increase in value when interest rates increase. Thus to the extent that any negative valuation of the Tollway’s derivatives were to become realized by a swap termination, it is possible (although not certain) that such a realized loss might be mitigated by a lower cost of capital expected to be available in that lower-interest rate market.

The estimated total mark-to-market valuations of the Tollway’s swaps as of December 31, 2008 and 2009 were (\$248.5 million) and (\$99.8 million), respectively, on \$1,589,300,000 swap notional amount outstanding. The estimated total mark-to-market valuation of the Tollway’s swaps as of December 1, 2010 was (\$125.3 million) on \$1,301,975,000 swap notional amount outstanding.



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Budget Process and Documents

The Trust Indenture requires a tentative budget of the Operating Expenses for the ensuing Fiscal Year on or before October 31st of each Fiscal Year. The tentative budget must also be submitted to the Trustee and the Consulting Engineer. The tentative budget must include the recommendations of the Consulting Engineers as to the Renewal and Replacement Deposit (for preservation of the Tollway System). The Tollway must provide accompanying estimates of the amount which will be available for credit to the Improvement Account (for improvements to the Tollway System). The Tollway must also provide a statement of the actual revenues for the first eight months of the current Fiscal Year and estimated revenues for the next four months of the current Fiscal Year and for the ensuing Fiscal Year. The budget must be divided into reasonable classifications and divisions. The tentative budget shall include the amounts budgeted for Operating Expenses and amounts required to be deposited into the Renewal and Replacement Account.

The Trust Indenture and budgetary calendar govern the budget process. The Tollway budget is required to generate revenues sufficient to pay for operating costs, debt service and a required deposit for the maintenance and repair of the toll roads as certified by an independent engineer.

Budget Review Process and Implementation

The Tollway's budget process begins in early July of each year. The Budget Office prepares and distributes a preliminary budget for each department at department and cost center levels based on actual and projected expenditures. Departments are asked to submit planning requirements, new initiatives, programs, headcount changes or other assumptions to be incorporated into both their upcoming maintenance and operations budget as well as their capital budget. Once the departmental budget requests are returned to the Budget Office, the initial Preliminary Budget is compared to the Departmental Budget Request indicating dollar and percent changes along with proper justification.

The Preliminary/Departmental comparison budget is then presented to the Chief of Finance by the Budget Office. Financial impacts are discussed and the Chief of Finance reviews and questions certain requests based on the justification provided. The Budget Office will then meet with the Department Chiefs to obtain further justification on items denied by the Chief of Finance.

Revised budget requests are returned to the Budget Office and Chief of Finance for review. Meetings are held with Budget staff, department chiefs and the Chief of Finance to discuss and finalize the budget requests. Final review and sign-off is completed by the Chief of Finance and the Executive Director. This process results in the Tentative Budget.

The Tentative Budget is presented to the Board of Directors in October. Requested changes by the Board and Executive Management will be incorporated into the Tentative Budget and public hearings will be held at this time. The Budget Office will review and incorporate changes from the Board of Directors, Executive Management, and public comments. The Final Budget is then presented to the Board in December.

The budget is monitored throughout the Fiscal Year. Analysis comparing actual expenditures to budget are conducted monthly and sent to the Chief of Finance and Department Chiefs. Quarterly budget reports are provided to the Board of Directors and posted on the Illinois Tollway's web site.

Budget Amendment

The Tollway Board may at any time adopt an amended Annual Budget. If the Tollway adopts an amended budget for total Operating Expenses exceeding one hundred ten percent of the Annual budget initially adopted, the Tollway shall give the Consulting Engineers not less than ten days prior written notice, including a copy of the proposed amended Annual Budget. If the Consulting Engineer files an objection to such notice, such amended budget shall not be effective or supersede any prior Annual Budget until the Tollway Board of Directors adopts the amended budget by not less than a three-fifths vote of all Directors at a public meeting. Notice of such public meetings shall be given in accordance with the law.

