

Tentative 2023 Budget

Cathy Williams
Chief Financial Officer
October 20, 2022



2023 Budget Schedule

October

- Tentative 2023 Budget presented to Board

November

- Public review/comment on Tentative 2023 Budget
- Public comments provided to Board
- Incorporate changes from review process

December

- Board votes on Final 2023 Budget

2023 Budget Public Hearings

Two public hearings scheduled for the Tentative 2023 Budget

- Monday, November 17 – 9 a.m. at CA (Board Room)
- Monday, November 17 – 6 p.m. at Markham Village Hall

Public comments may be shared during the public hearings, mailed or submitted online via the Tollway's website illinoistollway.com through November 30

2023 Budget Highlights

Revenue

- 2023 budgeted revenue is 1.5 percent above 2022 forecast and 3.9 percent above the 2022 Budget
- Continued anticipated impacts of pandemic and economic recovery

Maintenance and Operations

- 3.8 percent increase over 2022 Budget
- Investments in new technology that will help to reduce long term costs and gain efficiencies
- Demonstrates a commitment to customer service, safety, security and employee development

Capital Program

- Demonstrates the Tollway's commitment to infrastructure improvements, maintaining system integrity and technology



2021 - 2023 Toll Revenue

Sources of Revenues FY 2021 - FY 2023

(\$ Millions)	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	Percent Change	
					2023 Budget/ 2022 Forecast	2023 Budget/ 2022 Budget
CDM Smith Revenue Projection	\$1,488	\$1,539	\$1,531	\$1,570	2.5%	2.0%
Evaded Tolls Net of Evasion Recovery	(49)	(62)	(48)	(51)		
Toll Revenues and Net Evaded Tolls	\$1,439	\$1,477	\$1,483	\$1,519	2.4%	2.8%
Investment Income, Concessions and Miscellaneous Revenues	24	14	43*	30		
Revenues Total	\$1,464	\$1,491	\$1,526	\$1,549	1.5%	3.9%

Potential factors considered by Traffic Engineer revenue estimates

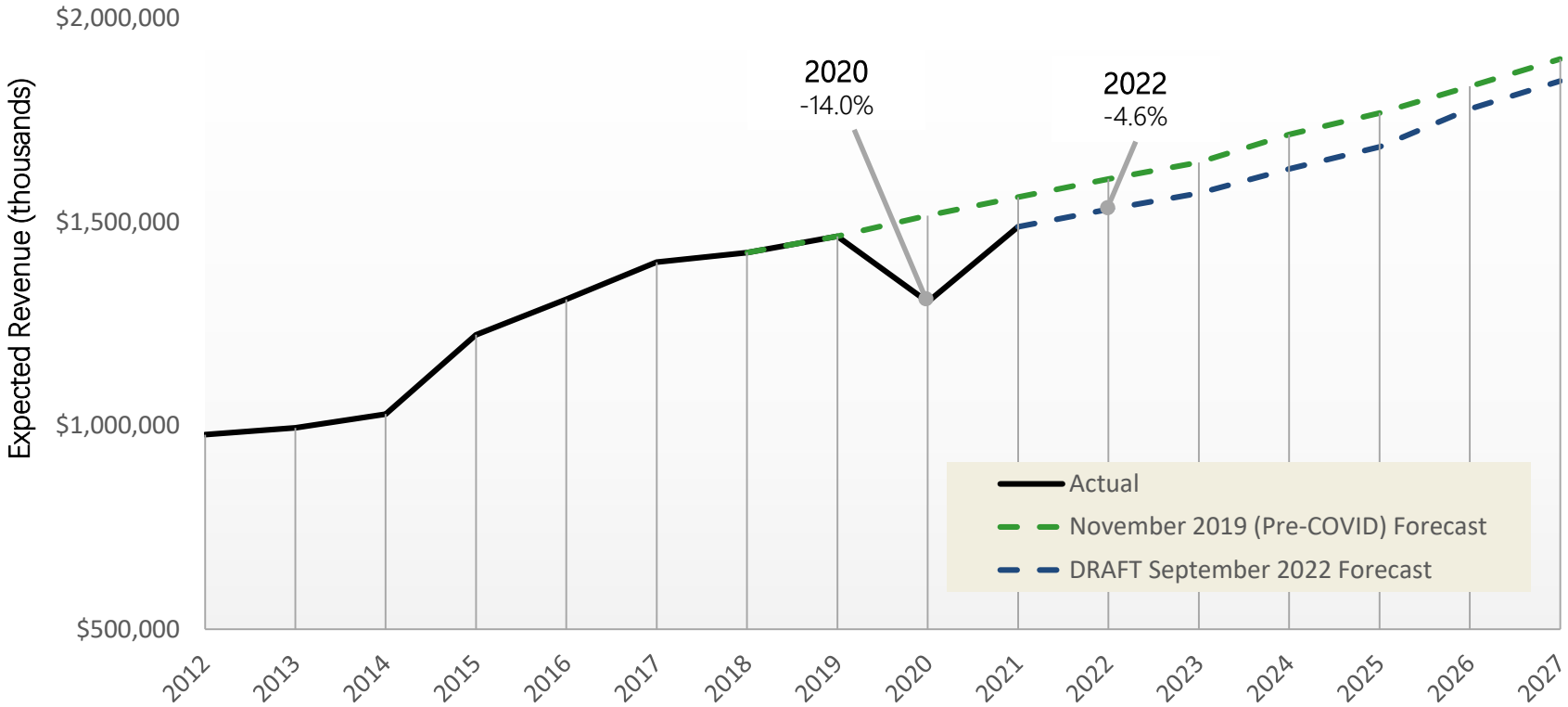
- Traffic trends
- COVID-19 recovery
- Construction and related lane closures
- Socioeconomic trends
- CPI-based commercial toll rate increases
- Weather-related events
- Weekday/weekend/holiday travel
- Gas prices (if elevated)

