



Record of Meeting | October 15, 2015

The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Finance, Administration and Operations Committee Meeting on Thursday, October 15, 2015 at Tollway Headquarters in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chairman Robert J. Schillerstrom and posted in accordance with the requirements of the Illinois *Open Meetings Act*. The Meeting was open to the public.

[Bolded entries indicate issues which may require follow-up to present or report to Directors.]

Call to Order / Roll Call

[In advance of the Meeting, Committee Chair Gomez, suffering from laryngitis, requested that Director Sauer chair the Meeting in his stead.]

Director Nick Sauer called the Meeting to order at approximately 9:14 a.m. and stated that this is the regularly scheduled meeting of the Finance, Administration and Operations Committee (“FAO Committee”) of the Tollway Board of Directors. He invited attendees to rise and join in the Pledge of Allegiance. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Joe Gomez
Director Corey Brooks
Director Earl Dotson, Jr.
Director David Gonzalez
Director Nick Sauer

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

Public Comment

Director Sauer opened the floor for public comment.



Barry Burton, County Administrator for Lake County, addressed the Committee. Mr. Burton commended the Tollway's leadership and provided an overview of the progress and consensus achieved to-date on the Illinois Route 53/120 Project, highlighting the work of the Illinois Route 53/120 Blue Ribbon Advisory Council, the Illinois Route 53/120 Project Finance Committee and the Illinois Route 53/120 Project Land Use Committee. He suggested that doing nothing to address the need for congestion relief and greater connectivity in Lake County is not an option. He expressed his support for the Board taking swift action to advance the Project by authorizing the environmental impact study, which he suggested should include broad public participation. He emphasized the importance of the Project to providing congestion relief and to the continued economic development of the region in an environmentally responsible way.

Director Sauer thanked Mr. Burton for his comments.

Committee Chair's Items

Director Sauer called for a motion to approve both the Minutes of the Regular Finance, Administration and Operations Committee meeting and the Executive Session held on September 14, 2015. Committee Chair Gomez made a motion for approval; seconded by Director Dotson. The motion PASSED unanimously.

Director Sauer then called on Greg Bedalov, Executive Director.

Executive Director's Items

Tentative 2016 Budget: Executive Director Bedalov highlighted that the proposed balanced 2016 Tentative Budget holds the line on agency spending, maintains employee headcount and provides for systemwide roadway, interchange and bridge work to keep the Tollway System in good repair. He additionally highlighted that the budget provides for advancement of key *Move Illinois* projects, including completion of roadway rebuilding and widening on the east end of the Jane Addams Memorial Tollway (I-90), opening of the first segment of the new, all-electronic Illinois Route 390 Tollway and continued construction of the new roadway connecting to O'Hare International Airport. He then introduced Mike Colsch, Chief of Finance, and Cathy Williams, Deputy Chief of Finance, to provide an overview of the Tollway's balanced 2016 Tentative Budget. [See attached presentation.](#)

Director Gonzalez asked if group health insurance costs are a component of the Finance Department's budget. Mr. Colsch responded affirmatively.



Director Gonzalez asked why the 2016 Tentative Budget request for Illinois State Police (“ISP”) District 15 group health insurance does not seem to reflect an increase over the prior year. Mr. Colsch responded that, while he does not have on hand details for this budget line item, it is his recollection that the 2015 Budget projections for ISP employee headcount exceed the actual count realized to-date for 2015. He continued that this experience along with his understanding that an ISP District 15 cadet class is not planned for 2016 were likely contributory factors in the development of the allocation for health care costs in the 2016 Tentative Budget. He added that increases to the Tollway’s contribution for the Teamster’s health insurance premiums, bargained for in exchange for relinquishment of general wage increases, comprise the largest component of the increased allocation for health care costs in 2016.

Director Gonzalez, referencing a reduction from the prior year of \$145,000 in the 2016 Tentative Budget request for the Diversity and Strategic Development Department, stated that it is his understanding that the Diversity Department, as a consequence of unfilled positions, is currently underutilizing the 2015 budget allocation. He commented that underutilization of and reductions to the Diversity Department budget seem at variance with the priority being placed, under the leadership of Chairman Schillerstrom, on enhancing the Tollway’s diversity and inclusion efforts. Mr. Colsch responded that the reduction in the 2016 Tentative Budget request reflects that the department no longer needs to fund \$250,000 in costs for a disparity study, which concludes in 2015. Committee Chair Gomez concurred with the concerns expressed by Director Gonzalez regarding the 2016 Tentative Budget request for the Diversity Department.

Director Gonzalez expressed his appreciation to Mr. Colsch and staff for their extensive work in developing the 2016 Tentative Budget and for providing Directors supplemental materials which provide enhanced detail.

Director Sauer inquired about potential funding sources within the 2016 Tentative Budget if the Board were to authorize an environmental impact study for the proposed Illinois Route 53/120 Project. Mr. Colsch responded that funds have been allocated as part of the *Move Illinois* Capital Program to system enhancements, and specifically budget planning studies for emerging projects, which could serve, with Board approval, as a cost center for conducting an environmental impact study.

Toll Revenue Management and Maintenance Program: Executive Director Bedalov advised that the Tollway seeks to continue the Toll Revenue Management and Maintenance Program (“TRMMP”) contract with the current vendor to ensure a seamless transition until the new customer service and back-office system comes online in 2016, which will then allow the breakup of the large TRMMP contract into smaller parts to encourage competition and increase



service and performance. With the stated interest to provide the Committee with background on the Business Systems item on the Meeting agenda, he then introduced Shana Whitehead, Chief of Business Systems, to present an overview of the Toll Revenue Management and Maintenance Program and the restructuring planned. [See attached presentation.](#)

Director Dotson asked where funds for the proposed additional one-year TRMMP contract have been allocated within the 2016 Tentative Budget. Ms. Whitehead responded that the proposed TRMMP contract would be expensed from the 2016 Capital Program and the Maintenance and Operations budgets in the amounts of \$13 million and \$12 million respectively.

Items for Consideration

Finance

Item 1: Approval of the fiscal year 2016 Tentative Budget.

Director Sauer called for a motion to approve placement on the October Board of Directors meeting agenda of **Finance Item 1** with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Brooks. Director Sauer asked if there were any questions, concerns or requests for discussion.

Director Gonzalez requested confirmation that the matter under consideration is the "tentative" budget, which is subject to public and Board review prior to realizing its final form. Mr. Colsch confirmed, noting that public hearings will be held and the comments received presented to the Board. He further explained that the Final 2016 Budget, which will incorporate changes arising from the review process, will then be presented for Board approval in December.

Hearing no further questions, Director Sauer called for a vote on the pending motion. The motion PASSED unanimously.

