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# 2012 Tentative Budget

October 19, 2011

# 2012 Budget Schedule

## **October**

- ✓ Tentative Budget presented to Board

## **November**

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

## **December 15**

- ✓ Board votes on Final Budget

# 2012 Tentative Budget Highlights

- **Revenue**

- ✓ Toll increase for passenger vehicles effective January 1, 2012

- **M & O and Capital Program**

- ✓ Impact of Move Illinois Program

- **Operating Reserve**

- ✓ Increase reserve per Board recommendation

- **Priorities**

- ✓ Public safety
- ✓ Customer service
- ✓ Transparency and accountability
- ✓ Green initiatives

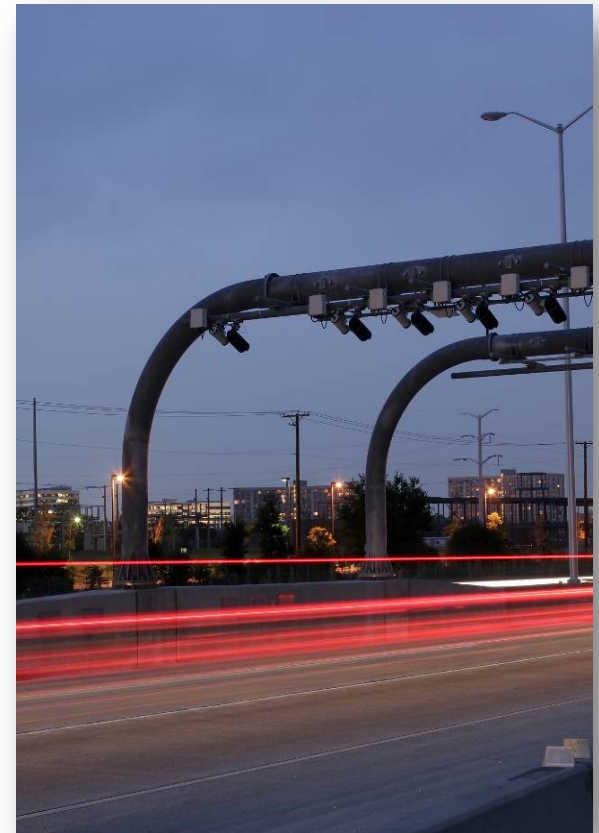
# 2012 Tentative Budget Overview

**Revenue**

**Maintenance and Operations  
Account**

**Renewal and Replacement  
and Improvement Accounts**

**Debt Service Account**



# 2012 Revenue Sources and Allocations

(\$ in Millions)

<u>Sources</u>	<u>FY 2011 Budget</u>	<u>FY 2011 Estimates</u>	<u>FY 2012 Projections</u>
Toll and Evasion Recovery	\$670	\$670	\$963
Investment Income	2	1	1
Concessions and Miscellaneous	8	9	9
<b>Total</b>	<b>\$680</b>	<b>\$680</b>	<b>\$973</b>
<u>Allocations</u>			
Maintenance and Operations	\$255	\$248	\$266
Operating Reserve	0	0	12
Debt Service Transfer	251	244	255
Deposit to Renewal and Replacement and Improvement	174	188	440
<b>Total</b>	<b>\$680</b>	<b>\$680</b>	<b>\$973</b>

# Maintenance and Operations

## 2012 Budget Increases

(\$ in Millions)

<u>Category</u>	<u>2012 \$ Change</u>
■ Bank charges – credit card fees	\$ 5.3
■ SERS pension contribution rate – average 30.7 percent to 34.6 percent	\$ 4.4
■ Customer Call Center, transponder distribution and collections	\$ 2.1
■ Fuels and oils	\$ 0.5

# Maintenance and Operations

## 2012 Budget Reductions

(\$ in Millions)

### Category

### 2012 \$ Change

- **Workers' compensation insurance** **\$( 1.1)**
- **Utilities** **\$( 1.0)**
- **Contracted maintenance service** **\$( 0.5)**

# Maintenance and Operations

## By Category

(\$ in Millions)

