



2014 Tentative Budget

October 16, 2013

2014 Budget Schedule

October

- ✓ Tentative 2014 Budget presented to Board

November

- ✓ Public review/comment on Tentative 2014 Budget
- ✓ Public comments presented to Board
- ✓ Incorporate changes arising from review process

December

- ✓ Board votes on Final 2014 Budget

2014 Tentative Budget Priorities

2014 BUDGET ALIGNED WITH TOLLWAY PRIORITIES

- ✓ **Furthering transparency and accountability**
- ✓ **Enhancing customer service**
- ✓ **Promoting economic growth**
- ✓ **Increasing collaboration**
- ✓ **Fostering environmental responsibility**

2014 Tentative Budget Highlights

2014 BUDGET HIGHLIGHTS

Revenue

- ✓ Steady growth

Maintenance and Operations

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

Capital Program

- ✓ Largest amount committed for infrastructure improvements in Tollway's history

2014 Revenue Sources

REVENUES SHOW STEADY GROWTH

(\$ millions)

<i>Sources of Revenue</i>	FY 2013 Budget	FY 2013 Estimates	FY 2014 Projections
Toll Revenue and Evasion Recovery *	\$977	\$987	\$1,005
Investment Income	1	1	2
Concessions and Miscellaneous Revenue	8	10	8
Revenue Total	\$986	\$998	\$1,015

* CDM Smith's expected toll revenue estimate for fiscal year 2014 totals \$1,015 million. Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery. Please refer to Page 183 of the 2014 Tentative Budget Book for additional information.

2014 Revenue Allocations

REVENUE ALLOCATIONS TO MAINTENANCE AND OPERATIONS, DEBT SERVICE AND CAPITAL SUPPORT MOVE ILLINOIS

	(\$ millions)		
	FY 2013	FY 2013	FY 2014
<i>Allocations of Revenue</i>	Budget	Estimates	Projections
Maintenance and Operations	\$283	\$269	\$295
Debt Service Transfer	317	295	334
Deposit to Renewal and Replacement and Improvement	386	435	386
Allocations Total	\$986	\$998	\$1,015

In 2013, maintenance and operations and debt service savings will increase funds for the capital program.

Notes: Totals may not add due to rounding.

Maintenance and Operations

M AND O GROWTH – 4 PERCENT TO SUPPORT KEY PRIORITIES

Public Safety – Illinois State Police - \$2.7 million

- ✓ Troopers increased from 180 to 196

Customer Service – Business Systems - \$2.8 million

- ✓ New customer call center with increased call volume
- ✓ and capacity
- ✓ Increased credit card transactions/revenue

Transparency and Accountability - \$3.6 million

- ✓ Enterprise resource planning system
- ✓ Information technology management services

Diversity - \$0.6 million

- ✓ Small business assistance

Maintenance and Operations

2014 Budget By Category

M AND O GROWTH – 4.2 PERCENT

(\$ millions)

