



# 2014 BUDGET

Published December 2013 Governor Pat Quinn • Chair Paula Wolff • Executive Director Kristi Lafleur





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
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**Illinois State Toll Highway Authority**

**Illinois**

For the Fiscal Year Beginning

**January 1, 2013**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Illinois State Toll Highway Authority for the Annual Budget beginning January 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan and communications device.

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# Executive Letter



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December 13, 2013

To the Honorable Board Chair and Directors:

With Governor Pat Quinn leading the way, the Illinois Tollway is poised to embark upon its biggest year ever as part of the largest capital program in the agency's history and the largest capital program of any toll road agency in the nation.

Through an investment of \$1.4 billion in capital spending in 2014, the Tollway will continue to build upon its accomplishments and deliver on the promised infrastructure improvements for our 1.4 million daily drivers throughout Northern Illinois.

These improvements are essential to our key goals to increase transparency and accountability, enhance customer service, foster environmental responsibility and sustainability, increase collaboration with transportation agencies and promote the regional economy. Our 2014 budget serves as a guide to support the agency's mission to provide safe, efficient travel and superior customer service at every turn.

The capital investments we're making will create thousands of jobs and help stimulate the local and regional economies.

In 2014, we will invest \$1.4 billion in capital projects, including \$1.1 billion to fund the third year of our 15-year, \$12 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future*. We will complete rebuilding and widening of 37 miles of the Jane Addams Memorial Tollway (I-90) between Rockford and the Elgin Toll Plaza, complete the first phase of the Tri-State Tollway (I-294)/I-57 Interchange Project and accelerate work on the Elgin O'Hare Western Access Project.

Other 2014 capital projects include systemwide roadway and bridge repairs, maintenance facility upgrades, as well as toll collection and information technology improvements.

As we implement these critical capital improvement projects in 2014, we remain committed to maintaining a fiscally prudent approach to agencywide spending to ensure that our customers are getting the most value for their toll dollars. We continue to find ways to reduce costs and maximize efficiencies across all Tollway operations even as we make every effort to deliver superior customer service at every turn.

With so many extraordinary projects underway, I am looking forward to 2014 being our most exciting year yet. We enter the third year of *Move Illinois* with a financially sound, balanced budget in place and with a strong commitment to continue providing opportunities for individuals and businesses of all sizes and types to benefit from our historic capital investments. Our dedication to strong fiscal management, principled business practices and excellent customer service will ensure that 2014 is one of the most successful years in Tollway history.

Your efforts on behalf of the Tollway and its customers are greatly appreciated.



Kristi Lafleur  
Executive Director



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# Executive Summary



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The Illinois Tollway's 2014 Tentative Budget outlines a spending plan that will hold the line on annual maintenance and operations costs for the 286-mile system and simultaneously provide for the investment of more than \$1.4 billion in capital spending – the largest amount committed to infrastructure improvements in the agency's history, including the third year of the agency's 15-year, \$12 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future*.

*Move Illinois* will improve mobility, relieve congestion, reduce pollution, create as many as 120,000 jobs and link economies across the Midwest. *Move Illinois* is addressing the remaining needs of the existing Tollway system; rebuilding and widening the Jane Addams Memorial Tollway (I-90) as a state-of-the-art 21st century corridor; constructing a new interchange to connect the Tri-State Tollway (I-294) and I-57; building a new, all-electronic Elgin O'Hare Western Access and funding planning studies for the Illinois Route 53/120 Project.

The 2014 Tentative Budget's overall spending plan includes \$1.4 billion in capital spending and \$295 million in operational costs to fulfill the Tollway's commitment to improving mobility, relieving congestion, reducing pollution, creating jobs and stimulating the local and regional economies. It supports the agency's pledge to provide its customers with outstanding customer service and safe and efficient travel.