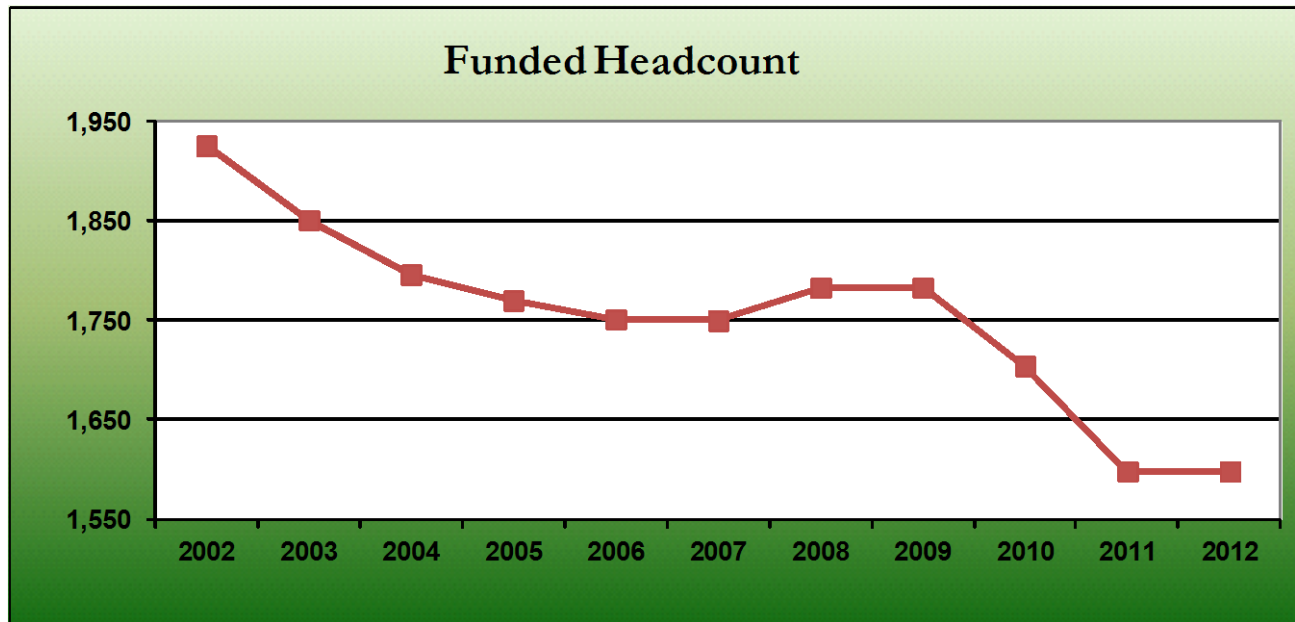
Category	2011 Budget	2012 Budget Request	\$ Change from 2011 Budget	% Change from 2011 Budget
Salary & Wages	\$104.5	\$105.6	\$1.1	1.1%
FICA & Retirement	39.1	43.6	4.5	11.5%
Group Insurance	27.9	27.8	(0.1)	-0.3%
Bank Charges	12.2	17.5	5.3	43.4%
Other Contractual Services	27.0	29.0	2.0	7.4%
Employee Development	0.9	0.9	0.0	0.0%
Utilities	5.1	4.1	(1.0)	-19.6%
Telecommunications	2.3	2.2	(0.1)	-4.3%
Operational Materials & Supplies	8.8	8.9	0.1	1.1%
Parts & Fuels	5.6	6.1	0.5	8.9%
Equipment / Office Rental / Maintenance	13.3	13.0	(0.3)	-2.3%
All Other Insurance	10.7	9.6	(1.1)	-10.3%
Recovery of Expenses	(2.4)	(2.4)	0.0	0.0%
<b>Total M&amp;O Costs</b>	<b>\$255.0</b>	<b>\$266.0</b>	<b>\$11.0</b>	<b>4.3%</b>



# Tollway Headcount

As of 12/31 Each Year

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Funded Positions	1926	1851	1796	1770	1751	1750	1783	1783	1704	1598	1598



# Capital Program Summary

## Capital Program Budget Summary Fiscal Year 2012 (\$ Millions)

	2012 Request
<b>Move Illinois Program</b>	
Existing System Needs	\$214.1
System Expansion	26.8
<b>Move Illinois Program Total</b>	<b>\$240.9</b>
<b>Congestion-Relief Program and "Other" Capital Projects</b>	
Congestion-Relief Program	\$290.6
"Other" Capital Projects*	76.0
<b>Congestion-Relief Program and "Other" Capital Projects</b>	<b>\$366.6</b>
<b>Capital Program Total</b>	<b>\$607.5</b>

\* "Other" Capital Projects Budget includes \$41.3 million new and \$33.7 million carryover. 2012 Request totals \$76 million, of which \$60 million is estimated to be earned in 2012.



