



## Record of Meeting | October 18, 2017

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The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Finance, Administration and Operations Committee Meeting on Wednesday, October 18, 2017 in the Boardroom of 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 / Pledge of Allegiance / Roll Call

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Committee Chair Joe Gomez called the Meeting to order at approximately 9:30 a.m., stating 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.

Committee Chair Gomez 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    |

| Committee Members Not Present: |
|--------------------------------|
| Director Neli Vazquez Rowland  |

The Board Secretary declared a quorum present.

## Public Comment

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Committee Chair Gomez opened the floor for public comment. No public comment was offered.

## Committee Chair’s Items

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Committee Chair Gomez called for a motion to approve **Committee Chair’s Item 1**, the Minutes of the regular Finance, Administration and Operations Committee meeting held on September 20,



2017, as presented. Director Dotson made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for amendment. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

Having no further items, Committee Chair Gomez called on Executive Director Greg Bedalov.

### Executive Director's Items

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**2018 Tentative Budget:** Executive Director Bedalov introduced Mike Colsch, Chief Financial Officer, to present to the Committee the 2018 Tentative Budget. [See attached presentation.](#)

Director Dotson asked if planned increases to the 2018 operating budget are related to technology improvements and expansion of the system. Mr. Colsch responded affirmatively. Executive Director Bedalov clarified that additional tolling points generate increased costs to support customer service and tolling technology.

Committee Chair Gomez inquired of Captain Meeder if the \$34 million allocated for Illinois State Police District 15 adequately supports the work of his department. Captain Meeder responded affirmatively.

Director Dotson asked whether vehicle replacement is a substantial component of the budget allocation for District 15. Captain Meeder responded affirmatively.

Director Dotson inquired about the Tollway's decrease in overall headcount and if staffing levels are adequate. Executive Director Bedalov responded that increased technology capabilities along with strategic planning and agency reorganization are allowing for reduced staffing levels while maintaining a high level of customer service.

**Illinois Route 390 Opening Events:** Executive Director Bedalov invited Directors to attend the October 28<sup>th</sup> Trick, Trot or Roll celebrating the opening of Illinois Route 390, as well as the official ribbon-cutting event on November 1<sup>st</sup>.

### Items for Consideration

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#### Finance

Committee Chair Gomez called on Mike Colsch, Chief Financial Officer, to present to the Committee the following Finance items:



*Item 1: Resolution amending the authority to approve settlements for various insurance programs by revising dollar limit thresholds and delegation of signature authority.*

Committee Chair Gomez asked if the Legal Department has reviewed the changes in thresholds and signature authority. Liz Oplawski, Acting General Counsel, responded affirmatively.

Director Gonzalez asked if the Board will be kept informed regarding settlements no longer requiring their approval. Executive Director Bedalov responded that a monthly update of settlements approved by staff will be provided to Directors.

*Item 2: Approval of the 2018 Tentative Budget.*

Upon conclusion of the presentation of items, Committee Chair Gomez called for a motion to approve placement of **Finance Item 1** on the October Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of these items. Hearing nothing, Committee Chair Gomez called for a vote on the pending motion. The motion was PASSED unanimously.

Committee Chair Gomez then called for a motion to approve placement of **Finance Item 2** on the October Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of these items. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

## Procurement

Committee Chair Gomez called on John Donato, Chief of Procurement, to present to the Committee the following Procurement items:

*Item 1: Award of Contract 17-0159 to Mythics, Inc. for the purchase of Oracle Products, Maintenance, and Support in an amount not to exceed \$3,470,112.56 (Order Against CMS Master Contract).*

*Item 2: Award of Contract 17-0194 to CDW Government LLC for the purchase of Cisco SMARTnet and IronPort Maintenance and Support in an amount not to exceed \$671,993.12 (Order Against CMS Master Contract).*



*Item 3: Award of Contract 17-0191 to CDW Government LLC for the purchase of Citrix Products, Services, Maintenance, and Support in an amount not to exceed \$319,804.92 (Order Against CMS Master Contract).*

*Item 4: Award of Contract 17-0192 to Premier Staffing Source, Inc. and Acro Service Corporation for the purchase of Temporary Staffing Services in an aggregate amount not to exceed \$375,000.00 (Order Against CMS Master Contract).*

*Item 5: Award of Contract 17-0143 to Cargill Salt Div.; Compass Minerals America, Inc.; and Morton Salt, Inc. for the purchase of Bulk Rock Salt in an aggregate amount not to exceed \$2,648,688.00 (Order Against CMS Master Contract).*

Committee Chair Gomez inquired if the Tollway maintains a surplus of rock salt due to the previous winter's mild temperatures. Paul Kovacs, Chief Engineering Officer, responded affirmatively.