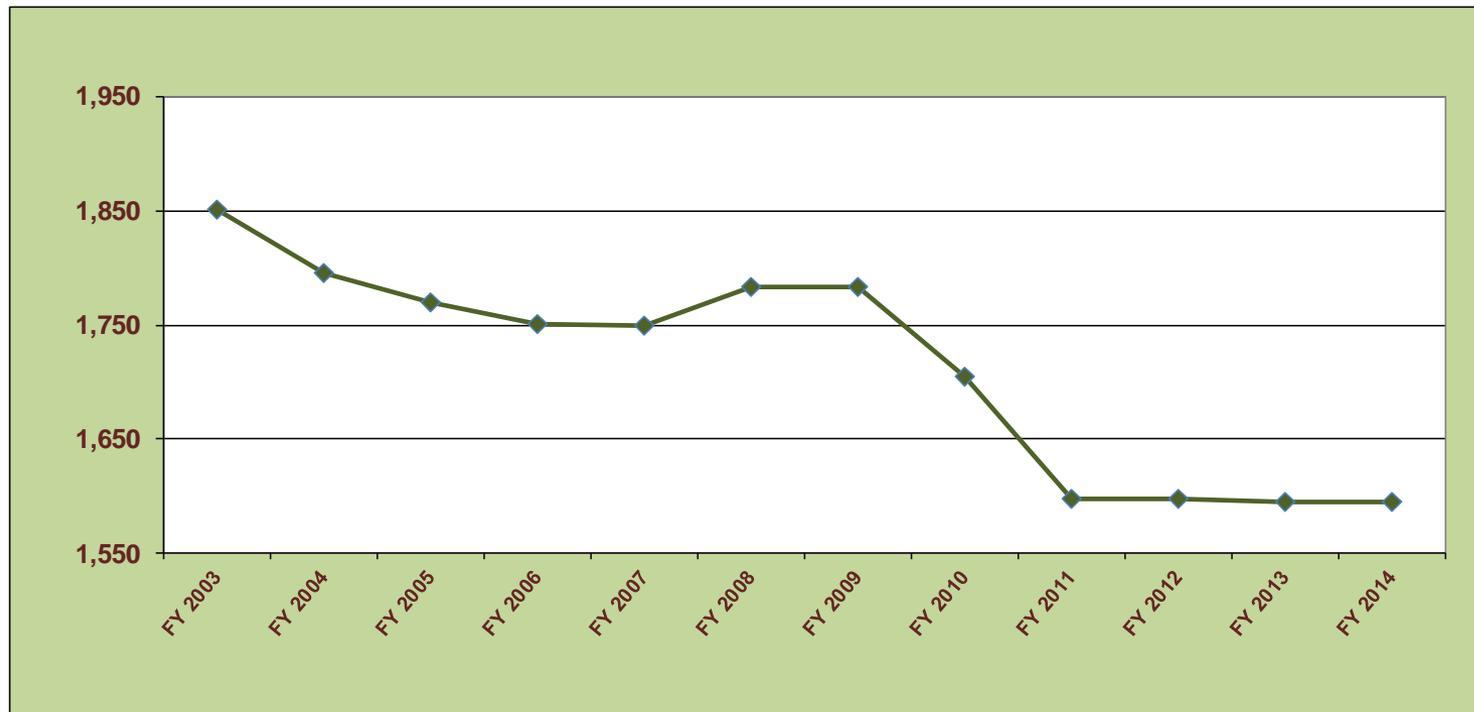
Category	2013 Budget	2014 Budget Request	\$ Change from 2013 Budget
Salary and Wages	\$106.2	\$109.0	\$2.8
FICA and Retirement	48.5	51.6	3.1
Group Insurance	29.2	30.1	0.9
Outside Services (2014 inc. CCC \$2.5M, Tech Asst. \$0.6M)	24.1	26.8	2.7
Consulting Services (2014 inc. ERP \$2.1M, IT Mgmt \$0.9M)	9.2	11.9	2.7
Other Contractual Services	21.1	21.3	0.2
Professional Development	1.0	1.1	0.1
Utilities	5.4	6.0	0.6
Operational Materials and Supplies	8.3	7.5	(0.8)
Parts and Fuels	7.2	6.5	(0.8)
Equipment / Office Rental / Maintenance	15.7	15.7	(0.1)
All Other Insurance	9.9	10.5	0.6
Recovery of Expenses	(2.4)	(2.4)	0.0
Total M and O Costs	\$283.4	\$295.5	\$12.0

Note: Totals may not add due to rounding.

Tollway Headcount – As of 12/31 Each Year

HEADCOUNT REMAINS FLAT

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Funded Positions	1851	1796	1770	1751	1750	1783	1783	1704	1598	1598	1595	1595



2014 Debt Service

NEW DEBT PROVIDES FUNDING FOR MOVE ILLINOIS

Outstanding debt \$3.8 billion

- ✓ After January 1, 2014 principal payments

As much as \$900 million new debt issuance

Debt service transfers of \$334 million

- ✓ \$236 million interest expense*
 - Includes an estimated \$26 million interest on new debt
- ✓ \$98 million principal due January 1, 2015
- ✓ \$10 million other credit enhancement costs
- ✓ (\$15) million federal Build America Bonds subsidy

Estimated net debt service coverage of 2.4x and 2.2x in FY2013 and FY2014, respectively

Capital Program Summary

LARGEST AMOUNT COMMITTED FOR INFRASTRUCTURE IMPROVEMENTS IN TOLLWAY'S HISTORY

(\$ millions)

	2013 Budget	2013 Estimated Expenditures	2014 Request
Existing System Needs	\$702.9	\$532.0	\$1,007.0
Jane Addams Memorial Tollway (I-90)	415.2	323.8	729.2
Tri-State Tollway (I-94/ I-294/ I-80)	36.9	46.4	3.9
Veterans Memorial Tollway (I-355)	23.2	17.5	10.1
Reagan Memorial Tollway (I-88)	5.5	7.9	10.6
Open Road Tolling (ORT)	4.1	2.7	4.0
Systemwide Improvements	218.0	133.9	249.2
System Expansion	\$169.1	\$139.8	\$373.5
Tri-State (I-294)/I-57 Interchange	66.7	43.4	85.7
Elgin O'Hare Western Access	95.6	95.6	282.8
Illinois Route 53/120/Other Planning Studies	6.8	0.8	5.0
Capital Program Sub-Total	\$872.0	\$671.8	\$1,380.4
"Other" Capital Projects*	50.0	47.2	55.0
Capital Program Total	\$922.0	\$719.0	\$1,435.4

2013 Estimated Expenditures and 2014 Request do not reflect any IGA reimbursements.

* 2014 "Other" Capital Projects Budget includes new request of \$55 million and \$30.3 million of carryover from 2013.