# Capital Program

## Jane Addams Memorial (I-90) – \$98.8M

- **Design to reconstruct and widen**
  - ✓ Kennedy Expressway to I-39
- **Advanced work - temporary shoulder widening**
  - ✓ Randall Road to I-39
- **Ramp pavement reconstruction**
  - ✓ U.S. Business 20
- **Roadway rehabilitation**
  - ✓ Illinois Route 53 to Newburg Road

# Capital Program (continued)

## Tri-State Tollway (I-94/I-294/I-80) – \$156.4M

- **Ramp pavement reconstruction**
  - ✓ I-55 to Illinois Route 173
- **Roadway resurfacing and bridge repairs**
  - ✓ 95<sup>th</sup> Street to Balmoral Avenue
- **Roadway resurfacing**
  - ✓ Edens Spur to Half Day Road
- **I-57 Interchange**
  - ✓ Relocate Dixie Creek

# Capital Program (continued)

## Reagan Memorial Tollway (I-88) – \$90.5M

- **Rehabilitate pavement and reconstruct ramps**
  - ✓ Illinois Route 251 to Illinois Route 56
- **Bridge rehabilitation**
  - ✓ Illinois Route 251 to Illinois Route 56
- **Reconstruct and widen**
  - ✓ Illinois Route 56 to Deerpath Road

# Capital Program (continued)

## Veterans Memorial Tollway (I-355) – \$23.7M

- **Resurfacing pavement/collector distributor**
  - ✓ I-55 to Army Trail Road
- **Underpass lighting under the Reagan Memorial Tollway (I-88)**

## System Expansion Needs - \$26.8M

- **Tri-State Tollway (I-294)/ I-57 Interchange**
- **Elgin O'Hare West Bypass**

# Capital Program (continued)

## Systemwide – \$133.3M

- Jane Addams Memorial Tollway (I-90)/Illinois Route 47 Interchange
- Bridge improvements
- Environmental studies
- Pavement improvements
- Maintenance facilities improvements
- Program support

# 2012 “Other” Capital Projects Highlights

(\$ in Millions)

■ Program support costs	\$ 24.3
■ Technology	\$ 17.9
■ Building repairs and maintenance	\$ 11.0
■ Roadway vehicle and equipment	\$ 8.4
■ Intelligent Transportation Systems	\$ 7.9
■ Miscellaneous roadway repairs and maintenance	\$ 4.3



# 2012 Debt Service

- **Outstanding debt \$3.96 billion**
  - ✓ After January 1, 2012 principal payments
  
- **Debt service of \$259.9 million**
  - ✓ \$199.56 million interest expense
    - Includes an estimated \$6.0 million interest on new debt
  - ✓ \$56.37 million principal due January 1, 2012
  - ✓ \$4.00 million contingency for restructuring synthetic fixed rate bonds
  
- **Debt service net of \$16.2 million federal Build America Bonds subsidy is \$243.7 million**
  
- **Estimated net debt service coverage of 1.8x and 2.9x in FY2011 and FY2012, respectively**

# Public Hearing Dates

- **Public Hearing**

- ✓ November 15, 2011 – 6:00 pm
- ✓ Illinois Tollway - Central Administration Building

- **Open House**

- ✓ November 16, 2011 – 3:00 pm – 6:00 pm
- ✓ Chicago Southland Lincoln Oasis

# Appendix

# 2012 Projected Revenue

## Current Toll Rates vs. Increased Toll Rates

	<u>without</u> <u>Toll Increase</u>	<u>with</u> <u>Toll Increase</u>	<u>\$ Change</u>
<b>Toll and Evasion Recovery</b>	\$701	\$973	\$272
<b>Investment Income</b>	1	1	-
<b>Concessions and Miscellaneous</b>	9	9	-
<b>Operating Expenditure</b>	(259)	(266)	(7)
<b>Debt Service</b>	(238)	(244)	(6)
<b>Net Revenue</b>	\$214	\$473	\$259

# Maintenance and Operations

## By Department

(\$ in Thousands)

Department	2011 Budget	2012 Budget Request	\$ Change from 2011 Budget
Administration	\$3,946	\$3,945	(\$0)
Business Systems	44,945	50,845	5,900
Communications	1,338	1,315	(23)
Engineering	61,710	64,925	3,215
Executive Office and Directors	1,587	1,599	12
Finance	42,186	42,139	(47)
Information Technology	9,888	10,548	660
Inspector General	768	768	(0)
Internal Audit	1,015	996	(18)
Legal	1,602	1,614	12
Procurement	3,730	3,952	223
State Police	26,814	27,883	1,069
Toll Operations	55,465	55,448	(17)
<b>Total</b>	<b>\$254,994</b>	<b>\$265,978</b>	<b>\$10,984</b>

# Move Illinois Program

## Move Illinois Program Fiscal Year 2012

(\$ Millions)

	2012 Request
<b>2012 Existing System Needs</b>	
Jane Addams Memorial Tollway (I-90)	\$78.1
Tri-State Tollway (I-94/I-294/I-80)	16.6
Veterans Memorial Tollway (I-355)	18.7
Reagan Memorial Tollway (I-88)	20.3
Systemwide Improvements	80.4
<b>Existing System Needs Total</b>	<b>\$214.1</b>
<b>2012 System Expansion</b>	
I-294/I-57 Interchange	\$11.9
Elgin O'Hare West Bypass	14.9
<b>System Expansion Total</b>	<b>\$26.8</b>
<b>2012 Move Illinois Program Total</b>	<b>\$240.9</b>