Director Gonzalez requested confirmation that the contract includes a commitment to purchase by the agency. Mr. Donato confirmed, clarifying that the Tollway is required to purchase a minimum of 80% of the estimated quantity and has the option to purchase up to 120% of the estimated quantity.

*Item 6: Award of Contract 17-0045 to E.J. Equipment, Inc. for the purchase of Trailer-Mounted Jet-Rodding Machines in an amount not to exceed \$446,467.35 (Tollway Invitation for Bid).*

*Item 7: Renewal of Contract 13-0056 to Independent Recycling Services, Inc. for the purchase of Roadway Sweepings Pickup and Disposal Services in an amount not to exceed \$415,145.10 (Tollway Invitation for Bid).*

Upon conclusion of the presentation of items, Committee Chair Gomez called for a motion to consolidate for consideration and action Procurement Items 1 through 7. Director Brooks made a motion to consolidate; seconded by Director Dotson. Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

The motion to consolidate these items having carried, Committee Chair Gomez called for a motion to approve placement of **Procurement Items 1 through 7** on the October Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of these items. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

## Engineering



Committee Chair Gomez called on Paul Kovacs, Chief Engineering Officer, to present to the Committee the following Engineering items:

*Item 1: Award of Contract I-17-4327 to J.A. Watts, Inc. for Fiber Optic Removal - East, on the Jane Addams Memorial Tollway (I-90), from Milepost 68.2 (IL-53) to Milepost 78.9 (Kennedy Expressway), in the amount of \$1,127,987.37.*

*Item 2: Award of Contract RR-17-4328 to Semper Fi Yard Service, Inc. for Landscape Planting Improvements on the Veteran's Memorial Tollway (I-355) from Milepost 0.0 (I-80) to Milepost 2.65 (Bruce Road), in the amount of \$1,689,804.76.*

Executive Director Bedalov highlighted that this contract is a Small Business Set Aside for which no diversity goals are required; however, the prime vendor is a veteran-owned business.

*Item 3: Award of Contract RR-17-4329 to Allied Landscaping Corporation for Landscape Improvements on the Veteran's Memorial Tollway (I-355) from Milepost 2.65 (Bruce Road) to Milepost 11.45 (Internationale Parkway), in the amount of \$2,079,436.20.*

*Item 4: Acceptance of Proposal from HDR Engineering, Inc., on Contract I-17-4296 for Design Services for Roadway Reconstruction and Widening on the Tri-State Tollway (I-294), from Milepost 17.8 (95th Street) to Milepost 20.7 (LaGrange Road), in an amount not to exceed \$16,010,435.51.*

*Item 5: Acceptance of Proposal from TranSystems Corporation/Hanson Professional Services, Inc., on Contract I-17-4298 for Design Services for Roadway Reconstruction and Widening on the Tri-State Tollway (I-294) from Milepost 24.1 (I-55 Ramps) to Milepost 27.8 (Ogden Avenue), in an amount not to exceed \$23,000,000.00.*

*Item 6: Acceptance of Proposal from Jacobs Engineering Group, Inc., on Contract I-17-4300 for Design Services for Roadway Reconstruction and Widening on the Tri-State Tollway (I-294) from Milepost 30.5 (Roosevelt Road) to Milepost 32.3 (St. Charles Road), in an amount not to exceed \$38,500,000.00.*

*Item 7: Acceptance of Proposal from Bowman, Barrett & Associates Inc./Christopher B. Burke Engineering, Ltd., on Contract I-17-4303 for Design Services for Roadway Reconstruction, Widening and Bridge Rehabilitation on the Tri-State Tollway (I-294) from Milepost 37.8 (O'Hare Oasis) to Milepost 40.0 (Balmoral Avenue), in an amount not to exceed \$6,700,000.00.*

*Item 8: Acceptance of Proposal from Gandhi & Associates, Inc., on Contract I-17-4308 for Design Services for Intelligent Transportation Systems and Lighting Design on the Tri-State Tollway (I-*



294) from Milepost 17.8 (95th Street) to Milepost 40.0 (Balmoral Avenue), in an amount not to exceed \$5,189,000.00.

Item 9: Acceptance of Proposal from Terra Engineering, Ltd., on Contract I-17-4309 for Design Services for Advanced Maintenance Of Traffic on the Tri-State Tollway (I-294) from Milepost 17.8 (95th Street) to Milepost 29.1 (East West Connector), in an amount not to exceed \$580,000.00.