Business Systems

Item 1: Award of Contract 15-0133 to Electronic Transaction Consultants Corporation (ETCC) for the purchase of Toll Revenue Management and Maintenance Program (TRMMP) Services in an amount not to exceed \$25,000,000.00 (Tollway Sole Source).

Director Sauer called for a motion to approve placement on the October Board of Directors meeting agenda of **Business Systems Item 1** with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director



Brooks. Director Sauer asked if there were any questions, concerns or requests for discussion. Hearing none, Director Sauer called for a vote. The motion PASSED unanimously.

Procurement

Director Sauer then called on John Donato, Chief of Procurement, to present the following Procurement items:

Item 1: Award of Contract 15-0118 to Mythics, Inc. for the purchase of Oracle Software Licensing Support and Maintenance in an amount not to exceed \$1,171,988.54 (Order Against CMS Master Contract).

Item 2: Renewal of Contract 11-0013 to Cullen, Inc. (d.b.a. Cullen and Associates) for the purchase of Legislative Liaison Services in an amount not to exceed \$40,000.00 (Tollway Request for Proposals).

Item 3: Award of Contract 15-0083 to Liferay, Inc. for the purchase of Liferay Licenses, Maintenance, and Support in an amount not to exceed \$158,125.00 (Tollway Sole Source).

Director Sauer called for a motion to consolidate Procurement Items 1 through 3 for consideration and action. Committee Chair Gomez made a motion to consolidate; seconded by Director Dotson. Director Sauer called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Director Sauer then called for a motion to approve placement on the October Board of Directors meeting agenda of **Procurement Items 1 through 3** with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Brooks. Director Sauer asked if there were any questions, concerns or requests for discussion.

Director Sauer requested confirmation that the Tollway was unable to locate additional sources for the software licenses and support which are subject of Procurement Item 3. Mr. Donato responded that in response to a Tollway inquiry, Liferay indicated that because the Tollway is a current Liferay customer, additional licenses must be purchased directly through Liferay as opposed to one of their distribution partners.

Hearing no further questions, Director Sauer called for a vote on the pending motion. The motion PASSED unanimously.



Engineering

Director Sauer then called on Paul Kovacs, Chief Engineer, to present the following Engineering items:

Item 1: Award of Contract RR-15-4239 to Tri-State Enterprises, Inc. for Building Construction on the Veterans Memorial Tollway (I-355) at Milepost 21.96 (M-14 Storage Building) in the amount of \$2,192,786.00.

Mr. Kovacs informed the Committee that the following three substantial construction contracts provide for 2016 roadway and bridge reconstruction work on the inside lanes of the 25-mile long eastern segment of the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project, explaining that the Tollway prioritized completion of the more challenging outside lane work and that the remaining inside lane work planned for 2016 is expected to present fewer challenges, having limited exposure to poor soil conditions and the need for utility relocations. Mr. Kovacs further explained that as a consequence of increased bid competition resulting from the more traditional nature of this work, the responsive low bids selected, historically closer to the Engineer's Estimate, were for these three contracts an average of 16.2% below the Engineer's Estimate. Mr. Kovacs noted that the original Engineer's Estimates, used as a programming tool to guide budget compliance, were developed before having detailed specifications. He further noted that in contrast to the present circumstance, the low bids selected in the prior year for the I-90 outside lane work were an average of 2% above the Engineer's Estimate. Mr. Kovacs emphasized that the Engineering Department is confident in the selected vendors' ability to complete the work and is pleased that the competitive pricing achieved is supportive of the Tollway's undertaking to complete the Project within established budget goals, and, therefore, is recommending award of these contracts.

Item 2: Award of Contract I-15-4237 to Judlau Contracting, Inc. for Inside Roadway and Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 73.3 (Oakton Street) to Milepost 76.5 (Mannheim Road) in the amount of \$58,722,801.93.

Item 3: Award of Contract I-15-4237 to Judlau Contracting, Inc. for Inside Roadway and Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 73.3 (Oakton Street) to Milepost 76.5 (Mannheim Road) in the amount of \$58,722,801.93.

Item 4: Award of Contract I-15-4236 to F. H. Paschen, S.N. Nielsen & Assoc., LLC for Inside Roadway and Bridge Reconstruction on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (Oakton Street) in the amount of \$32,112,429.02.



Item 5: Acceptance of Proposal from Harry O. Hefter Associates, Inc. / AES Services, Inc. Joint Venture on Contract I-12-4050 for Supplemental Construction Management for Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90), from Milepost 17.4 (I-39) to Milepost 56.1 (Illinois Route 25), in the amount of \$581,881.17 from \$13,672,404.41 to \$14,254,285.58.

Item 6: Extra Work Order on Contract I-14-4207 to Plote Construction, Inc. / Dunnet Bay Construction Co. (JV) for Outside Roadway Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 65.5 (Roselle Road) to Milepost 68.1 (I-290/IL 53) in the amount of \$5,850,000.00.

Item 7: Extra Work Order on Contract I-14-4212 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Eastbound Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 76.6 (Mannheim Road) to Milepost 78.9 (Kennedy Expressway) in the amount of \$258,090.66.

Item 8: Extra Work Order on Contract I-14-4208 to Walsh Construction Company of Illinois / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (I-290 / IL 53) to Milepost 70.7 (Arlington Heights Road) in the amount of \$340,013.18.

Item 9: Change Order/Extra Work Order on Contract I-14-4208 to Walsh Construction Company of Illinois / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (I-290 / IL 53) to Milepost 70.7 (Arlington Heights Road) in the amount of \$338,982.35.

Item 10: Change Order/Extra Work Order on Contract I-14-4209 to Walsh Construction Company of Illinois / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (Oakton Street) in the amount of \$496,015.40.

Item 11: Extra Work Order on Contract I-14-4208 to Walsh Construction Company of Illinois / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 68.1 (I-290 / IL 53) to Milepost 70.7 (Arlington Heights Road) in the amount of \$304,014.97.

Director Gonzalez inquired about the ownership of the watermain and sanitary sewer to be relocated and the party responsible for associated costs. Mr. Kovacs explained that the owner is to be identified and the underlying Tollway permit examined to determine the party responsible



for relocation costs, and, if applicable, the Tollway will seek recovery for relocation costs from the utility owner. **Executive Director Bedalov advised that the Committee will be apprised of the results of the examination and any ensuing cost recovery efforts.**

Item 12: Change Order/Extra Work Order on Contract I-14-4207 to Plote Construction, Inc. / Dunnet Bay Construction Co. (JV) for Outside Roadway Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 65.5 (Roselle Road) to Milepost 68.1 (I-290/IL 53) in the amount of \$242,819.82.