* Includes proceeds from the one time sale of property of \$18.7 million.



Long-Term Revenue Forecasts

Change in Forecast Pre-COVID vs. Current



Source: CDM Smith



2023 Revenue Allocations

MORE THAN 72 PERCENT OF REVENUES ALLOCATED TO SUPPORT THE CAPITAL PROGRAM

Allocation of Revenues FY 2022 - FY 2023

(\$ millions)

(\$ millions)	FY 2022 Budget	FY 2022 Forecast	FY 2023 Budget
Maintenance and Operations	\$411	\$402	\$427
Debt Service Transfers	\$486	\$476	\$517
Deposits to Renewal and Replacement and Improvement	\$594	\$648	\$606
Allocations Total	\$1,491	\$1,526	\$1,549

Note: Numbers may not add to totals due to rounding

Presented by Cathy Williams on October 20, 2022



2023 Budget – Focus on Customer Service

The Illinois Tollway serves 1.5 million daily drivers with an average of 2.6 million daily toll transactions

2023 Maintenance and Operations and Capital Budgets include:

- \$134.1 million to support customer service and enhancements systemwide for the Tollway's tolling operations and business systems



2023 Budget – Focus on Safety and Security

Illinois State Police District 15

- Responsible for providing comprehensive law enforcement services to the entire Tollway system

Security and Safety

- Responsible to centralize management of OSHA, safety and training requirements, as well as security at all Tollway facilities

Roadway Maintenance and Traffic

- Roadway Maintenance to provide a safe means of travel and a great driving experience for our customers

2023 Maintenance and Operations and Capital Budget include:

- \$98.9 million for State Police District 15, Roadway Maintenance, Security and Safety management



2023 Budget – Focus on Employees

The Illinois Tollway's budget supports Tollway employees

- Strategies to attract, train and retain skilled, qualified employees
- Enhanced wellness and work-life programs, services and activities that support employee growth and development
- Employee benefits including group insurance and training help improve safety and reduce costs



2023 Maintenance and Operations By Category

Category (\$ thousands)	2021 Actual Expenditures	2022 Budget	2023 Budget Request	\$ Change from 2022 Budget	% Change from 2022 Budget
Salary and Wages	\$108,294	\$117,524	\$121,509	\$3,984	3.4%
FICA and Retirement	67,823	72,639	71,889	(750)	(1.0%)
Credit Card Fees and Bank Charges	30,477	32,850	36,245	3,395	10.3%
All Other Contractual Services	61,027	81,828	77,185	(4,643)	(5.7%)
Group Insurance	35,020	33,163	36,234	3,071	9.3%
Other Post Employment Benefits	7,153	8,100	8,100	0	0.0%
Equipment/ Office Rental/ Maintenance	29,267	32,260	35,950	3,690	11.4%
All Other Insurance	10,962	12,900	12,454	(446)	(3.5%)
Operational Materials and Supplies	5,870	7,109	8,496	1,387	19.5%
Utilities	7,248	6,435	7,907	1,472	22.9%
Parts and Fuels	9,093	6,071	10,449	4,378	72.1%
Other Miscellaneous Expenses	596	1,064	1,150	86	8.1%
Employee Training	221	926	936	10	1.1%
Recovery of Expenses	(1,933)	(1,996)	(1,996)	0	0.0%
Total M and O Expenditures	\$371,118	\$410,874	\$426,508	\$15,634	3.8%