Item 10: Acceptance of Proposal from Peralte-Clark, LLC, on Contract I-17-4310 for Design Services for Advanced Maintenance Of Traffic on the Tri-State Tollway (I-294) from Milepost 29.1 (East West Connector) to Milepost 40.0 (Balmoral Avenue), in an amount not to exceed \$479,820.00.

Item 11: Acceptance of Proposal from HR Green, Inc., on Contract RR-13-4116 for Construction Management Services for Roadway Reconstruction on the Reagan Memorial Tollway (I-88) from Milepost 138.1 (York Road Plaza) to Milepost 140.5 (Eisenhower Expressway I-290), in an amount not to exceed \$5,898,000.00

Item 12: Acceptance of Proposal from WHKS & Co., on Contract MO-17-1239 for Inspection Services for Underwater Inspection and Scour Analysis of Bridge Structures, Systemwide, in an amount not to exceed \$528,869.45.

Committee Chair Gomez requested confirmation that this contract is for as-needed professional services. Mr. Kovacs responded affirmatively, clarifying that biannual inspections are a Federal requirement. He noted that the contract scope includes underwater inspections of 45 bridges and scour analysis of 31 bridges systemwide.

Item 13: Acceptance of Proposal from Infrastructure Engineering, Inc., on Contract I-15-4654 for Supplemental Construction Management Services Upon Request on the Elgin O'Hare Western Access (I-390), in an amount of \$250,000.00 from \$3,000,000.00 to \$3,250,000.00.

Item 14: Acceptance of Proposal from Patrick Engineering, Inc./Civiltech Engineering, Inc./Singh & Associates Inc., on Contract I-12-4041 for Supplemental Design Service for Reconstruction and Widening on the Illinois Route 390 Tollway, from U.S. Route 20 to Illinois Route 83, in an amount of \$1,145,000.00 from \$10,151,314.92 to \$11,296,314.92.

Item 15: Acceptance of Proposal from Stanley Consultants, Inc., on Contract I-13-4622 for Supplemental Design Service for Western Terminal Interchange on the Illinois Route 390 Tollway at Elgin O'Hare Western Access (I-490), in an amount of \$12,951,550.00 from \$22,659,275.00 to \$35,610,825.00.



Committee Chair Gomez inquired about the changes in project scope which would necessitate a supplemental contract. Mr. Kovacs responded that further coordination with the railroads and O'Hare International Airport have resulted in directed changes related to the Western Access Interchange, to include design services for construction of additional ramps and bridges.

Director Dotson complimented staff on the increase in disadvantaged business enterprise (DBE) and veteran participation in Tollway contracts. Mr. Kovacs credited the Board's strong commitment to diversity and inclusion for the successes being achieved. Executive Director Bedalov highlighted that at the last *Move Illinois* Quarterly Meeting, there were 632 new firms, a 5% increase, in the number of new businesses participating in the program, now in its 11<sup>th</sup> year.

*Item 16: Resolution Authorizing Release of Funds for Utility and Fiber Optic Relocation for the Elgin O'Hare Western Access (EOWA), Project I-11-4005.*

*Item 17: Land Acquisition (Identification of Real Estate Parcel associated with the Central Tri-State Tollway). Cost to the Tollway: N/A.*

Upon conclusion of the presentation of items, Committee Chair Gomez stated that without objection, consideration of **Engineering Item 17** will be deferred to the Executive Session of the full Board meeting.

Committee Chairman Gomez then requested a motion to consolidate for consideration and action Engineering Items 1 through 16. Director Brooks made a motion to consolidate; seconded by Director Gonzalez. Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

The motion to consolidate having carried, Committee Chair Gomez called for a motion to approve placement of **Engineering Items 1 through 16** on the October Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Brooks made a motion for approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of these items. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

## Legal

Committee Chair Gomez called on Liz Oplawski, Acting General Counsel, to present to the Committee the following Legal items:

*Item 1: Approval of an Intergovernmental Agreement with the Village of Franklin Park regarding EOWA Land Transfer Agreement. Cost to the Tollway: \$0.*



*Item 2: Approval of a First Addendum Intergovernmental Agreement with the Illinois Department of Central Management Services and the Illinois Department of Innovation and Technology for Enterprise Resource Planning (ERP). Cost to the Tollway: additional \$8,985,764.00*

*Item 3: Authorization to Enter a Workers Compensation Settlement regarding Peter Turcato. Cost to the Tollway: As discussed in Executive Session.*

*Item 4: Authorization to Enter a Litigation Settlement – Rogers Industrial Park, LP. Cost to the Tollway: As discussed in Executive Session.*

Upon conclusion of the presentation of items, Committee Chair Gomez stated that without objection, consideration of **Legal Items 3 and 4** will be deferred until the Executive Session of the October Board of Directors meeting.