# Congestion-Relief Program

## Fiscal Year 2012

(\$ Millions)

	2010 Actual Earned	2011 Estimate Earned	2012 Request
Tri-State Tollway (I-94/I-294/I-80)	\$57.8	\$21.2	\$139.8
Jane Addams Memorial Tollway (I-90)	16.7	72.3	20.7
Reagan Memorial Tollway (I-88)	7.5	6.0	70.2
Veterans Memorial Tollway (I-355)	52.3	6.3	5.0
Open Road Tolling	0.7	4.4	2.0
Systemwide Improvements	50.9	46.3	52.9
<b>Congestion-Relief Program Subtotal</b>	<b>\$185.9</b>	<b>\$156.5</b>	<b>\$290.6</b>
<b>"Other" Capital Projects Subtotal *</b>	<b>37.8</b>	<b>45.8</b>	<b>76.0</b>
<b>CRP and "Other" Capital Projects Total</b>	<b>\$223.7</b>	<b>\$202.3</b>	<b>\$366.6</b>

\* 2012 Request includes \$42.3 million new and \$33.7 million carryover, of which \$60 million estimated to be earned in 2012.

## Awards through September 2011

- **Construction -**  
\$3.9 billion
- **Design,  
Inspection and  
other engineering  
services -**  
\$781.7 million
- **Other costs  
(utilities, ROW,  
misc.) -**  
\$150.7 million

# 2012 Capital Program Fund Balances

(\$ in Millions)

	FY 2011 <u>Estimates</u>	FY 2012 <u>Projections</u>
<b>Beginning Balance</b>	\$301	\$309
<b>Deposit to Renewal and Replacement and Improvement</b>	188	440
<b>Bond Proceeds</b>	0	188
<b>Expenditures*</b>	(181)	(592)
<b>Total</b>	\$309	\$345

\*Expenditures for FY 2011 Estimates reflect cost recoveries to date in 2011 of \$0.2 million for the Renewal and Replacement Account and \$21.5 million for the Improvement Account pursuant to Intergovernmental Agreements.



# Debt Service Schedule

## Estimated Debt Service Schedule

Fiscal Year	Principal	Interest	Debt Service
2012	56,365,000	199,558,831	<b>\$255,923,831</b>
2013	92,855,000	202,458,756	<b>295,313,756</b>
2014	97,795,000	197,518,681	<b>295,313,681</b>
2015	102,910,000	192,315,256	<b>295,225,256</b>
2016	107,850,000	187,472,581	<b>295,322,581</b>
2017	111,315,000	182,547,181	<b>293,862,181</b>
2018	137,785,000	177,029,096	<b>314,814,096</b>
2019	144,640,000	170,125,162	<b>314,765,162</b>
2020	150,695,000	163,777,415	<b>314,472,415</b>
2021	157,980,000	156,249,178	<b>314,229,178</b>
2022	165,615,000	148,352,409	<b>313,967,409</b>
2023	173,660,000	140,083,209	<b>313,743,209</b>
2024	173,605,000	130,411,020	<b>304,016,020</b>
2025	181,350,000	122,656,829	<b>304,006,829</b>
2026	196,565,000	115,107,412	<b>311,672,412</b>
2027	206,045,000	106,071,482	<b>312,116,482</b>
2028	215,850,000	97,683,766	<b>313,533,766</b>
2029	225,550,000	88,819,631	<b>314,369,631</b>
2030	235,295,000	79,501,548	<b>314,796,548</b>
2031	237,545,000	72,368,800	<b>309,913,800</b>
2032	249,790,000	58,843,972	<b>308,633,972</b>
2033	262,665,000	44,626,004	<b>307,291,004</b>
2034	280,000,000	28,382,800	<b>308,382,800</b>
2035	200,000,000	12,000,000	<b>212,000,000</b>
	<b>\$ 4,163,725,000</b>	<b>\$ 3,073,961,019</b>	<b>\$ 7,025,686,019</b>

### NOTES

- Includes existing debt service plus \$200M assumed new money issuance on July 1, 2012.
- 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 net out expected federal subsidies related to the Series 2009A and 2009B Build America Bonds, expected to be 35% of interest due, or \$16.2M in each of FY 2012-2018 and smaller amounts thereafter as principal is amortized.
- Interest expense includes interest on Series 1998B, 2007A and 2008A estimated at their synthetic fixed rates.



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**THANK YOU**