The Illinois Tollway remains dedicated to strong fiscal management as it implements the largest capital program of any toll road agency in the nation. In the second year of the *Move Illinois* Program, the Tollway was able to make progress to benefit drivers across Northern Illinois, including completion of the new Illinois Route 47 Interchange Project on the Jane Addams Memorial Tollway (I-90) in Huntley, breaking ground on the \$3.4 billion Elgin O'Hare Western Access Project, and moving forward with the \$2.2 billion I-90 Rebuilding and Widening Project, as well as the Tri-State Tollway (I-294)/I-57 Interchange Project.

While working to build a modern system of roadways capable of serving regional travel demands over the next decade, the Illinois Tollway will invest in other key initiatives and programs needed in 2014, while continuing to be responsible with the agency's finances.

The Tollway has continued efforts to find new ways to minimize costs and maximize operating efficiencies as part of the 2014 Tentative Budget. The following budget efficiencies are estimated to save the Tollway more than \$1.5 million in 2014:

- \$947,000 in reductions to fuel, oil and roadway materials costs
- \$335,000 in savings on roadway equipment and replacement parts
- \$181,000 in savings from reduced mailings
- \$70,000 in reductions to armored truck service costs

These are in addition to the \$14 million of recurring savings in the last four annual budgets. In all, the Tollway has implemented more than \$63 million in one-time or multi-year savings since 2010.

The Illinois Tollway is committed to serving the transportation needs of Northern Illinois and its 1.4 million daily drivers by furthering transparency and accountability, enhancing customer service, fostering environmental responsibility and sustainability, increasing collaboration with transportation and planning agencies and promoting the regional economy. The 2014 Tentative Budget outlines a roadmap for the agency as it continues to work toward these goals.

### **Furthering Transparency and Accountability**

The Tollway continues to find new ways to increase transparency and accountability to its customers and the communities it serves. The 2014 Tentative Budget will provide:

- \$2.5 million of new funds to support the development of an enterprise resource planning system to enable the Tollway to maximize resources and manage its business functions more efficiently and effectively.
- \$1.6 million to complete the Tollway's information technology (IT) infrastructure replacement and implement disaster recovery for core applications to ensure Tollway data and customer accounts are secure.
- \$101,000 to support the Tollway's Web-based project management system, including implementation of electronic bidding to increase opportunities for more firms to do business with the Tollway.

### **Enhancing Customer Service**

The Tollway has continued to identify ways to improve customer service as part of the 2014 Tentative Budget. Examples of new services and enhancements for 2014 include:

- \$21.8 million to purchase new violation enforcement system cameras and I-PASS readers and antennas to support toll collection and enhance customer service.
- \$11.5 million to implement a new back office tolling system, including improvements - customer self-service, smartphone I-PASS account management, text message alerts, automated settlement calculation capability.
- \$200,000 to purchase a state-of-the-art public safety telephone system to receive more information on 911 calls.
- A smartphone tolling pilot program to begin testing the concept of using smartphones to make toll payments.

### **Promoting Economic Growth**

The Tollway is committed to projects and programs that help improve quality of life by saving people time and money, creating jobs and stimulating local economies. The 2014 Tentative Budget includes:

- \$729.2 million for the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project, which will build a 21st century, state-of-the-art corridor linking Rockford to O'Hare International Airport.
- \$282.8 million to continue construction on the Elgin O'Hare Western Access Project – the first all-electronic roadway on the Tollway system providing western access to O'Hare Inter-

national Airport.

- \$85.7 million to complete Phase One construction of the Tri-State Tollway (I-294)/I-57 Interchange, delivering 75 percent of the benefits.
- \$875,000 to expand the Department of Diversity and Strategic Development's workforce and technical assistance programs systemwide.
- Support for ongoing workforce and technical assistance to small businesses to help strengthen the capacity of disadvantaged, minority- and women-owned firms working with the Tollway, as well as expansion of the Business Enterprise Program for goods and services.