Budgetary Basis of Accounting

The Tollway is required by its Trust Indenture to prepare a Tentative Budget for the ensuing Fiscal Year, on or before October 31 of each Fiscal Year, and to adopt the Annual Budget for such Fiscal Year on or before January 31 of each Fiscal Year.

The Tollway uses accrual basis of 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.

The Tollway's Budgetary Basis of Accounting (as required by its Trust Indenture) differs from the Tollway's GAAP Basis of Accounting with respect to the following:

Under the provisions of the Trust Indenture, the basis of accounting followed for the Revenue Fund and the Construction Fund differs in certain respects from generally accepted accounting principles (GAAP) in the United States. The major differences in accounting in accordance with the Trust Indenture are: the Tollway does not capitalize capital construction and other asset acquisitions and thus does not provide for any depreciation expense; certain revenues (from the sale of assets and receipts for long-term fiber optic leases) are recognized on a cash basis; bond proceeds are recorded as income in the year received and principal retirements on bonds are expensed when paid; bond issuance costs are expensed as incurred; unrealized gains and losses on investments in the debt reserve are netted against interest and other financing costs; capital lease obligations are not recorded and payments made thereunder are expensed when made; interest related to construction in progress is not capitalized; recoveries of expenses are recognized as decreases in operating expenses; and construction expenses incurred under intergovernmental agreements are decreased by payments received under these agreements.

Last of all, the Tollway's Budget allocates Revenue to four major accounts. These accounts include Maintenance and Operations (M&O), Debt Service, Renewal and Replacement and Improvements. The Renewal and Replacement and Improvements accounts comprise current resources allocated to fund the Tollway's Capital Program.

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, progressive, and fiscally responsible 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 Program 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.
2. Expenditures will be within the availability 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 the duration of the Congestion-Relief Program and may update this forecast annually with multi-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 Program.

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 Program.
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.
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 customers.
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. This budget will maintain a balance of \$17 million in 2011. 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:
 - Offset unexpected downturns or revisions in revenues
 - Provide a sufficient cash flow for daily financial needs at all times
 - Offset unexpected increases in expenditures

Cash Management

1. The Illinois State Toll Highway's Investment Policy ("Policy"), describes the Tollway's intent 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.
2. 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.
3. 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 fund flows to projected disbursements.

4. In order to maximize interest earnings, the Tollway co-mingles funds. Interest revenue derived from co-mingled investments is allocated to the participating funds monthly.

Criteria for selecting investments and the order of priority are:

- (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 risks.
- (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 requirements.

Accounting, Auditing and Financial Reporting Policies

1. The Tollway is a component unit of the State of Illinois and is accounted for as a proprietary fund (enterprise fund) using the flow of economic resources measurement focus.
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.
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 general public on a continuing basis be financed or recovered primarily through user charges.
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 annual financial and compliance audits in accordance with 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.
8. The Tollway will promote full disclosure in its annual financial statements and its bond presentations.
9. 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 Illinois State Treasurer's office to be cash equivalents, as these investments are available upon demand.
10. All investments in U.S. Treasury and agency issues are reported at fair value. All other Tollway investments, which consist of repurchase agreements, are recorded at face value which approximates fair value.

Appendix



October 18, 2010

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

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 2010 and toll revenue estimates for 2011. Estimates are based on the current toll rate structure that went into effect on January 1, 2005.

Toll revenue estimates presented herein incorporate adjustments for the current state of the national and regional economy, and expectations of the depth and duration of the current economic slowdown, and revised estimates of motor fuel prices reflecting current economic conditions.

The toll revenue estimates are estimates of expected revenue—the revenue that would be collected if each vehicle passing through a toll collection plaza paid exactly the published toll rate based on the vehicle’s classification, time of day, and payment method. Expected revenue does not include the effects of overpayments, underpayments or toll evasion.