Totals may not add due to rounding.

Capital Program

KEY CAPITAL HIGHLIGHTS

Jane Addams Memorial (I-90)

- ✓ Rebuilding and Widening Project

Elgin O'Hare Western Access Project

- ✓ Construction of the I-290 Interchange

Tri-State Tollway(I-294)/I-57 Interchange

- ✓ Phase One will be completed in fall 2014

Tri-State, Reagan Memorial and Veterans Memorial Tollways

- ✓ Ramp reconstruction and pavement resurfacing

Illinois Route 53/120 Project

- ✓ Planning studies

Systemwide

- ✓ Toll collection and information technology improvements

Diversity

- ✓ Workforce development

Tentative 2014 Budget Summary

KEY HIGHLIGHTS – 2014 BUDGET

Affordable within the long-term financial plan

- ✓ Revenues continue to show steady growth
- ✓ Third year of *Move Illinois* – total 2014 Capital Program \$1,435 million
- ✓ Operating cost held at 4.2 percent growth
- ✓ \$900 million of new bond issuance to provide funding for current and future capital costs

Technology investments support improved customer service

Appendix

Maintenance and Operations

2014 Budget By Department

(\$ thousands)

Department	2013 Budget	2014 Budget Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Administration	\$4,132	\$4,439	\$306	
Business Systems	52,203	54,974	2,771	5.3%
Communications	1,347	1,449	102	
Diversity and Strategic Development	1,396	1,997	601	43.0%
Engineering	71,920	72,400	480	
Executive Office and Directors	1,662	1,661	(0)	0.0%
Finance	44,121	45,414	1,293	
Information Technology	12,176	15,745	3,569	29.3%
Inspector General	812	813	1	
Internal Audit	705	785	81	11.4%
Legal	1,750	1,857	107	
Procurement	4,231	4,356	125	2.9%
State Police	29,633	32,302	2,669	
Toll Operations	57,329	57,262	(67)	-0.1%
Total	283,418	295,456	12,038	4.2%

Key increases include funding for ERP, IT management services, State Police, toll technologies, insurance and diversity initiatives.

Move Illinois Program Summary

(\$ millions)

	2012 Actual Expenditures	2013 Budget	2013 Estimated Expenditures	2014 Request
Existing System Needs				
Jane Addams Memorial Tollway (I-90)	\$67.6	\$411.7	\$309.2	\$593.0
Tri-State Tollway (I-94/ I-294/ I-80)	1.2	18.1	15.5	3.7
Veterans Memorial Tollway (I-355)	0.0	19.5	13.7	9.2
Reagan Memorial Tollway (I-88)	0.0	0.0	1.3	3.5
Systemwide Improvements	23.5	152.5	94.4	158.4
Existing System Needs Total	\$92.3	\$601.8	\$434.0	\$767.8
System Expansion				
Tri-State Tollway (I-294)/I-57 Interchange	\$9.7	\$66.7	\$43.4	\$80.1
Elgin O'Hare Western Access	6.1	95.6	95.6	282.8
Illinois Route 53/120/Other Planning Studies	0.0	6.8	0.8	5.0
System Expansion Total	\$15.8	\$169.1	\$139.8	\$367.9
Move Illinois Program Total	\$108.2	\$770.9	\$573.8	\$1,135.7

Notes:

2012 Actual Expenditures reflected cost recoveries of \$17.3 million pursuant to inter-governmental agreements (IGA), and 2013 Estimated Expenditures and 2014 Request do not reflect any IGA reimbursements.

Totals may not add due to rounding.



Congestion-Relief Program/Other Capital Summary

(\$ millions)

	2012 Actual Expenditures	2013 Budget	2013 Estimated Expenditures	2014 Request
Congestion-Relief Program (CRP)				
Tri-State Tollway (I-94/ I-294/ I-80)	\$97.3	\$18.8	\$30.9	\$5.8
Jane Addams Memorial Tollway (I-90)	21.5	3.5	14.6	136.2
Reagan Memorial Tollway (I-88)	58.8	5.5	6.6	7.1
Veterans Memorial Tollway (I-355)	0.7	3.7	3.8	0.9
Open Road Tolling (ORT)	1.4	4.1	2.7	3.9
Systemwide Improvements	26.7	65.4	39.5	90.8
Congestion-Relief Program Subtotal	\$206.4	\$101.0	\$98.0	\$244.7
"Other" Capital Projects Subtotal *	36.9	77.2	47.2	55.0
CRP and "Other" Capital Projects Total	\$243.3	\$178.2	\$145.2	\$299.7

Notes:

2012 Actual Expenditures reflected cost recoveries of \$3.7 million pursuant to inter-governmental agreements (IGA), and 2013 Estimated Expenditures and 2014 Request do not reflect any IGA reimbursements.