### **Increasing Collaboration**

The Tollway continues to work collaboratively with other transportation agencies, communities and organizations – leading, rather than following – and pursue creative partnerships that can help the agency advance its goals. The 2014 Tentative Budget includes:

- \$2.7 million for study led by the Tollway's Blue Ribbon Advisory Council, Lake County and the Chicago Metropolitan Agency for Planning (CMAP) to examine the feasibility of the Illinois Route 53/120 Project with respect to financing and land use.
- \$1.1 million to continue partnerships with universities and research institutions to integrate new technologies and innovation at the Tollway.
- Ongoing collaboration with Pace and the Regional Transportation Authority (RTA) regarding transit opportunities, as well as local communities and regional planning agencies to leverage roadway infrastructure investments.

### **Fostering Environmental Responsibility**

The Tollway is committed to using renewable energy and green technology, as well as adopting research initiatives and best management practices to reduce energy use and costs. In 2014, the Tollway will provide:

- \$470,000 to develop a sustainability plan to meet the requirements of newly enacted state and federal laws, monitor the impact of construction projects and develop plans to address sustainability issues.
- \$324,000 to provide E-85 fuel at all maintenance sites to increase volume used to 120,000 gallons annually as required by the Governor's Executive Order #11 for reducing petroleum use.
- \$200,000 for an energy initiative to achieve Leadership in Engineering and Environmental Design (LEED) certification for the Tollway's Central Administration building.
- Continuation of the Tollway's commitment to use recycled materials – recycled concrete, asphalt and other materials, including roof shingles and tires, steel slag, fly ash and foundry sand as base materials, backfill and in new pavements in all Tollway construction projects.

## 2014 Budget Overview

The Tollway is self-supporting, depending on revenues from operations and proceeds from the issuance of revenue bonds for the expansion, reconstruction and improvement of the Tollway system. The 2014 Budget is a balanced budget in which revenues provide sufficient resources for operating and maintenance expenses, debt service and deposits to the renewal and replacement and improvement accounts as provided in the Trust Indenture.

### Revenue

2014 revenues are projected to increase \$17 million over the current 2013 estimate and \$29 million over the 2013 original budget. The Fiscal Year 2014 Budget allocates \$1,015 million of revenues as follows:

- \$295 million to fund maintenance and operations, an increase of \$12 million, or four percent, above the fiscal year 2013 operating expenses of \$283 million.
- \$334 million for debt service transfers, including a \$26 million projected interest expense on new debt, and approximately \$5 million for the possible restructuring of a portion of the Tollway's synthetic fixed-rate debt and/or variable rate bond interest in excess of related variable rate swap receipts.
- \$386 million for the 2014 Capital Program and capital investments (deposits to Renewal and Replacement and Improvement accounts).

### Maintenance and Operations Budget

The 2014 Operating Budget includes \$295.5 million to fund the ongoing operating costs of the Tollway. This represents an increase of \$12 million or 4.2 percent above the 2013 Budget. The 2014 Maintenance and Operations Budget focuses on the following key priorities:

- Public safety by increasing State Police staffing from 180 Troopers in 2013 to 196 Troopers in 2014. This \$2.7 million initiative will protect both patrons as well as workers in construction zones where reduced speed limits must be enforced.
- An increase of \$3.6 million to further transparency and accountability by funding both an information technology management services initiative as well as the development of an enterprise resource planning system to more efficiently manage multiple business activities including purchasing, accounting, finance, inventory and human resources.
- An increase of \$2.8 million for customer service to support and enhance electronic toll collection and violation enforcement. This includes funding for a new customer call center vendor, increased call rates and minutes, as well as credit card fees to cover additional revenue.
- An increase of \$1.5 million for Tollway insurance: \$0.9 million for employee and District 15

State Police group health; \$0.4 million for workers' compensation insurance; and \$0.2 million for property insurance that includes cyber liability coverage.