Committee Chair Gomez called for a motion to approve placement of **Legal Item 1** on the October Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Director Dotson made a motion for approval; seconded by Director Brooks. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of these items. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

He then called for a motion to approve placement of **Legal Item 2** on the October Board of Directors meeting agenda with the Committee's recommendation for approval by the Board. Committee Director Dotson made a motion to approval; seconded by Director Gonzalez. Committee Chair Gomez asked if there are any questions, concerns or requests for discussion of this item. Hearing nothing, Committee Chair Gomez called for a vote. The motion was PASSED unanimously.

## **Adjournment**

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

The Meeting was adjourned at approximately 10:18 a.m.





**ILLINOIS STATE TOLL HIGHWAY AUTHORITY**

Minutes of the  
**Finance, Administration & Operations Committee Meeting**

Meeting Date  
**October 18**  
2017



*Christi Regnery*

Minutes taken by: \_\_\_\_\_

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority



# 2018 TENTATIVE BUDGET

October 18, 2017

Mike Colsch



# 2018 Budget Schedule

## October

- ✓ Tentative 2018 Budget presented to Board

## November

- ✓ Public review/comment on Tentative 2018 Budget
- ✓ Public comments presented to Board
- ✓ Incorporate changes arising from review process

## December

- ✓ Board votes on Final 2018 Budget

# 2018 Tentative Budget Highlights

## Revenue

- ✓ Steady growth year-over-year

## Maintenance and Operations

- ✓ Modest increase to support increase in traffic and customer service activities
- ✓ Operating costs consistent with financial plan

## Capital Program

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



# 2018 Revenue Sources

(\$ millions)

|   | FY 2017<br>Budget | FY 2017<br>Estimates | FY 2018<br>Projections |
|---|-------------------|----------------------|------------------------|
| <b>Toll Revenues and Evasion Recovery</b>     | \$1,366           | \$1,370              | <b>\$1,430</b>         |
| <b>Investment Income</b>                      | 6                 | 10                   | <b>12</b>              |
| <b>Concessions and Miscellaneous Revenues</b> | 8                 | 10                   | <b>8</b>               |
| <b>Revenues Total</b>                         | <b>\$1,380</b>    | <b>\$1,390</b>       | <b>\$1,450</b>         |

\* CDM Smith's expected toll revenue estimate for fiscal year 2018 totals \$1,454.9 million. The Tollway makes adjustments to reflect toll non-payments, underpayments and evasion recovery.

# 2018 Revenue Allocations

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

(\$ millions)

|   | FY 2017<br>Budget | FY 2017<br>Estimates | FY 2018<br>Projections |
|---|-------------------|----------------------|------------------------|
| Maintenance and Operations                          | \$336             | \$336                | \$353                  |
| Debt Service Transfers                              | 405               | 390                  | 413                    |
| Deposits to Renewal and Replacement and Improvement | 639               | 664                  | 684                    |
| <b>Revenues Total</b>                               | <b>\$1,380</b>    | <b>\$1,390</b>       | <b>\$1,450</b>         |

Maintenance and Operations transfers for fiscal year 2017 estimate may differ due to amounts carried over from prior year.

Note: Numbers may not add to totals due to rounding

Presented by Mike Colsch on October 18, 2017



# 2018 Maintenance and Operations

## *KEY DRIVERS OF OPERATING BUDGET INCREASE OF 4.9 PERCENT*

- ✓ Rise in retirement contributions offset by a decrease in salary and wages due to decreased headcount
- ✓ Increase in credit card fees associated with higher toll revenue
- ✓ Increase in equipment maintenance for toll collection equipment and new back-office software
- ✓ Increase in customer service and consulting costs to support increase in transaction growth and technology

# Focus on the Customer

## The Illinois Tollway serves

- ✓ 1.6 million daily drivers
- ✓ 88 percent of all transactions are I-PASS

## 2018 Operating Budget includes

- ✓ \$87 million for Business Systems to support customer service and tolling technology
- ✓ \$34 million for Illinois State Police to improve safety services
- ✓ \$71 million for Engineering for roadway maintenance, technology and traffic management
- ✓ \$20 million for Information Technology