* 2014 "Other" Capital Projects Budget includes new request of \$55 million and \$30.3 million of carryover from 2013.

Totals may not add due to rounding.



Capital Program

KEY CAPITAL PROJECTS - 2014

Jane Addams Memorial (I-90) – \$729 million

- ✓ West Segment from I-39 to Elgin Toll Plaza
 - Westbound roadway rebuilding and widening
 - Eleven local crossroad bridges over I-90
- ✓ East Segment from Elgin Toll Plaza to Kennedy Expressway
 - Local crossroad bridge and interchange reconstruction
- ✓ Advance retaining wall and noisewall construction
- ✓ Utility relocation, wetland mitigation and right-of-way

Capital Program (continued)

KEY CAPITAL PROJECTS - 2014

Elgin O'Hare Western Access Project – \$283 million

- ✓ I-290 Interchange
 - Completion of final design
 - Start construction

- ✓ Construct and widening – including bridges
 - Meacham Road to Irving Park Road
 - Elmhurst Road Interchange
 - Rohlwing Road bridge

- ✓ Right-of-way purchases and advanced work
 - Elgin O'Hare Extension

Capital Program (continued)

KEY CAPITAL PROJECTS - 2014

Tri-State Tollway (I-294)/I-57 Interchange – \$86 million

- ✓ Complete right-of-way acquisitions
- ✓ Continue new ramp construction

Tri-State Tollway (I-94/I-294/I-80) – \$4 million

- ✓ Completion of ramp reconstruction
 - I-55, I-90/I-190/River Road, U.S. Route 20/Lake Street and Illinois Route 120/Belvidere Road

Capital Program (continued)

KEY CAPITAL PROJECTS - 2014

Reagan Memorial Tollway (I-88) – \$11 million

- ✓ Reconstruction roadway – Design services
 - East of York Road
- ✓ **Resurfacing – Design services**
 - Illinois Route 251 and U.S. Route 30

Veterans Memorial Tollway (I-355) – \$10 million

- ✓ Resurfacing pavement
 - I-55 to Army Trail Road

Capital Program (continued)

KEY CAPITAL PROJECTS - 2014

Illinois Route 53/120 and other planning studies - \$5 million

Open Road Tolling - \$4 million

- ✓ Toll Revenue Management and Maintenance (TRMMP) Program

Capital Program (continued)

KEY CAPITAL PROJECTS - 2014

Systemwide – \$249 million

- ✓ Bridge improvements
- ✓ Pavement improvements
- ✓ Toll collection
- ✓ Information Technology related improvements
- ✓ Maintenance facilities improvements
- ✓ Program support

2014 “Other” Capital Projects Highlights

KEY CAPITAL PROJECTS - 2014

“Other” capital projects – \$55 million

(\$ millions)

✓ Technology	\$ 19
✓ Program support costs	\$ 17
✓ Roadway vehicle and equipment	\$ 7
✓ Building repairs and maintenance	\$ 6
✓ Intelligent transportation systems	\$ 2
✓ Environmental/research	\$ 1

Debt Service Schedule

Fiscal Year	Principal	Interest	(\$ millions)
			Debt Service
2013	93	204	296
2014	98	236	334
2015	103	250	353
2016	104	245	349
2017	108	240	348
2018	134	235	369
2019	145	228	373
2020	151	222	372
2021	158	214	372
2022	166	206	372
2023	174	198	372
2024	174	188	362
2025	197	181	378
2026	227	172	399
2027	238	162	400
2028	249	152	401
2029	261	141	402
2030	272	130	402
2031	276	121	397
2032	290	106	396
2033	305	89	395
2034	325	71	396
2035	273	53	326
2036	287	39	326
2037	301	24	326
2038	188	9	197

NOTES

- Includes existing debt service plus assumed new money issuance of \$900M during 2014.
- Debt service due January 1 of a given calendar year is included in the prior fiscal year, per the Trust Indenture
- Interest expense does not reflect federal subsidies related Build America Bonds.
- Interest expense includes interest on Series 1998B, 2007A and 2008A estimated at their synthetic fixed rates.





THANK YOU