### Significant Impacts

The fiscal year 2014 Operating Budget includes \$160.6 million for wages, salaries, payroll taxes and retirement contributions, an increase of 3.8 percent from amounts budgeted in 2013. These costs account for 54.4 percent of the operating budget. Insurance costs total \$40.5 million and account for 13.7 percent of the 2014 Budget. The 2014 Budget allocates \$30.1 million for group health insurance, \$7.8 million for workers' compensation and \$2.7 million for property insurance.

Other major cost categories in the 2014 Operating Budget include outside services at \$26.8 million, an increase of \$2.7 million from the 2013 budget; consulting services at \$11.9 million, an increase of \$2.7 million and telephone and telegraph at \$2.6 million, an increase of \$559 thousand. Additionally, credit card fees at \$16.7 million, an increase of \$155 thousand from the 2013 Budget; equipment maintenance service increased \$278 thousand and contracted maintenance increased \$175 thousand. The 2014 Budget for fuels and oils totaled \$3.8 million, a decrease of \$499 thousand from the 2013 budget; operational materials (mainly roadway salt) are budgeted at \$4.9 million, a decrease of \$448 thousand. In addition, office/equipment rentals decreased by \$335 thousand and replacement parts were reduced by \$263 thousand.

Approximately \$8.4 million has been allocated to the capital programs for personal services (salary/wages, FICA, retirement and group health insurance) for Tollway staff working on the programs.

### **Capital Program**

The Illinois Tollway will invest \$1,435 million in 2014 for projects to repair and rebuild roadways, bridges and interchanges and other capital investments across the 286-mile system, including \$1,136 million to fund the third year of the agency's 15-year, \$12 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future*.

- \$729.2 million for the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project.
- \$282.8 million for work on the Elgin O'Hare Western Access Project, including funds to complete final design for the I-290 Interchange and for work to begin repairing and widening the existing portion of the Elgin O'Hare Expressway.
- \$249.2 million for systemwide pavement and bridge repairs and improvements, maintenance facility upgrades, toll collection and information technology related projects, as well as pro-

gram support activities.

- \$85.7 million to continue work on construction of a new Tri-State Tollway (I-294)/I-57 Interchange.
- \$10.6 million to fund the design of the roadway reconstruction east of York Road and resurfacing between Illinois Route 251 and U.S. Route 30 on the Reagan Memorial Tollway (I-88).
- \$10.1 million to complete pavement resurfacing of the Veterans Memorial Tollway (I-355) from I-55 to Army Trail Road.
- \$5 million for planning studies for the possible extension of Illinois Route 53 north of Lake Cook Road as well as other planning studies.
- \$4 million for the toll collection system.
- \$3.9 million for bridge and ramp repairs on the Tri-State Tollway (I-94/I-294/I-80).

#### Other Capital Projects

Additionally, the 2014 Budget includes the following other capital projects to support ongoing operations of the Tollway:

#### **Building Repairs and Maintenance - \$5.8 Million**

Expenditures of \$3.7 million for systemwide initiatives in 2014 include facility and elevator improvements and rehabilitation, building exhaust and ventilation improvement, roof repair and replacement, building tuck pointing and cubicle furniture purchases. The Tollway anticipates \$1.3 million will be expended for maintenance site projects including the remote storage building, floor and in-ground vehicle hoist replacement and salt dome truck bay enclosure. For 2014, \$670 thousand is allocated for Central Administration building projects including heating, ventilation and cooling (HVAC) control and ductwork improvement, exterior beam painting, ergonomic work station installation for the Illinois State Police District 15 operations room and energy initiative to achieve Leadership in Energy and Environmental Design (LEED) certification. In addition, \$75 thousand will be spent for plaza mold remediation, tunnel leakage repair and façade replacement.