## Goal: Enhance customers' driving experience





# Maintenance and Operations - 2018 Budget by Category

## INCREASE IN OPERATING COSTS – 4.9 PERCENT FROM 2017

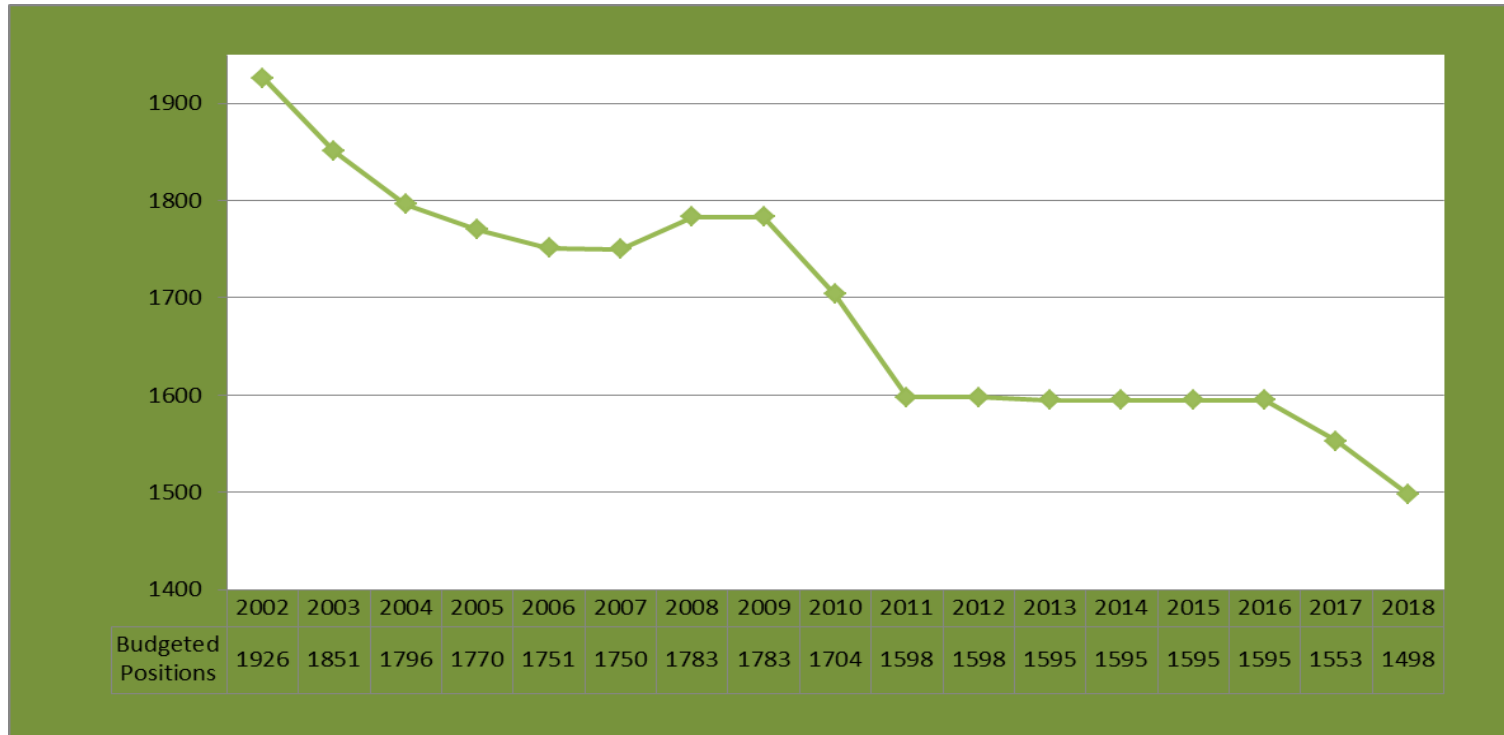
(\$ Million)