Item 13: Extra Work Order on Contract I-14-4209 to Walsh Construction Company of Illinois / K-Five Construction Corporation (JV) for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 70.7 (Arlington Heights Road) to Milepost 73.3 (Oakton Street) in the amount of \$919,579.59.

Item 14: Extra Work Order on Contract I-14-4212 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Eastbound Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 76.6 (Mannheim Road) to Milepost 78.9 (Kennedy Expressway) in the amount of \$276,759.75.

Executive Director Bedalov, first clarifying it is distinct from the 10" Rosemont watermain which is subject of this extra work order, asked Mr. Kovacs to provide for the Committee a brief overview of the Northwest Suburban Municipal Joint Action Water Agency ("NSMJAWA") watermain he referenced in relation to retaining wall modifications (needed to circumvent the NSMJAWA watermain) provided for in Engineering Items 12 and 13. Mr. Kovacs explained that NSMJAWA, created by joint agency agreement in the 1980's, provides water service to a daytime population in northern Illinois (Elk Grove Village, Schaumburg, Rolling Meadows, Hoffman Estates, Hanover Park, Streamwood and Mount Prospect) of approximately 500,000 people – totaling 12 billion gallons a year – via 90" to 20" transmission mains, under pressures of up to 150 psi, installed by agreement adjacent to the Tollway system for approximately 16.5 miles. Mr. Kovacs advised that due to its magnitude, the Tollway has made efforts during the I-90 Rebuilding and Widening Project to design around the NSMJAWA watermain when possible but has an agreement in place with NSMJAWA for reimbursement of potential relocation costs of up to approximately \$70 million, a threshold under which the Tollway has been able to hold costs to-date. He noted that there are circumstances, such as those outlined in Engineering Items 12 and 13, when it is more cost effective to change Tollway work rather than withstand Project delays and undertake the significant challenges required to relocate the NSMJAWA watermain.



Item 15: Change Order/Extra Work Order on Contract I-14-4210 to Lorig Construction Company for Outside Roadway and Bridge Reconstruction and Widening on the Jane Addams Memorial Tollway (I-90) from Milepost 73.3 (Oakton Street) to Milepost 75.1 (Wolf Road) in the amount of \$505,394.42.

Item 16: Change Order on Contract RR-13-5661 to Curran Contracting Company for Roadway and Bridge Rehabilitation on the Reagan Memorial Tollway (I-88) from Milepost 55.1 (US Route 52) to Milepost 67.3 (Midway Road) in the amount of \$480,486.00.

Item 17: Change Order on Contract I-13-4602 to F.H. Paschen, S.N. Nielsen & Associates, LLC for Rehabilitation and Widening on the Elgin O'Hare Expressway (IL 390) from Milepost 7.6 (IL 19) to Milepost 10.1 (East of Roselle Road) in the amount of \$351,549.00.

Item 18: Land Acquisition (Identification of Real Estate Parcels associated with the Elgin O'Hare Western Access Project). Cost to the Tollway: N/A

Mr. Kovacs requested that consideration of Engineering Item 18 be deferred to the Executive Session of the October Board of Directors meeting.

Director Sauer stated that without objection, for purposes of voting he will group together Engineering items by type.

Director Sauer called for a motion to consolidate Engineering Items 1 through 4, each construction contracts, for consideration and action. Committee Chair Gomez made a motion to consolidate; seconded by Director Dotson. Director Sauer called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Director Sauer then called for a motion to approve placement on the October Board of Directors meeting agenda of **Engineering Items 1 through 4** with the Committee's recommendation for approval by the Board. Committee Chair Gomez made a motion for approval; seconded by Director Dotson. Director Sauer asked if there were any questions, concerns or requests for discussion. Hearing none, Director Sauer called for a vote. The motion PASSED unanimously.

Director Sauer then called for a motion to approve placement on the October Board of Directors meeting agenda of **Engineering Item 5** with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Brooks. Director



Sauer asked if there were any questions, concerns or requests for discussion. Hearing none, Director Sauer called for a vote. The motion PASSED unanimously.

Directors Sauer requested a motion to consolidate Engineering Items 6 through 17, each of which is a change order or extra work order, for consideration and action. Committee Chair Gomez made a motion to consolidate; seconded by Director Dotson. Director Sauer called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Director Sauer then called for a motion to approve placement on the October Board of Directors meeting agenda of **Engineering Items 6 through 17** with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Committee Chair Gomez. Director Sauer asked if there were any questions, concerns or requests for discussion. Hearing none, Director Sauer called for a vote. The motion PASSED unanimously.

Director Sauer stated that without objection, **Engineering Item 18** will be deferred to the Executive Session of the October Board of Directors meeting.

Legal

Director Sauer then called on David Goldberg, General Counsel, to present the following Legal items:

Item 1: An Intergovernmental Agreement with the County of DuPage, Elk Grove Village & City of Wood Dale defining and Allocating Construction and Financial Responsibilities Associated with the Construction of the Elgin O'Hare Western Access at Lively Boulevard. Cost to the Tollway: \$1,333,374.95.

Item 2: An Intergovernmental Agreement with the Illinois Department of Transportation, Cook County, DuPage County and the Village of Itasca. Cost to the Tollway: \$0.

Mr. Goldberg clarified that the cost to the Tollway for this Intergovernmental Agreement is \$0 and is inaccurately listed on the Meeting agenda as a cost to the Tollway of \$49,560.95. He explained that the cost of the enhancements to be initially borne by the Tollway is estimated at \$264,560.95; however, the Tollway owes the Village of Itasca \$215,000 for its real estate leaving an estimated balance of \$49,560.95 that will be paid by the Village to the Tollway, effecting a full reimbursement of all Tollway costs.



Item 3: An Intergovernmental Agreement with the Village of Schaumburg (Meacham Road Interchange). Cost to the Tollway: \$0.

Item 4: An Intergovernmental Agreement with the Village of Schaumburg (Roselle Road). Cost to the Tollway: \$0.

Item 5: Settlement Agreement – Tollway parcel No. EO-1B-12-008. Cost to the Tollway: As Discussed in Executive Session.

Item 6: Civil Litigation Settlement – David Capers. Cost to the Tollway: As Discussed in Executive Session.

Mr. Goldberg requested that consideration of items 5 and 6 be deferred to the Executive Session of the October Board of Directors meeting.

Director Sauer requested a motion to consolidate Legal Items 1 through 4 for consideration and action. Director Dotson made a motion to consolidate; seconded by Committee Chair Gomez. Director Sauer called for a vote. The motion PASSED unanimously.

The motion to consolidate these items having carried, Director Sauer then called for a motion to approve placement on the October Board of Directors meeting agenda of **Legal Items 1 through 4** with the Committee's recommendation for approval by the Board. Committee Chair Gomez made a motion for approval; seconded by Director Brooks. Director Sauer asked if there were any questions, concerns or requests for discussion. Hearing none, Director Sauer called for a vote. The motion PASSED unanimously.