#### **Equipment - \$27.7 Million**

The Tollway anticipates \$18.9 million will be spent in 2014 for technology-related equipment including I-PASS transponders; systemwide phone/voice mail system and software needs; Web/e-commerce, network, mainframe legacy system and intranet improvements; Payment Card Industry Data Security (PCIDS) standards compliance; Tollway network and Toll Revenue Management and Maintenance Program, disaster recovery systems; station battery plant and building security improvement upgrades and other similar programs. The 2014 Capital Budget for equipment also includes \$6.6 million to

replace and purchase new roadway vehicles and equipment.

More than \$1.5 million will be spent for projects related to intelligent transportation systems (ITS) including ITS video migration from analog to digital format, ITS enhancements and upgrades. Approximately \$609 thousand for Illinois State Police District 15 equipment is anticipated to be spent in 2014, including patrol car accessories, speed timing devices, tasers and crash reconstruction stations. In addition, \$120 thousand will be spent for other miscellaneous capital equipment.

### **Professional Services - \$18.3 Million**

The 2014 Capital Budget for professional services includes funding for management services related to maintenance facilities, enterprise resource planning, consulting services related to general and traffic engineering and design/construction management, environmental/governmental and financial services necessary for the implementation of the capital program.

### **Roadway - \$3.2 Million**

The Tollway Capital Budget will fund roadway projects including systemwide pavement markings and roadway signing.

### **Conclusion**

The Tollway's Budget for 2014 commits the largest amount for infrastructure improvements in the agency's history while controlling growth of the agency's operating expenses at just four percent. The Tollway is self-supporting and depends on revenue from toll payers to finance its operations. As a result, the agency is committed to ensuring that its customers' tolls are spent as efficiently and effectively as possible. With a budget that includes \$295 million for maintenance and operations and \$1,435 million for the Capital Program, the Tollway is well-positioned to embark on a historical capital investment program that will enhance mobility and ensure that the region's transportation infrastructure is able to meet the needs of the 21st century.



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# Tollway Organization and Background



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## The Illinois Tollway

The Illinois State Toll Highway Authority was created under the Toll Highway Act (“Act”) as an instrumentality and administrative agency of the State of Illinois to provide for the construction, operation, regulation and maintenance of a system of toll highways within the State of Illinois. Under the Act, on April 1, 1968, the Tollway assumed all the obligations, powers, duties, functions and assets of its predecessor agency, The Illinois State Toll Highway Commission. The Act authorizes the issuance of revenue bonds for the purposes, among others, of financing expansions of the Tollway system and reconstruction of and improvements to the Tollway system and authorizes the issuance of refunding bonds for the purpose of refunding any bonds of the agency then outstanding at maturity or on any redemption date.

The Tollway is empowered to enter into contracts to: acquire, own, use, lease, operate and dispose of personal and real property, including rights-of-way, franchises and easements; establish and amend resolutions, by-laws, rules, regulations and to fix and revise tolls; acquire, construct, relocate, operate, regulate and maintain the Tollway system; exercise the power of eminent domain; and contract for services and supplies, including services and supplies for the various customer service areas on the Tollway system.

### Board of Directors

The Tollway is governed by an 11-member Board of Directors that includes the Governor of Illinois, *ex officio*, and the Secretary of the Illinois Department of Transportation, *ex officio*. Nine directors are appointed by the Governor, with the advice and consent of the Illinois Senate, from the state at large with a goal of maximizing representation from the areas served by the Tollway system. These nine directors are appointed for a term of four years, or in the case of an appointment to fill a vacancy, the unexpired term. No more than five directors may be from the same political party. Of the directors appointed by the Governor, one is appointed by the Governor as chair of the Tollway Board of Directors. The current chair, Paula Wolff, was initially appointed by Governor Pat Quinn as a director and chair of the Tollway Board of Directors on August 13, 2009.