Estimated Toll Revenue

The revised 2010 system-wide expected toll revenue estimate is \$664,816,000. This estimate includes the Illinois Tollway’s adjusted expected revenues for the first nine months of 2010, and WSA estimates for the three remaining months. Monthly figures are presented in Table 1.

Our Base Case estimated system-wide expected revenue for 2011 is \$687,734,000. Monthly expected revenue estimates for 2011 are presented in Table 2. At the request of the Tollway, we have also prepared a second estimate for 2011 that assumes little to no economic growth and continued high unemployment. This No Economic Growth Case estimated revenue for 2011 is \$667,516,000, 3.0 percent less than the Base Case. Monthly expected revenue estimates are provided in Table 3. The No Economic Growth Case estimate does not assume a double-dip recession, which remains a possibility. Both estimates take into account available information from the Illinois Tollway revenue and transaction reporting system through September 2010, and assume major 2011 construction activity having traffic impacts as identified in Table 4.

Estimates for both 2010 and 2011 are based on a detailed review of recent traffic and revenue trends; an assessment of economic conditions within the Tollway study area; and evaluations of potential impacts of construction projects on and off the Tollway system.

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October 18, 2010
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Construction Impacts

Construction projects associated with the Illinois Tollway's Congestion-Relief Program will continue at a much slower pace through 2011. Under the adopted Capital Improvement Program, all major capacity expansion projects on the Tri-State Tollway, Ronald Reagan Memorial Tollway, Veterans Memorial Tollway, and Jane Addams Memorial Tollway were completed by the end of 2009.

In 2010, significant construction impacts occurred due to resurfacing and bridge work on the Edens Spur (I-94) from Lake Cook Road to US-41, on the Veterans Memorial Tollway (I-355) from I-55 to 75th Street and from I-88 to Army Trail Road, and on the central Tri-State Tollway in the vicinity of the I-88 interchange. All of these projects are expected to be completed by the end of 2010. On the Edens Spur, traffic has been limited to one lane in each direction since March, 2010. On the other projects, lane reductions have generally been limited to off-peak periods, but reduced lane widths and construction activity adjacent to active lanes have negatively impacted traffic volumes. In addition, a large rehabilitation project being undertaken by the Illinois Department of Transportation on most of the length of I-290 does include lane reductions and has therefore significantly impacted traffic on adjacent Tollway segments, particularly the eastern section of the Ronald Reagan Memorial Tollway and the northern section of the Veterans Memorial Tollway. These projects will also be completed during 2010.

In 2011, the Tollway has tentatively scheduled the resurfacing of the Jane Addams Memorial Tollway (I-90) from Barrington Road to the Elgin Toll Plaza and from US-20 to Genoa Road. It is anticipated that the existing number of lanes will be open to traffic throughout construction; however, traffic impacts will occur due to reduced lane widths and construction activities in adjacent lanes. While the Illinois Department of Transportation (IDOT) is planning a significant construction program for 2011, none of their projects are anticipated to have a significant impact on traffic on the Tollway system. Minor impacts are expected from IDOT's planned widening of I-80 from US-30 to US-45 and from the reconstruction of the I-57 bridge over the Tri-State Tollway. These minor impacts are expected to be limited to the south section of the Veterans Memorial Tollway and southern section of the Tri-State Tollway, respectively.

The revenue estimates contained herein take into account the construction impacts described above. WSA believes the construction impacts on toll revenue that are included in these estimates are reasonable given the information available at this time. As additional information becomes available on 2011 construction activity and maintenance of traffic plans, the estimates may be revised.