Director Sauer stated that without objection, **Legal Items 5 and 6** will be deferred to the Executive Session of the October Board of Directors meeting.

Adjournment

There being no further business before the Committee, Director Sauer requested a motion to adjourn. Motion to adjourn was made by Director Dotson; seconded by Committee Chair Gomez. Director Sauer called for a vote. The motion PASSED unanimously.

The Meeting was adjourned at approximately 10:38 a.m.



ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Minutes of the
Finance, Administration & Operations Committee Meeting

Meeting Date
October 15
2015



Christi Regnery

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority



2016 Tentative Budget

October 15, 2015

2016 Budget Schedule

October

- ✓ Tentative 2016 Budget presented to Board

November

- ✓ Public review/comment on Tentative 2016 Budget
- ✓ Public comments presented to Board
- ✓ Incorporate changes arising from review process

December

- ✓ Board votes on Final 2016 Budget

2016 Tentative Budget Highlights

Revenue

- ✓ Continues to meet or exceed projections

Maintenance and Operations

- ✓ Modest increase supports *Move Illinois* and consistent with financial plan

Capital Program

- ✓ Continues Tollway's commitment for infrastructure improvements, including investment for the *Move Illinois* and the Congestion-Relief programs

2016 Revenue Sources

<i>Sources of Revenues</i>	FY 2015 Budget	FY 2015 Estimates	FY 2016 Projections
Toll Revenues and Evasion Recovery *	\$1,160	\$1,208	\$1,290
Investment Income	1	1	2
Concessions and Miscellaneous Revenues	9	9	8
Revenues Total	\$1,170	\$1,218	\$1,300

* CDM Smith's expected toll revenue estimate for fiscal year 2016 totals \$1,310 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery. Please refer to pages 175-185 of the 2016 Tentative Budget book for additional information.

2016 Revenue Allocations

**MORE THAN 75 PERCENT OF REVENUES ALLOCATED
TO SUPPORT INFRASTRUCTURE**

(\$ millions)

<i>Allocations of Revenues</i>	FY 2015 Budget	FY 2015 Estimates	FY 2016 Projections
Maintenance and Operations	\$311	\$310	\$322
<i>Funds available from prior year</i>	0	1	0
Debt Service Transfers	362	355	399
Deposits to Renewal and Replacement and Improvement	497	552	579
Allocations Total	\$1,170	\$1,218	\$1,300

2016 Maintenance and Operations

KEY DRIVERS OF OPERATING BUDGET INCREASE OF 3.6 PERCENT

- ✓ **Rising health care costs and retirement contributions**
- ✓ **Increase in credit card company fees associated with higher toll revenue**
- ✓ **Increase in equipment maintenance for toll collection equipment and new back-office software**
- ✓ **Increase in utility costs**
- ✓ **Opening of Illinois Route 390**

Maintenance and Operations

2016 Budget By Category

GROWTH IN OPERATING COSTS – 3.6 PERCENT

<i>(\$ millions)</i> Category	2015 Budget	2016 Budget Request	\$ Change from 2015 Budget	% Change from 2015 Budget
Salary and Wages	\$109.0	\$109.6	\$0.6	0.5%
FICA and Retirement	55.1	57.2	2.1	3.8%
Group Insurance	33.6	36.4	2.8	8.3%
All other Insurance	12.4	12.1	(0.4)	-3.1%
Credit Card Fees and Bank Charges	19.1	22.5	3.4	17.5%
All Other Contractual Services	44.7	44.1	(0.6)	-1.2%
Equipment/ Office Rental/ Maintenance	15.8	17.8	2.0	12.5%
Parts and Fuels	8.1	7.8	(0.3)	-3.3%
Utilities	6.7	8.1	1.4	21.6%
Operational Materials and Supplies	7.6	7.9	0.3	3.4%
Other Miscellaneous Expenses	0.7	0.6	(0.1)	-10.9%
Recovery of Expenses	(2.3)	(2.3)	(0.0)	-0.2%
Total M and O Costs	\$310.6	\$321.8	\$11.2	3.6%

Total may not add due to rounding.

Tollway Headcount – As of 12/31 Each Year

HEADCOUNT REMAINS FLAT DURING RECORD CAPITAL INVESTMENTS AND INCREASED CAPACITY OF THE SYSTEM



2016 Debt Service

NEW DEBT EXPECTED TO PROVIDE ADDITIONAL FUNDING AT RATES BELOW ORIGINAL PLAN

Outstanding debt \$5.4 billion

- ✓ \$400 million new debt issuance expected in December 2015
- ✓ \$600 million new debt issuance in 2016

Transfers for debt service estimated at \$399 million

- ✓ \$298 million interest expense
- ✓ \$109 million principal due January 1, 2017
- ✓ \$7 million other bond-related costs (liquidity, remarketing, etc.)
- ✓ (\$15) million federal Build America Bonds subsidy

Estimated net debt service coverage of 2.6x in 2015 and 2.5x in 2016

Capital Program

KEY CAPITAL HIGHLIGHTS

Jane Addams Memorial Tollway (I-90)

- ✓ Rebuilding and Widening Project - eastern segment roadway completion
- ✓ Interchange improvements

Elgin O'Hare Western Access Project

- ✓ Construction of interchanges
- ✓ Construction of new Illinois Route 390 Tollway to the east

Systemwide Projects

- ✓ Bridge, pavement and interchange improvements
- ✓ Toll collection and information technology improvements

Capital Program

KEY CAPITAL HIGHLIGHTS

Reagan Memorial Tollway (I-88)

- ✓ Resurfacing U.S. Route 52 to U.S. Route 30

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

- ✓ Master Plan for Central Tri-State Tollway from 95th Street to Balmoral Avenue
- ✓ Design for mile-long bridges

Capital Program Summary

(\$ millions)	2015 Budget	2015 Estimated Expenditures	2016 Request	\$ Change from 2015 Estimate
Existing System Needs	\$1,213.8	\$1,091.7	\$953.3	(\$138.4)
Jane Addams Memorial Tollway (I-90)	839.6	817.4	577.4	(240.0)
Tri-State Tollway (I-94/ I-294/ I-80)	19.0	21.3	68.0	46.8
Veterans Memorial Tollway (I-355)	0.9	3.0	7.7	4.7
Reagan Memorial Tollway (I-88)	107.9	88.9	105.3	16.4
Open Road Tolling (ORT)	5.4	3.4	5.2	1.8
Systemwide Improvements	241.1	157.8	189.7	31.9
System Expansion	\$346.2	\$348.1	\$390.9	\$42.8
Tri-State (I-294)/I-57 Interchange	20.2	15.3	1.5	(13.7)
Elgin O'Hare Western Access	319.8	331.5	383.6	52.1
Planning Studies for Emerging Projects	6.1	1.4	5.8	4.5
Capital Program Sub-Total	\$1,560.0	\$1,439.8	\$1,344.2	(\$95.6)
Other Capital Projects	65.0	58.9	60.0	1.1
Capital Program Total	\$1,625.0	\$1,498.6	\$1,404.2	(\$94.5)

2015 Estimated Expenditures and 2016 Request do not reflect any IGA reimbursements.

2016 Other Capital Projects Budget includes new request of \$60 million and \$58.9 million of carryover from 2015.

Totals may not add due to rounding.