<u>Name</u>	<u>Initial Appointment</u>	<u>Expiration of Current Term</u>
Gov. Pat Quinn, <i>ex officio</i>	N/A	N/A
Transportation Secretary Ann L. Schneider, <i>ex officio</i>	N/A	N/A
Paula Wolff, Chair	August 13, 2009	May 1, 2017
James J. Banks	October 27, 1993	May 1, 2017
Terrence D'Arcy	October 28, 2011	May 1, 2015
Earl Dotson Jr.	June 28, 2013	May 1, 2017
David A. Gonzalez	October 28, 2011	May 1, 2015
Mark W. Peterson	October 28, 2011	May 1, 2015
Jeffrey Redick	October 28, 2011	May 1, 2015
James M. Sweeney	October 28, 2011	May 1, 2017
Tom Weisner	August 13, 2009	May 1, 2015

Exhibit 2

## Organizational Structure

The Tollway's organizational structure consists of 14 departments including Administration, Business Systems, Communications, Diversity and Strategic Development, Engineering, Executive Office and Directors, Finance, Information Technology, Office of the Inspector General, Internal Audit, Legal, Procurement, Illinois State Police District 15 and Toll Operations. The Executive Director manages the day-to-day operations of the Tollway. Tollway department chiefs report to the Executive Director. The commander of Illinois State Police District 15 also reports to the superintendent of the State Police, and the general counsel to the Tollway also reports to the Attorney General of the State of Illinois.

The **Administration** Department is responsible for the development and implementation of administrative policies and procedures and employee compliance therewith.

The Department of **Business Systems** is responsible for overseeing the open road tolling system and collecting toll revenue from toll violators, assessing fines and imposing sanctions. The department's responsibilities include customer service associated with the issuance of I-PASS transponders and toll collection.

The **Communications** Department is responsible for external and internal communications between the Tollway and its constituents, including customers, news media, elected and appointed officials, the general public and employees.

The **Diversity and Strategic Development** Department is responsible for promoting, developing and implementing a comprehensive diversity program on behalf of the Tollway to ensure inclusion and equal opportunity for disadvantaged, minority- and women-owned business enterprises (D/M/WBE) in construction contracting, construction-related consulting and the supply of other goods and services.

The **Engineering** Department is responsible for the design, construction and maintenance of the roadway. It also coordinates with community groups, government agencies and planning organizations on transportation and land use policies.

The **Executive Office and Directors** Department manages Tollway affairs consistent with the Act.

The **Finance** Department is responsible for general accounting, budgeting, treasury functions, financial reporting, accounts payable, revenue toll audit, payroll, risk management and debt management.

The **Information Technology** Department is responsible for planning, directing and controlling information technologies and telecommunications throughout the Tollway.

The **Office of the Inspector General** is responsible for investigating allegations of waste, inefficiencies, fraud, corruption, misconduct and mismanagement in the day-to-day operations of the Tollway.

The **Internal Audit** Department conducts regular independent reviews to evaluate the Tollway's internal control structure and compliance with applicable state and federal laws, regulations, and internal policies and procedures.

The **Legal** Department is a Bureau of the Office of the Attorney General of the State of Illinois and is, by law, the legal advisor and attorney for the Tollway.

The **Procurement** Department is responsible for purchasing and procurement issues and is authorized to execute contracts and place orders for goods and services. Additionally, the Procurement Department is responsible for warehousing all inventory.

**Illinois State Police District 15** is one of 21 districts of the Illinois State Police, responsible for providing comprehensive law enforcement services. The entire Tollway system comprises District 15. State Police patrol the Tollway system to enforce speed limits and traffic laws, assist disabled motorists and provide special details for operations such as overweight vehicle enforcement.

The **Toll Operations** Department is responsible for providing the necessary resources and services to maintain the Tollway's toll operations, as well as managing the collection and counting of tolls. Additionally, it oversees the day-to-day maintenance and upkeep of the Tollway's facilities systemwide.