| Category                              | 2017<br>Budget | 2018<br>Budget<br>Request | \$ Change<br>from<br>2017 Budget | % Change<br>from<br>2017 Budget |
|---------------------------------------|----------------|---------------------------|----------------------------------|---------------------------------|
| Salary and Wages                      | \$107.5        | \$104.2                   | (\$3.3)                          | -3.1%                           |
| FICA and Retirement                   | 58.6           | 63.0                      | 4.4                              | 7.5%                            |
| Group Insurance                       | 39.1           | 39.8                      | 0.7                              | 1.9%                            |
| All Other Insurance                   | 11.6           | 11.5                      | (0.2)                            | -1.5%                           |
| Credit Card Fees and Bank Charges     | 24.1           | 27.1                      | 3.0                              | 12.4%                           |
| All Other Contractual Services        | 48.8           | 58.4                      | 9.6                              | 19.7%                           |
| Equipment/ Office Rental/ Maintenance | 25.4           | 29.2                      | 3.8                              | 14.9%                           |
| Parts and Fuels                       | 6.7            | 6.0                       | (0.6)                            | -9.7%                           |
| Utilities                             | 8.3            | 8.2                       | (0.1)                            | -0.8%                           |
| Operational Materials and Supplies    | 7.5            | 6.5                       | (1.0)                            | -13.2%                          |
| Other Miscellaneous Expenses          | 0.9            | 1.0                       | 0.1                              | 8.6%                            |
| Recovery of Expenses                  | (2.3)          | (2.3)                     | 0.0                              | -0.4%                           |
| <b>Total M and O Costs</b>            | <b>\$336.3</b> | <b>\$352.8</b>            | <b>\$16.5</b>                    | <b>4.9%</b>                     |



# Tollway Headcount By Year

*HEADCOUNT LOWEST IN MORE THAN 30 YEARS*



# 2018 Debt Service

**\$300 million of additional funding at rates below original plan**

**Outstanding debt at 1/1/2018 is \$6.1 billion**

- ✓ Includes \$300 million new bond issuance planned in 4<sup>th</sup> quarter

**Transfers for debt service estimated at \$413 million**

- ✓ Interest – \$300 million
- ✓ Principal – \$124 million
- ✓ Other – \$5 million (bond-related costs i.e. liquidity, remarketing, etc.)
- ✓ Offset by \$15 million federal Build America Bonds subsidy

**Estimated debt service coverage of 2.6x in 2017 and 2.5x in 2018**



# Capital Program

## *KEY CAPITAL HIGHLIGHTS*

### **Elgin O'Hare Western Access Project**

- ✓ Continued advance work and design for Illinois Route 390 Interchange at the I-490 Tollway
- ✓ Continued design of the I-490 Tollway from I-294 to Franklin Avenue/Green Street
- ✓ Right-of-way purchases and utility relocations

### **Central Tri-State Tollway (I-294)**

- ✓ Design for reconstruction and congestion relief between 95<sup>th</sup> Street and Balmoral Avenue



# Capital Program

## *KEY CAPITAL HIGHLIGHTS*

### **Systemwide Projects**

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

### **Reagan Memorial Tollway (I-88)**

- ✓ Reconstruction between York Road and I-290
- ✓ Infrastructure renewal between Illinois Route 251 and Illinois Route 56

### **Veterans Memorial Tollway ( I-355)**

- ✓ Infrastructure renewal between I-55 and Army Trail Road
- ✓ Widening between Illinois Route 56 and Illinois Route 38



# Capital Program Summary

| (\$ millions)                       | 2017<br>Budget | 2017 Estimated<br>Expenditures | 2018<br>Request  | \$ Change from<br>2017 Estimate |
|-------------------------------------|----------------|--------------------------------|------------------|---------------------------------|
| <b>Existing System Needs</b>        | <b>\$567.5</b> | <b>\$572.2</b>                 | 798.1            | <b>\$225.9</b>                  |
| Jane Addams Memorial Tollway (I-90) | 165.3          | 205.6                          | 24.4             | (181.2)                         |
| Tri-State Tollway (I-94/I-294/I-80) | 56.5           | 63.2                           | 238.1            | 174.9                           |
| Veterans Memorial Tollway (I-355)   | 12.3           | 10.3                           | 35.1             | 24.8                            |
| Reagan Memorial Tollway (I-88)      | 38.4           | 35.4                           | 175.0            | 139.5                           |
| Systemwide Improvements             | 295.0          | 257.6                          | 325.5            | 67.9                            |
| <b>System Expansion</b>             | <b>\$393.8</b> | <b>\$341.9</b>                 | <b>\$385.6</b>   | <b>\$43.8</b>                   |
| Tri-State (I-294)/I-57 Interchange  | 2.1            | 3.9                            | 0.0              | (3.9)                           |
| Elgin O'Hare Western Access Project | 374.5          | 333.0                          | 375.9            | 42.9                            |
| Other Emerging Projects             | 17.3           | 4.9                            | 9.7              | 4.8                             |
| <b>Capital Program Total</b>        | <b>\$961.3</b> | <b>\$914.0</b>                 | <b>\$1,183.7</b> | <b>\$269.7</b>                  |