2016 Budget Aligns with the GOMB's Budgeting for Results Outcomes

- ✓ **Increase employment and attract, retain and grow businesses**
- ✓ **Improve infrastructure and create safer communities**
- ✓ **Support basic functions of government**
- ✓ **Strengthen cultural and environmental vitality**

Tentative 2016 Budget Summary

CONSISTENT WITH THE LONG-TERM FINANCIAL PLAN

- ✓ **Fifth year of *Move Illinois* – total 2016 Capital Program more than \$1.4 billion**
- ✓ **Revenue increase 6.8 percent from 2015 estimate**
- ✓ **Operating costs held at 3.6 percent growth**
- ✓ **\$600 million of new bond issuance to provide funding for current and future capital costs**

Appendix

Maintenance and Operations

2016 Budget By Department

(\$ millions)	2015	2016	\$ Change from	% Change from
Department	Budget	Budget Request	2015 Budget	2015 Budget
Administration	\$4.6	\$4.6	\$0.0	0.6%
Business Systems	58.7	65.4	6.7	11.3%
Communications	1.5	1.5	(0.0)	-2.2%
Diversity and Strategic Development	2.6	2.4	(0.1)	-5.7%
Engineering	76.0	78.1	2.1	2.7%
Executive Office and Directors	1.7	1.6	(0.1)	-3.9%
Finance	50.3	52.6	2.3	4.6%
Information Technology	16.4	14.5	(1.9)	-11.5%
Inspector General	0.9	0.9	0.0	3.0%
Internal Audit	0.9	0.9	0.1	7.4%
Legal	1.9	2.0	0.0	2.4%
Procurement	4.6	4.6	0.0	0.6%
State Police	32.6	32.9	0.4	1.1%
Toll Operations	58.0	59.8	1.8	3.1%
Authority Total	\$310.6	\$321.8	\$11.2	3.6%

Totals may not add due to rounding.



Move Illinois Program Summary

(\$ millions)	2014 Actual Expenditures	2015 Budget	2015 Estimated Expenditures	2016 Request	\$ Change from 2015 Estimate
Existing System Needs					
Jane Addams Memorial Tollway (I-90)	\$506.2	\$791.7	\$739.7	\$549.8	(\$189.9)
Tri-State Tollway (I-94/ I-294/ I-80)	2.7	18.1	19.4	65.2	45.9
Veterans Memorial Tollway (I-355)	1.4	0.5	2.2	4.7	2.5
Reagan Memorial Tollway (I-88)	4.4	7.0	1.8	3.9	2.1
Systemwide Improvements	87.9	168.2	100.2	171.0	70.8
Existing System Needs Total	\$602.6	\$985.5	\$863.3	\$794.7	-\$68.6
System Expansion					
Tri-State Tollway (I-294)/I-57 Interchange	\$40.9	\$20.2	\$15.3	\$1.5	(\$13.7)
Elgin O'Hare Western Access	241.7	319.8	331.5	383.6	52.1
Planning Studies for Emerging Projects	1.5	6.1	1.4	5.8	4.5
System Expansion Total	\$284.1	\$346.2	\$348.1	\$390.9	\$42.8
Move Illinois Program Total	\$886.7	\$1,331.7	\$1,211.4	\$1,185.6	(\$25.8)

Notes:

2014 Actual Expenditures reflected cost recoveries of \$12.2 million pursuant to inter-governmental agreements (IGA), and 2015 Estimated Expenditures and 2016 Request do not reflect any IGA reimbursements.

Totals may not add due to rounding.



Congestion-Relief Program/Other Capital Summary

(\$ millions)	2014 Actual Expenditures	2015 Budget	2015 Estimated Expenditures	2016 Request	\$ Change from 2015 Estimate
Congestion-Relief Program (CRP)					
Jane Addams Memorial Tollway (I-90)	\$109.2	\$47.9	\$77.7	\$27.6	(\$50.1)
Tri-State Tollway (I-94/ I-294/ I-80)	0.2	0.9	1.9	2.8	0.9
Veterans Memorial Tollway (I-355)	(1.8)	0.4	0.8	3.0	2.2
Reagan Memorial Tollway (I-88)	9.1	100.8	87.0	101.3	14.3
Open Road Tolling (ORT)	1.9	5.4	3.4	5.2	1.8
Systemwide Improvements	63.6	72.9	57.6	18.6	(39.0)
Congestion-Relief Program Subtotal	182.2	228.3	228.4	\$158.6	(\$69.8)
Other Capital Projects Subtotal *	50.5	65.0	58.9	60.0	1.1
CRP and Other Capital Projects Total	232.6	293.3	287.3	\$218.6	(\$68.7)

Notes:

1. 2014 Actual Expenditures reflected cost recoveries of \$2.5 million pursuant to intergovernmental agreements (IGA); 2015 Estimated Expenditures and 2016 Request do not reflect any IGA reimbursements.
2. 2016 Other Capital Projects Budget includes new request of \$59.7 million and \$41.7 million of carryover from 2015; approximately \$60 million is projected to be spent in 2016.

Totals may not add due to rounding.