National and Regional Economy

The recession that began in December, 2007 and continued to worsen through the first half of 2009 continues to show signs of a slowing recovery. According to the National Bureau of Economic Research, the longest recession the country has endured since the great depression ended in June, 2009. Economic activity, as measured by gross domestic product (GDP), which grew at 5.0 percent in the fourth quarter of 2009, continued to grow in 2010, but at a slowing rate. Growth in the first quarter of 2010 was estimated at 3.7 percent, while second quarter growth was estimated at only 1.6%.¹ According to the Bureau of Economic Analysis, the deceleration in real GDP in the second quarter primarily reflected a sharp acceleration in imports and a sharp deceleration in private inventory investment that were partly offset by an upturn in residential fixed investment, an acceleration in nonresidential fixed investment, an upturn in state and local government spending, and an acceleration in federal government spending.²

¹ U.S. Department of Commerce, Bureau of Economic Analysis, August 27, 2010. Seasonally adjusted at annual rates.

² U.S. Department of Commerce, Bureau of Economic Analysis, August 27, 2010.

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The Federal Reserve, in its July 2010 Monetary Policy report projected real GDP to increase by 3.0 to 3.5 percent for the entire year of 2010, and to increase by between 3.5 and 4.2 percent in 2011. In 2012, real GDP was projected to increase by 3.5 to 4.5 percent. However, the Congressional Budget Office (CBO), in its August 2010 Budget and Economic Outlook Update, projects real GDP to increase by 3.0 percent in 2010, but increase by only 2.1 percent in 2011. Other forecasters paint a similar picture. According to the Survey of Professional Forecasters, the outlook for growth in the U.S. economy looks weaker now than it did just three months ago, according to 36 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters see real GDP growing at an annual rate of 2.3 percent this quarter, down from the previous estimate of 3.3 percent. On an annual-average over annual-average basis, the forecasters expect slower real GDP growth in 2011, 2012, and 2013. The forecasters see real GDP growing 2.9 percent in 2010, down from their prediction of 3.3 percent in the last survey. The forecasters predict real GDP will grow 2.7 percent in 2011, 3.6 percent in 2012, and 2.6 percent in 2013.³

Turmoil in the financial markets stemming from the mortgage crisis that resulted in the failure of several large banks, the placement of Fannie Mae and Freddie Mac into conservatorship by the government, and the takeover of some investment banks by commercial banks brokered by the Federal Reserve Bank and the US Treasury Department has lessened significantly. Challenges remain, however, as bank failures are on pace to increase for the fourth consecutive year in 2010, and more failures are likely in 2011. Apart from losses in mortgages and consumer loans, banks and other financial institutions continue to face significant losses from commercial real estate loans and investments in securities backed by such loans.

Consumer confidence has improved somewhat from the low levels of early 2009, but remains depressed, and has recently dipped back to late 2009 levels. After improving significantly from its February and March 2009 levels in the 20's, the Conference Board's Consumer Confidence Index has remained in a range around 50 to 60 since May 2009 and currently stands at 53.5. The Reuters/University of Michigan Survey of Consumers' Index of Consumer Sentiment, however, posted an unexpected decrease in September 2010 that placed that index at a 13-month low. The same survey's measure on consumers' 12-month economic outlook plummeted to 59 in early September, the lowest since April 2009. It was down 10 points from August. Reduced levels in consumer confidence are likely to temper economic growth, as declines in home values, pension and investment accounts have made even those who have not suffered income declines more cautious spenders. Uncertainty regarding taxes, employment and the overall economy seem to be the dominant emotions among US consumers.⁴

In the labor market, the US unemployment rate has not fallen as rapidly as was predicted earlier this year, and has steadied in a narrow range around 9.5%. In August, 2010 the US unemployment rate stood at 9.6%, with the Illinois rate at 10.1%. These figures are virtually unchanged from a year ago. The Congressional Budget Office (CBO) projects a drop to 9.5 percent by the end of 2010 and 9.0 percent by the end of 2011. The Survey of Professional Forecasters projects unemployment to remain above 9.0 percent throughout 2011 and to average 8.2 percent in 2012. The same survey reduced its estimate of 2011 job gains by 22 percent.⁵

The oversupply of new housing units and drop in existing home prices have been a continuing drag on the economic recovery. The recession saw housing starts drop from 905,000 units per year in 2008 to only 554,000 units in 2009. In 2010, housing starts slowly increased to a seasonally adjusted annual rate of 679,000 in April, but have since declined to 2009 levels. This decline is likely due at least in part to the expiration of first time buyer tax credits. Both the National Association of Realtors and National Association of Homebuilders expect a rebound of housing starts in 2011, but at much lower levels than

³ Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, August 13, 2010.