*Totals may not add due to rounding.*



# Tentative 2018 Budget Summary

## ***CONSISTENT WITH THE LONG-TERM FINANCIAL PLAN***

**Seventh year of *Move Illinois* – total 2018 Capital Program projected to be \$1.18 billion**

- ✓ 40 percent of the *Move Illinois* Program will be complete

**Revenue increase 4.3 percent from 2017 estimate**

**Operating costs increase 4.9 percent from 2017 budget**

**Estimated debt service coverage of 2.5x in 2018**



# Appendix





# Maintenance and Operations- 2018 Budget By Department

(\$ thousands)

| Department                           | 2016<br>Actual<br>Expenditures | 2017<br>Budget   | 2018<br>Budget Request | \$ Change from<br>2017 Budget | % Change from<br>2017 Budget |
|--------------------------------------|--------------------------------|------------------|------------------------|-------------------------------|------------------------------|
| Business Systems                     | \$69,406                       | \$75,690         | \$85,854               | \$10,164                      | 13.4%                        |
| Engineering                          | 70,475                         | 74,371           | 76,018                 | 1,647                         | 2.2%                         |
| Executive Office and Directors       | 1,424                          | 2,126            | 2,283                  | 157                           | 7.4%                         |
| Information Technology               | 14,681                         | 15,786           | 18,682                 | 2,896                         | 18.3%                        |
| Inspector General                    | 920                            | 954              | 954                    | 0                             | 0.0%                         |
| Internal Audit                       | 749                            | 828              | 924                    | 97                            | 11.7%                        |
| Legal                                | 1,450                          | 1,854            | 1,854                  | 0                             | 0.0%                         |
| Office of Enterprise Wide Operations | 67,979                         | 68,393           | 68,798                 | 404                           | 0.6%                         |
| Administration                       | 3,901                          | 4,410            | 4,347                  | -64                           | -1.4%                        |
| Communications                       | 1,407                          | 1,670            | 1,670                  | 0                             | 0.0%                         |
| Diversity and Strategic Development  | 2,119                          | 4,145            | 5,846                  | 1,701                         | 41.0%                        |
| Toll Operations                      | 60,552                         | 58,168           | 56,936                 | -1,233                        | -2.1%                        |
| Office Of Finance                    | 48,910                         | 60,278           | 61,313                 | 1,035                         | 1.7%                         |
| Finance                              | 44,250                         | 55,399           | 56,458                 | 1,059                         | 1.9%                         |
| Procurement                          | 4,660                          | 4,880            | 4,855                  | -24                           | -0.5%                        |
| Planning                             | 2,049                          | 2,264            | 2,375                  | 111                           | 4.9%                         |
| State Police                         | 31,197                         | 33,715           | 33,694                 | -21                           | -0.1%                        |
| <b>Authority Total</b>               | <b>\$309,239</b>               | <b>\$336,261</b> | <b>\$352,750</b>       | <b>\$16,489</b>               | <b>4.9%</b>                  |



# Move Illinois Program Summary

| (\$ millions)                              | 2016<br>Actual<br>Expenditures | 2017<br>Budget | 2017<br>Estimated<br>Expenditures | 2018<br>Request  | \$ Change from<br>2017 Estimate |
|--|--------------------------------|----------------|-----------------------------------|------------------|---------------------------------|
| <b>Existing System Needs</b>               |                                |                |                                   |                  |                                 |
| Jane Addams Memorial Tollway (I-90)        | \$516.1                        | \$162.8        | \$201.6                           | \$24.4           | (\$177.2)                       |
| Tri-State Tollway (I-94/I-294/I-80)        | 39.5                           | 55.2           | 60.0                              | 238.1            | 178.1                           |
| Veterans Memorial Tollway (I-355)          | 1.6                            | 10.9           | 9.1                               | 35.1             | 26.0                            |
| Reagan Memorial Tollway (I-88)             | 4.8                            | 9.4            | 14.8                              | 175.0            | 160.1                           |
| Systemwide Improvements                    | 100.2                          | 283.4          | 238.6                             | 323.5            | 85.0                            |
| <b>Existing System Needs Total</b>         | <b>\$662.2</b>                 | <b>\$521.7</b> | <b>\$524.1</b>                    | <b>\$796.1</b>   | <b>\$272.0</b>                  |
| <b>System Expansion</b>                    |                                |                |                                   |                  |                                 |
| Tri-State Tollway (I-294)/I-57 Interchange | \$1.7                          | \$2.1          | \$3.9                             | \$0.0            | (\$3.9)                         |
| Elgin O'Hare Western Access Project        | 320.8                          | 374.5          | 333.0                             | 375.9            | 42.9                            |
| Other Emerging Projects                    | 0.5                            | 17.3           | 4.9                               | 9.7              | 4.8                             |
| <b>System Expansion Total</b>              | <b>\$323.0</b>                 | <b>\$393.8</b> | <b>\$341.9</b>                    | <b>\$385.6</b>   | <b>\$43.8</b>                   |
| <b>Move Illinois Program Total</b>         | <b>\$985.2</b>                 | <b>\$915.5</b> | <b>\$866.0</b>                    | <b>\$1,181.8</b> | <b>\$315.7</b>                  |