Capital Program

KEY CAPITAL PROJECTS - 2016

Jane Addams Memorial Tollway (I-90) – \$577.4 million

✓ **Eastern segment**

- Elgin Toll Plaza to Tri-State Tollway (I-294) - Rebuilding and widening inside lanes
- Elgin Toll Plaza to Kennedy Expressway - Reconstruction of bridges, interchanges and ramps

✓ **Watermain relocation**

✓ **Fiber-optic and utility relocation**

✓ **ITS elements**

Capital Program (continued)

KEY CAPITAL PROJECTS - 2016

Elgin O'Hare Western Access Project - \$383.6 million

- ✓ I-290 Interchange construction
- ✓ Construction of Elmhurst Road Interchange at I-90
- ✓ Construction of new Illinois Route 390 Tollway to the east
- ✓ Interchange improvements
 - Park Boulevard, Arlington Heights Road and Wood Dale Road
- ✓ Bridge construction
- ✓ Watermain relocation
- ✓ Right-of-way purchases

Capital Program (continued)

KEY CAPITAL PROJECTS - 2016

Reagan Memorial Tollway (I-88) – \$105.3 million

- ✓ Resurfacing
 - U.S. Route 52 to U.S. Route 30

Tri-State Tollway (I-94/I-294/I-80) – \$68.0 million

- ✓ Master Plan for Central Tri-State Tollway reconstruction from 95th Street to Balmoral Avenue
- ✓ Design for reconstruction
 - Mile-long Bridge over the Des Plaines River
 - BNSF Railroad Bridge over I-294

Capital Program (continued)

KEY CAPITAL PROJECTS - 2016

Systemwide – \$189.7 million

- ✓ Bridge and pavement improvements
- ✓ Interchange improvements
- ✓ Toll collection
- ✓ IT related improvements
- ✓ Maintenance facilities improvements
- ✓ Program support

“Other” Capital Projects Highlights

KEY CAPITAL PROJECTS - 2016

Other capital projects – \$60 million

(\$ millions)

✓ General consulting services	\$ 22
✓ Technology	13
✓ Roadway vehicle and equipment	8
✓ Enterprise resource planning (ERP) system	5
✓ Intelligent transportation systems (ITS)	5
✓ Building repairs and maintenance	4
✓ Roadway signage and pavement marking	3

Debt Service Schedule

(\$ millions)

Fiscal Year	Principal	Interest	Total Debt Service
2015	103	256	359
2016	104	298	405
2017	109	307	416
2018	124	301	426
2019	130	295	426
2020	138	289	426
2021	144	282	426
2022	151	275	426
2023	159	267	426
2024	168	258	426
2025	189	251	439
2026	246	243	489
2027	258	231	489
2028	269	220	489
2029	280	209	489
2030	293	197	489
2031	303	187	489
2032	319	170	489
2033	337	152	489
2034	357	132	489
2035	366	112	478
2036	384	94	478
2037	403	75	478
2038	393	54	448
2039	395	35	429
2040	299	15	314

NOTES:

- √ Includes existing debt service plus assumed new money issuance of: (i) \$400M during the remainder of 2015; and (ii) \$600M during 2016.
- √ Debt service due January 1 of a given calendar year is included in the prior fiscal year, per the Trust Indenture.
- √ Debt service does not include liquidity or remarketing costs for Tollway variable rate bonds, which such costs are currently approximately \$6.5 million annually.
- √ Interest expense does not net out anticipated federal subsidies related to Build America Bonds.
- √ Interest expense on variable rate bonds is estimated at the fixed swap rates for those bonds.