⁴ Rutgers/University of Michigan Surveys of Consumers, September, 2010.

⁵ Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, August 13, 2010.

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they projected a year ago. The Standard and Poors/Case-Schiller 20 city home price index has stabilized in a relatively steady range since mid-2009; however that level is equivalent to that observed in autumn, 2003. Locally, the Chicago index stood at 124.90 in July, a 2.5% improvement over June but a 0.1% year over year decline.

Motor Fuel Prices

The volatility in energy prices that had been a critical factor affecting the national and regional economy has all but disappeared, at least temporarily. In 2010, prices continued to remain fairly steady in a range of \$2.65 to \$2.90 per gallon. This trend of steady fuel prices is expected to continue. According to the September 2010 Energy Information Administration's (EIA) Short Term Energy Outlook, EIA expects the monthly average regular-grade gasoline retail price to increase from \$2.72 per gallon in 2010 to \$2.83 in 2011. Projected annual average diesel fuel retail prices are \$2.93 and \$3.10 per gallon in 2010 and 2011, respectively.

Impact of Economy and Motor Fuel Prices on Travel

The effect of the slow economic recovery on travel has been felt both nationally and regionally. The August 2010 issue of Traffic Volume Trends, published by the Federal Highway Administration (FHWA), based on approximately 4,000 continuous traffic counting locations nationwide, indicated that the estimated vehicle-miles of travel on all roads and streets nationwide in the first half of 2010 increased by only 0.1 percent compared to the year earlier period. The monthly national vehicle miles of travel in June 2010 remained about 4.3 percent below the all-time high, which occurred in August 2007. It is anticipated that lingering effects of the economic slowdown will continue to be felt through the rest of 2010 and 2011. Expectations for real GDP growth have been revised downward, while expected unemployment has been revised upward. Both of these factors have significant impacts on travel on the Tollway system.

Traffic and Revenue Forecasts

It was observed that revenues for the first nine months of 2010 were 2.4 percent lower than our September 2009 forecast, which was made before recent slowdown in the economic recovery became apparent. While we believe that overall vehicle travel has begun to grow and will continue to increase on a seasonally adjusted basis, the economic consensus seems to be that the rate of recovery will be significantly lower than previously expected. Our Base Case estimate assumes Tollway traffic and revenue will continue the growth begun in 2010 and will also benefit from a significantly smaller construction program in 2011, but that traffic and revenue growth will occur at a slower rate than was reflected in our previous estimates. At the request of the Tollway, we have also prepared a No Economic Growth Case revenue estimate that assumes little to no economic growth and a continuing high unemployment rate in the Tollway service area. The revenue increase in this Conservative Case estimate (compared to the 2010 estimate) results from lower traffic diversions on the system due to fewer construction impacts in 2011 compared to 2010. While conservative, this estimate does not assume a double-dip recession, which remains a possibility. In general, the toll revenue forecasts provided herein reflect negative adjustments for the economy for the rest of 2010 and all of 2011.

Michael Colsch
October 18, 2010
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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

A handwritten signature in black ink that reads "Eugene Ryan". The signature is written in a cursive, flowing style.