## **The Tollway System**

The Tollway system presently consists of approximately 286 miles (2,048.9 mainline and ramp lane miles) of limited-access highway in 12 counties in Northern Illinois and is an integral part of the expressway system in Northern Illinois and the U.S. Interstate Highway System.

Since beginning operations in 1958, the Tollway system has served an important role in the development of the Northern Illinois economy. During its initial operation, the Tollway system permitted rapid interstate travel between Northern Illinois, Indiana and Wisconsin. As the suburban areas surrounding Chicago expanded throughout the 1960s and 1970s, the Tollway system evolved into primarily a commuter travel system, serving suburban Chicago and O'Hare International Airport. At the present time, the four routes of the Tollway system (see "Routes") serve, among other areas, suburban Cook County and the Chicago-area collar counties, which together represent one of the fastest-growing areas in Illinois in terms of population and employment.

### **Routes**

The Tollway system is currently made up of four tollways: the Jane Addams Memorial (I-90), the Tri-State (I-94/ I-294/ I-80), the Veterans Memorial (I-355) and the Reagan Memorial (I-88).

The **Jane Addams Memorial Tollway** (I-90), constituting a portion of Interstate 90, is a 76-mile roadway. The Jane Addams Memorial Tollway begins east of the intersection of the Kennedy Expressway from downtown Chicago and the Tri-State Tollway in the vicinity of O'Hare International

Airport and extends to the west, crossing the Fox River just north of Elgin, Illinois. From there, it runs northwesterly to Rockford, Illinois, and then northerly to a point near the Illinois-Wisconsin border, where it feeds into the Wisconsin portion of I-90 leading to Madison, Wisconsin.

The **Tri-State Tollway** (I-80/ I-294/ I-94), constituting portions of Interstates 80, 94 and 294 and including the 5-mile Edens Spur, is an 84-mile beltway around the Chicago metropolitan area. It extends from a point near the Indiana state line where it intersects with the Bishop Ford and the Kingery expressways to a point near the Illinois-Wisconsin border, where it connects with U.S. Route 41 and I-94 from Milwaukee. The Tri-State also connects with the Reagan Memorial Tollway (I-88), the Eisenhower Expressway, the Jane Addams Memorial Tollway (I-90), the Kennedy Expressway (I-90/I-94), and the Stevenson Expressway (I-55). From its southern terminus, the Tri-State Tollway has a direct connection to the Indiana Toll Road via the Kingery Expressway and I-80. The Tri-State Tollway is the most traveled Tollway in the system, accounting for approximately 44 percent of the Tollway system's volume.

The **Veterans Memorial Tollway** (I-355), is a 30-mile highway generally paralleling Illinois Route 53 in DuPage and Will counties between approximately the intersection of Army Trail Road and the I-290 spur in Addison on the north and I-80 near Joliet on the south. The Veterans Memorial Tollway, which opened in December 1989, is the newest addition to the Tollway system and consists of six through lanes along its entire length. On November 12, 2007, a 12.5-mile south extension of the Veterans Memorial Tollway through Will County from I-55 to I-80 opened, increasing the length of the Veterans Memorial Tollway to 30 miles.

The **Reagan Memorial Tollway** (I-88), constituting a portion of I-88, covers 96.5 miles and begins east of the junction of the Tri-State Tollway (I-294) and the Eisenhower Expressway and runs southwest and west, ending at U.S. Route 30 in the Sterling/Rock Falls area. From U.S. Route 30, I-88 is a toll-free facility connecting to I-80 and the Quad Cities.