## Notes:

1. 2016 Actual Expenditures reflected cost recoveries of (\$6.1) million pursuant to intergovernmental agreements (IGA). 2017 Estimated Expenditures and 2018 Request do not reflect any IGA reimbursements.

*Totals may not add due to rounding.*



# Congestion-Relief Program Summary

| (\$ millions)                               | 2016<br>Actual<br>Expenditures | 2017<br>Budget | 2017<br>Estimated<br>Expenditures | 2018<br>Request | \$ Change<br>from 2017<br>Estimate |
|---|--------------------------------|----------------|-----------------------------------|-----------------|------------------------------------|
| <b>Congestion-Relief Program (CRP)</b>      |                                |                |                                   |                 |                                    |
| Jane Addams Memorial Tollway (I-90)         | 25.7                           | 2.4            | 4.0                               | -               | (\$4.0)                            |
| Tri-State Tollway (I-94/I-294/I-80)         | (6.9)                          | 1.3            | 3.2                               | -               | (3.2)                              |
| Veterans Memorial Tollway (I-355)           | 6.3                            | 1.4            | 1.2                               | -               | (1.2)                              |
| Reagan Memorial Tollway (I-88)              | 78.7                           | 29.0           | 20.6                              | -               | (20.6)                             |
| Systemwide Improvements                     | 69.8                           | 11.6           | 19.1                              | 2.0             | (17.1)                             |
| <b>Congestion-Relief Program Subtotal</b>   | <b>\$173.6</b>                 | <b>\$45.8</b>  | <b>\$48.0</b>                     | <b>\$2.0</b>    | <b>(\$46.0)</b>                    |
| <b>CRP and Other Capital Projects Total</b> | <b>\$173.6</b>                 | <b>\$45.8</b>  | <b>\$48.0</b>                     | <b>\$2.0</b>    | <b>(\$46.0)</b>                    |

**Notes:**

1. 2016 Actual Expenditures reflected cost recoveries of (\$23.6) million pursuant to intergovernmental agreements (IGA). 2017 Estimated Expenditures and 2018 Request do not reflect any IGA reimbursements.

*Totals may not add due to rounding.*



# Debt Service Schedule

| Fiscal Year | Principal | Interest | Total Debt Service |
|-------------|-----------|----------|--------------------|
| 2017        | 109       | 292      | 401                |
| 2018        | 124       | 307      | 431                |
| 2019        | 130       | 308      | 438                |
| 2020        | 138       | 301      | 439                |
| 2021        | 144       | 295      | 439                |
| 2022        | 151       | 287      | 439                |
| 2023        | 159       | 280      | 438                |
| 2024        | 168       | 271      | 439                |
| 2025        | 189       | 263      | 452                |
| 2026        | 241       | 255      | 496                |
| 2027        | 258       | 244      | 502                |
| 2028        | 269       | 233      | 502                |
| 2029        | 280       | 221      | 501                |
| 2030        | 292       | 209      | 501                |
| 2031        | 302       | 199      | 501                |
| 2032        | 318       | 183      | 501                |
| 2033        | 335       | 167      | 501                |
| 2034        | 354       | 147      | 501                |
| 2035        | 370       | 127      | 497                |
| 2036        | 389       | 108      | 497                |
| 2037        | 409       | 89       | 497                |
| 2038        | 421       | 68       | 489                |
| 2039        | 438       | 47       | 485                |
| 2040        | 304       | 25       | 330                |
| 2041        | 160       | 10       | 170                |
| 2042        | 45        | 2        | 47                 |

Note: Numbers may not add to totals due to rounding

## NOTES:

- ✓ Includes existing debt service plus debt service on (i) \$300 million of new money bonds assumed issued Dec 1, 2017 and (ii) \$300 million of new money bonds assumed issued July 1, 2018.
- ✓ 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. Such costs are currently approximately \$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 synthetic fixed rates on such bonds, incorporating payments on associated interest rate hedge agreements.





THANK YOU