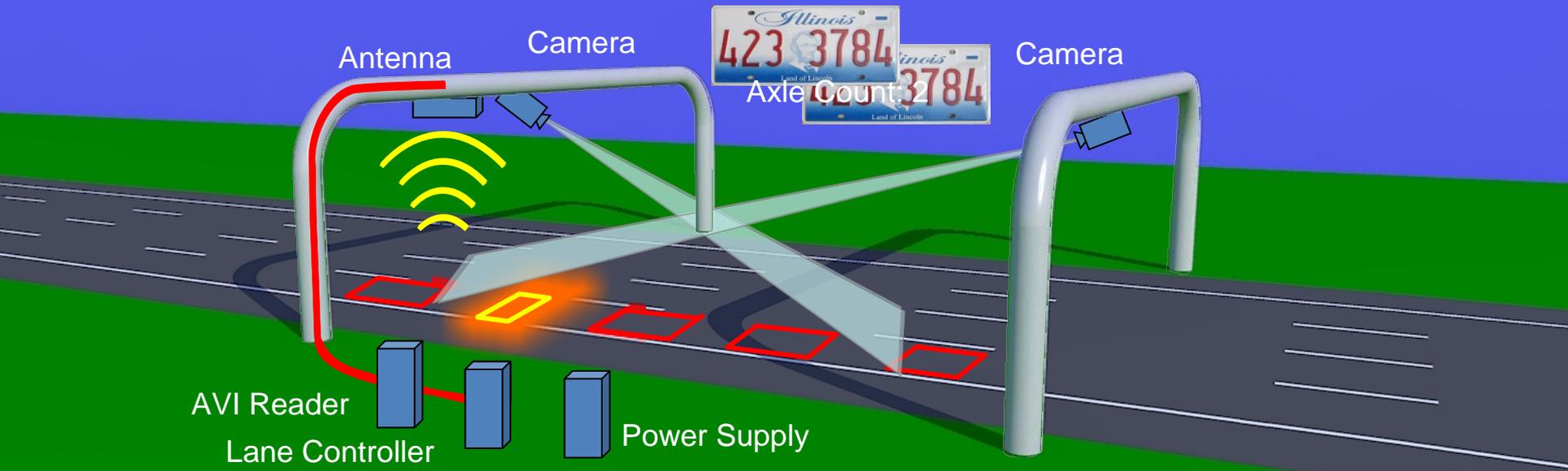
THANK YOU



**Toll Revenue Management and
Maintenance Program (TRMMP)**

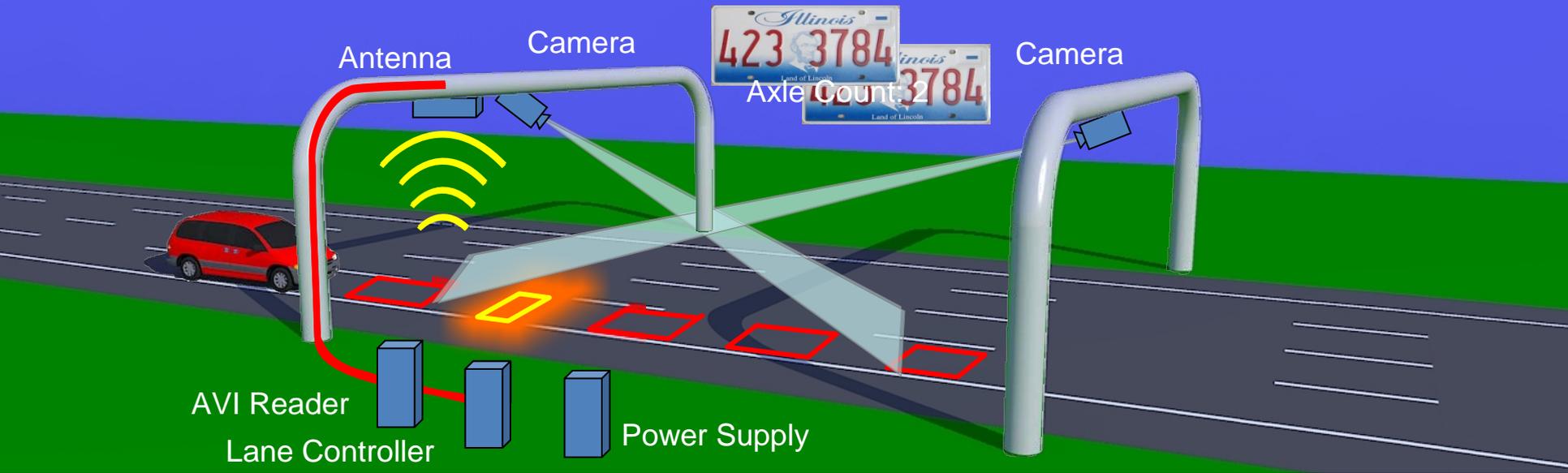
October 15, 2015

I-PASS Lane Technology In Action



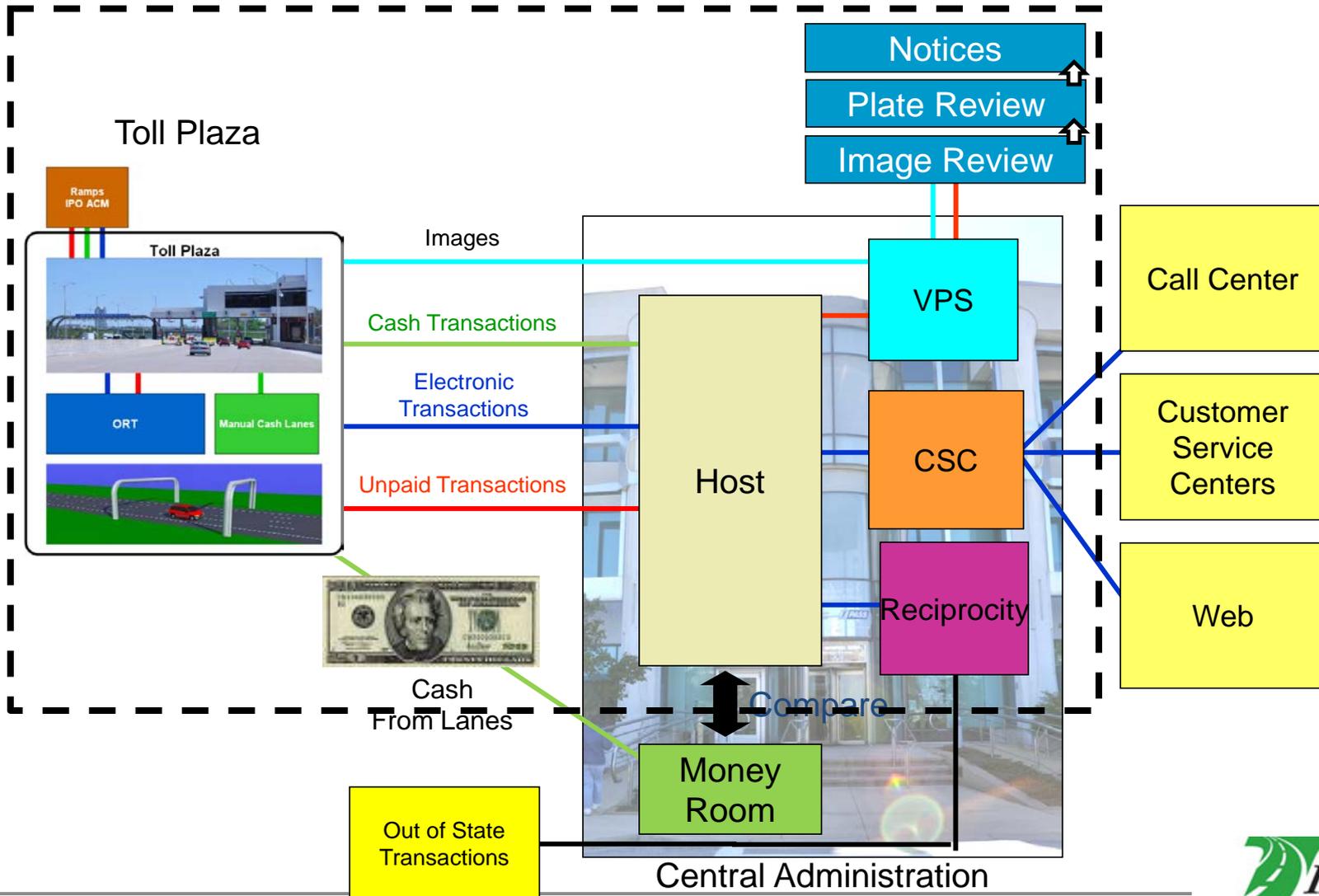
1. Vehicle enters first main road loop, activating camera to photograph front license plate. Transponder tag (AVI) is detected by antenna and sent to AVI reader, then to lane controller.
2. Road Axle loops (IDRIS) detects vehicle and counts axles.
3. 2nd and 3rd main road loops track vehicle passage through the zone.
4. 4th main road loop triggers rear camera, which photographs rear license plate and indicates vehicle exit. Indicates to the system to package data as a transaction.