2023 Bond Issuance and Debt Service

\$7.2 billion outstanding bonds at January 1, 2023

- Includes assumed bond issuance of \$400.0 million in December 2022

\$500 million new bond issuance expected in 2023

\$516.9 million estimated transfers for 2023 debt service

- Principal: \$155 million
- Interest: \$361.9 million (*net \$13.6 million Build America Bonds federal subsidies*)

Estimated debt service coverage

- 2.3x in 2022
- 2.1x in 2023

Current Long Term Credit Ratings: Fitch AA –; Moody's Aa3; S&P AA –



2023 Capital Program Summary

Capital Program				
(\$ millions)	2022 Budget	2022 Estimated Expenditures	2023 Request	\$ Change from 2022 Estimate
Existing System Needs	\$997.1	\$921.6	\$945.9	\$24.2
Jane Addams Memorial Tollway (I-90)	3.7	1.4	4.9	3.5
Tri-State Tollway (I-94/ I-294/ I-80)	690.1	699.5	615.3	(84.1)
Veterans Memorial Tollway (I-355)	1.1	2.0	7.4	5.4
Reagan Memorial Tollway (I-88)	5.5	2.4	3.5	1.1
Systemwide Improvements	296.8	216.3	314.8	98.4
System Expansion	\$489.3	\$402.8	\$521.4	\$118.6
Tri-State (I-294)/I-57 Interchange	46.2	36.2	10.2	(26.0)
Elgin O'Hare Western Access	439.9	364.2	506.3	142.1
Other Emerging Projects	3.1	2.4	4.9	2.6
<i>Move Illinois Program Total</i>	\$1,486.4	\$1,324.4	\$1,467.3	\$142.9
Agreement Reimbursements and Other Adjustments	\$0.0	(\$7.2)	\$0.0	\$7.2
Capital Program Total	\$1,486.4	\$1,317.2	\$1,467.3	\$150.1



Capital Program

KEY 2023 CAPITAL PROGRAM HIGHLIGHTS

Central Tri-State Tollway (I-294) Project – \$615.3 million

- Mainline widening and reconstruction between 95th Street and the I-55 ramps will be completed
- Construction will continue on the I-290/I-88 Interchange at I-294
- Construction and removal associated with the southbound Mile Long Bridge will be completed

Elgin O'Hare Western Access Project – \$506.3 million

- Ongoing work for interchanges connecting the new I-490 Tollway to the Tri-State Tollway (I-294), the Jane Addams Memorial Tollway (I-90) and the Illinois Route 390 Tollway
- Right-of-way acquisition and utility relocation



Capital Program

KEY 2023 CAPITAL PROGRAM HIGHLIGHTS

Systemwide – \$314.8 million

- Bridge, pavement and maintenance facility improvements
- Investment in new technology, replacing fleet and other systemwide needs

Tri-State Tollway (I-294)/I-57 Interchange – \$10.2 million

- The second phase of interchange construction began in 2019 and was completed in September 2022
- Ongoing construction of the northbound/southbound CSX Railroad bridges



2023 Budget Summary

The Illinois Tollway's budget is focused on improving the customer experience, security and safety, employee development

The Tollway's budget is consistent with the long-term financial plan

- Twelfth year of *Move Illinois* Capital Program projected to be \$1.47 billion
- 81 percent of the spending, or \$11.4 billion, will be spent on *Move Illinois* Program by end of 2023

2023 budgeted revenue is 1.5 percent above 2022 forecast and 3.9 percent above the 2022 budget

- Operating costs – consistent with long term goals
- Debt service coverage projected at 2.1x in 2023





APPENDIX



2023 Transactions and Expected Revenue

Transactions FY 2021 - FY 2023									
(thousands)	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2022 Budget	2023 Budget	Percent Change		
							2023 Budget/ 2022 Forecast	2023 Budget/ 2022 Budget	
Passenger Car	900,809	686,065	806,799	826,427	898,189	839,169	1.5%		(6.6%)
Commercial Vehicle	122,413	120,584	129,797	130,513	127,443	130,732	0.2%		2.6%
Total Transactions	1,023,222	806,650	936,595	956,940	1,025,632	969,901	1.4%		(5.4%)

Expected Revenue* FY 2021 - FY 2023									
(thousands)	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2022 Budget	2023 Budget	Percent Change		
							2023 Budget/ 2022 Forecast	2023 Budget/ 2022 Budget	
Passenger Car	\$770,202	\$586,376	\$676,658	\$728,740	\$770,177	\$737,414	1.2%		(4.3%)
Commercial Vehicle	\$694,489	\$716,681	\$811,341	\$802,436	\$768,531	\$832,726	3.8%		8.4%
Total Expected Revs	\$1,464,691	\$1,303,057	\$1,487,999	\$1,531,176	\$1,538,708	\$1,570,140	2.5%		2.0%

*Before leakage and evasion recovery
Source: CDMSmith





THANK YOU