Eugene Ryan
Vice President

Attachments

Michael Colsch
 October 18, 2010
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Table 1
Illinois Tollway
2010 Monthly Systemwide
Expected Revenue Estimates

| EXPECTED REVENUES | | |
|-------------------|------------------------------|--------------|
| (\$1,000's) | | |
| JANUARY | 48,115 | ¹ |
| FEBRUARY | 46,747 | ¹ |
| MARCH | 55,082 | ¹ |
| APRIL | 55,525 | ¹ |
| MAY | 57,042 | ¹ |
| JUNE | 59,409 | ¹ |
| JULY | 60,111 | ¹ |
| AUGUST | 61,717 | ¹ |
| SEPTEMBER | 58,025 | ² |
| OCTOBER | 57,000 | ² |
| NOVEMBER | 55,013 | ² |
| DECEMBER | 51,030 | ² |
| TOTAL | \$664,816³ | |

¹ Adjusted expected revenue from the Illinois Tollway

² WSA estimate of expected revenue

³ Figures may not add exactly due to rounding

Michael Colsch
 October 18, 2010
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Table 2
Illinois Tollway
2011 Monthly Systemwide
Expected Revenue Estimates

BASE ESTIMATE

| | EXPECTED REVENUES (\$1,000's) ¹ |
|--------------|---|
| JANUARY | 50,271 |
| FEBRUARY | 46,949 |
| MARCH | 59,493 |
| APRIL | 56,667 |
| MAY | 60,421 |
| JUNE | 62,889 |
| JULY | 61,677 |
| AUGUST | 63,998 |
| SEPTEMBER | 60,256 |
| OCTOBER | 62,520 |
| NOVEMBER | 54,241 |
| DECEMBER | 48,352 |
| YEARLY TOTAL | 687,734 ² |

¹ WSA estimate of expected revenue

² Figures may not add exactly due to rounding

Michael Colsch
 October 18, 2010
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Table 3
Illinois Tollway
2011 Monthly Systemwide
Expected Revenue Estimates

NO ECONOMIC GROWTH ESTIMATE

| | EXPECTED REVENUES (\$1,000's) ¹ |
|--------------|---|
| JANUARY | 48,794 |
| FEBRUARY | 45,571 |
| MARCH | 57,749 |
| APRIL | 55,001 |
| MAY | 58,640 |
| JUNE | 61,036 |
| JULY | 59,857 |
| AUGUST | 62,109 |
| SEPTEMBER | 58,482 |
| OCTOBER | 60,692 |
| NOVEMBER | 52,649 |
| DECEMBER | 46,936 |
| YEARLY TOTAL | 667,516 ² |

¹ WSA estimate of expected revenue

² Figures may not add exactly due to rounding

Michael Colsch
 October 18, 2010
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Table 4
Illinois Tollway and Illinois Department of Transportation
Major Scheduled Construction Projects
2011

| Location | | Type of Work |
|---|-----------------|----------------------------|
| From | To | |
| JANE ADDAMS MEMORIAL TOLLWAY | | |
| Elgin Toll Plaza | Barrington Road | Resurfacing, Bridge Repair |
| US-20 | Genoa Road | Resurfacing, Bridge Repair |
| TRI-STATE TOLLWAY | | |
| I-57 Bridge over Tri-State Tollway (IDOT) | | Bridge Repair* |
| VETERANS MEMORIAL TOLLWAY | | |
| I-80 – US-30 to US-45 (IDOT) | | Add Lanes* |

*Little impact on Tollway traffic anticipated



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312 938 0300 tel
312 938 1109 fax

December 7, 2010

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

Subject: 2011 Renewal and Replacement Deposit

Dear Mr. Colsch,

This letter supersedes the original letter dated October 12, 2010.

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 (R&R) Account in 2011. 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 R&R Account.

A cash flow analysis prepared by the Program Manager and Tollway Finance was furnished to AECOM on October 12, 2010. The projected ending balance of the R&R Account for 2010 will be approximately \$123 million, which includes the 2010 R&R deposit as well as the expected deposit of an additional \$40 million of additional revenue. Based on this analysis, we recommend depositing \$160.0 million to the R&R Account for 2011 in order to fund the projects in the Tollway's Final Program of roadway, bridge, and facility repair, rehabilitation and reconstruction. In addition, we understand that approximately \$14 million of additional revenue may be available for funding the R&R Account above the recommended amount in 2011.