I-PASS Lane Technology In Action

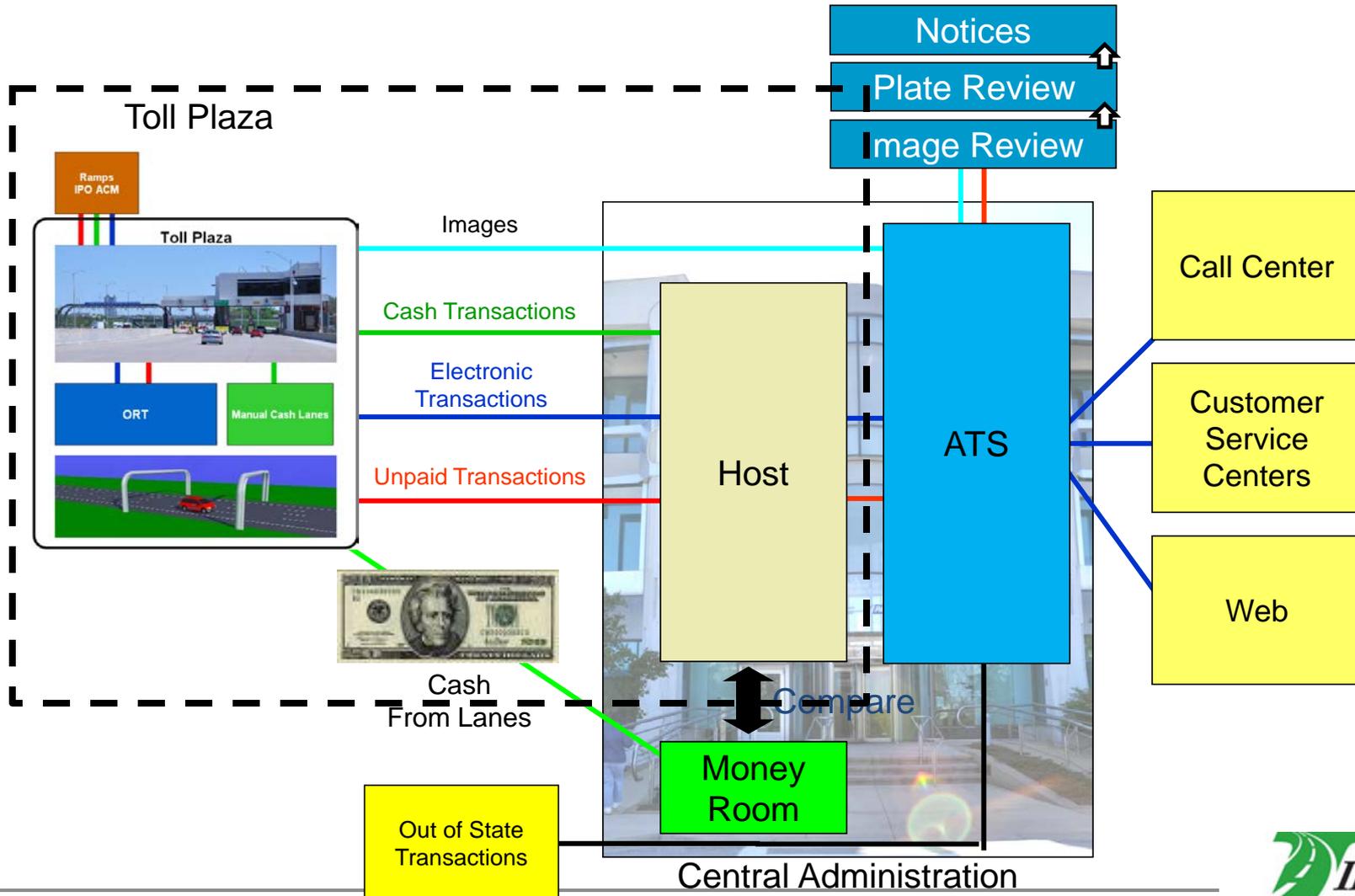


- Statistics for a single plaza (Meyers Road Toll Plaza 52 – 2014)
- Average weekday peak-hour open road tolling transactions: 6,745
- Average weekday open road tolling transactions: 82,865
- Total annual open road tolling transactions: 27,683,922
- Total annual transactions: 29,958,704

Today, Combined Lane and Back Office Projects



In 2016, a New Back Office System



TRMMP Overview – Back Office Components

New Back-Office System - summer 2016

- **CSC** – Development, installation and maintenance of custom software and hardware that provide I-PASS account management and transaction posting
- **VPS** – Development, installation and maintenance of custom software and hardware that manage the pursuit of violators
- **Reciprocity** – Development, installation and maintenance of custom software and hardware that manage the exchange of toll transactions with other E-ZPass member agencies
- **Host** – Development, installation and maintenance of custom software and hardware that consolidate, filter and sort all cash and electronic toll transactions

Anticipated future restructure



TRMMP Overview – Lane Components

- **Lane transaction capture** – Purchase, installation and maintenance of software and hardware configured in a proprietary manner to capture and filter cash and electronic tolls
- **Vehicle classification** – Purchase, installation and maintenance of loops and treadles to count axles for assigning toll rates to each cash and electronic toll transaction
- **Automatic coin machines (ACMs)** – Purchase, installation and maintenance of coin machines
- **Cameras** – Installation and maintenance of cameras to capture license plate images for video tolling and violation pursuit
- **Transponder reading** – Installation and maintenance of antennas and readers to capture transponder toll transactions

 Anticipated future restructure



TRMMP – Context

We are restructuring a plane in flight – and flying its fastest.

- Bleeding-edge, niche technology and protocols
- Small marketplace that continues to rapidly shift and evolve
- Largest I-PASS penetration rate in the industry
- Largest volume of open road tolling transactions in the industry
- Unprecedented change in a very young industry
- Uncommonly high volume of lanes in industry
- Uncommonly challenging weather issues in industry
- Largest capital program in industry



TRMMP Overview – History

■ Contract established June 29, 2005 – June 29, 2010

<input type="checkbox"/> Original dollar limit	\$69,500,000
<input type="checkbox"/> Change order 2009	\$12,340,080
<input type="checkbox"/> Change order 2012	\$462,000
<hr/>	
<input type="checkbox"/> Total original contract value:	\$82,302.080

■ Renewals exercised

<input type="checkbox"/> Renewal 1 (2010)	\$11,000,000
<input type="checkbox"/> Renewal 2 (2011)	\$12,059,012
<input type="checkbox"/> Renewal 3 (2012)	\$12,000,000
<input type="checkbox"/> Renewal 4 (2013)	\$19,000,000
<input type="checkbox"/> Renewal 5 (2014)	\$11,977,895
<input type="checkbox"/> Sole Source – 6 Months	\$13,000,000
<hr/>	
<input type="checkbox"/> TOTAL contract value to date:	\$161,338,987



TRMMP Overview – Previous Renewals

Renewal	Capital	M&O	Total	Key Items
1 – 2010	\$102,000	\$10,898,000	\$11,000,000	<ul style="list-style-type: none"> • Online image review • 90-day rule
2 – 2011	\$3,420,000	\$8,639,012	\$12,059,012	<ul style="list-style-type: none"> • Camera washing • New camera configuration • Construction detour • Credit card updater
3 – 2012	\$925,856	\$11,074,144	\$12,000,000	<ul style="list-style-type: none"> • Balmoral Avenue Ramp • Disaster recovery
4 – 2013	\$7,750,000	\$11,250,000	\$19,000,000	<ul style="list-style-type: none"> • Illinois Route 47 Interchange • New lane controllers • New data loggers • New environment • Additional storage
5 – 2014	\$270,000	\$11,707,895	\$11,977,895	<ul style="list-style-type: none"> • I-294/I-57 Interchange • Test plaza • New test environments • Complex interface
6-month	\$7,000,000	\$6,000,000	\$13,000,000	<ul style="list-style-type: none"> • Data migration and testing • New antennas and readers • I-90 construction • EOWA construction



TRMMP – Proposed One-Year Contract

Renewal	Capital	M&O	Total	Key Items
One-Year	\$13,000,000	\$12,000,000	\$25,000,000	<ul style="list-style-type: none">• Data migration and testing• I-90 construction• EOWA construction• New cameras

Questions?