Total draws for the R&R Program in 2011 are estimated to be approximately \$175 million. The combination of deposits and draws on the cash balance of the R&R Account will fund the projects in the Program including \$45.0 million for Capital Projects such as fleet vehicle purchases, I-PASS Transponders, Information Technology projects, the Intelligent Transportation Systems program, and other Capital Projects.

If you have any questions or need additional information, please contact the undersigned.

Sincerely,

Jeffrey P. Helstedt, P.E.
Vice President

c: Kristi Lafleur, Tollway
Greg Stukel, Tollway
Stella Banak, Tollway
File 60040580 / 205.4

Paul Kovacs, Tollway
Rocco Zuccherro, Tollway
Maria Molliconi, Tollway

2011 TENTATIVE BUDGET - DRAFT
ILLINOIS STATE TOLL HIGHWAY AUTHORITY
CERTIFICATE OF AUTHORIZED OFFICER

Set forth 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 (prepared by the Consulting Engineer, AECOM) for the years 2010 and 2011. This statement is prepared for the purpose of determining whether the Net Revenues, as projected will be sufficient to at least equal the Net Revenue Requirements for such years, in accordance with the requirements of Section 713 of the Trust Indenture.

| | (millions) | |
|---|----------------|----------------|
| | FY 2010 | FY 2011 |
| Actual Revenues - First Eight Months: | | |
| Toll Revenue | \$413.2 | |
| Evasion Recovery | 22.6 | |
| Investment Income | 1.0 | |
| Concession and Miscellaneous | 4.7 | |
| Subtotal | \$441.5 | |
| Estimated Revenues - Last Four Months: | | |
| Toll Revenue | \$206.2 | |
| Evasion Recovery | 9.4 | |
| Investment Income | 0.6 | |
| Concession and Miscellaneous | 2.3 | |
| Subtotal | \$218.5 | |
| Estimated Revenues: | | |
| Toll Revenue ¹ | \$619.4 | \$636.0 |
| Evasion Recovery | 32.0 | 34.0 |
| Investment Income | 1.6 | 2.0 |
| Concession and Miscellaneous | 7.0 | 8.0 |
| Total Estimated Revenues | \$660.0 | \$680.0 |
| Less: Total Budgeted Operating Expenses | \$258.3 | \$255.0 |
| Estimated Net Revenues | \$401.7 | \$425.0 |
| Net Revenue Requirement: | | |
| Aggregate Debt Service ² | \$249.9 | \$254.0 |
| Renewal and Replacement Account (RR) Deposit per AECOM | 140.0 | 160.0 |
| Net Revenue Requirement (Aggregate Debt Service + Renewal Replacement Deposit) | \$389.9 | \$414.0 |
| Alternative Net Revenue Requirement (1.3 X Aggregate Debt Service) | \$324.9 | \$330.2 |
| Revenues in Excess of Net Revenue Requirement | \$11.8 | \$11.0 |
| Build America Bond subsidy and prepaid interest reduces transfers required for Debt Service | \$28.1 | \$16.2 |
| Other Adjustments to Transfers from Revenue Fund to Operating and Debt Service Accounts | 0.1 | (13.2) |
| Additional deposit to RR Account and/ or Improvement Account | \$40.0 | \$14.0 |

¹ Wilbur Smith Associates has estimated expected toll revenues to total \$664,816,000 in 2010 and \$687,734,000 in 2011. The amounts included in this certificate are adjusted to reflect the Tollway's estimate of overpayments, underpayments, and evaded tolls. These adjustments reduce toll revenues by \$45,416,000 for 2010, and \$41,624,000 for 2011. An additional downward adjustment of \$10,110,000 was made to the 2011 estimate as a contingency for slower economic growth. This adjustment represents 50% of the difference between Wilbur Smith Associates Base Case and Conservative Case estimates.

² Debt Service for 2011 includes \$4 million to allow for the possibility of increased debt services should the Tollway restructure a portion of its synthetic fixed rate debt.