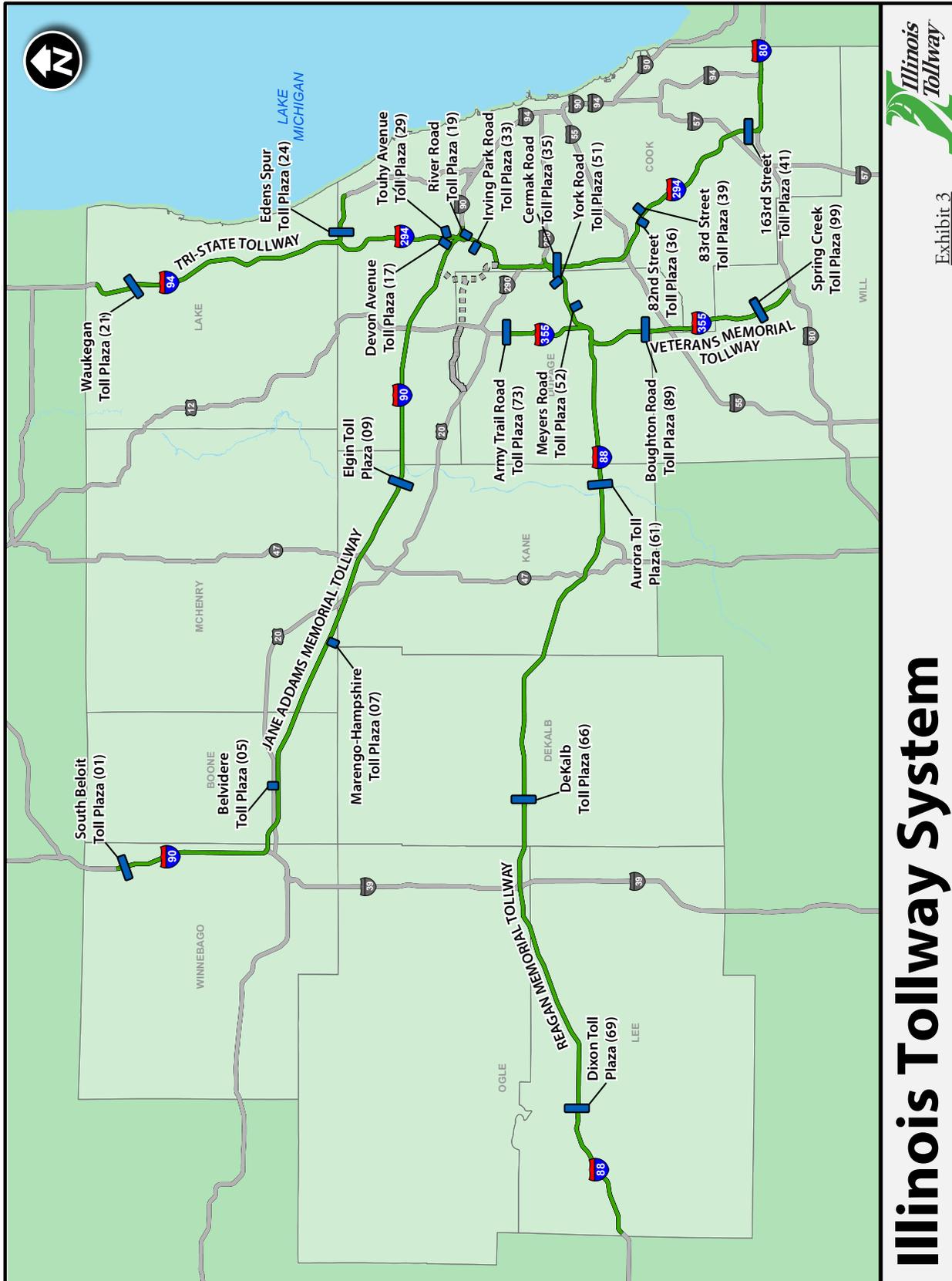


Exhibit 3

# Illinois Tollway System

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# Revenue Sources and Underlying Assumptions

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The Tollway is a non-appropriated agency of the state of Illinois. The Tollway is self-supporting, depending solely on the revenues derived from operations and proceeds from the issuance of revenue bonds to finance expansions of the Tollway system and reconstruction of and improvements to the Tollway system.

## Revenues

For budgetary purposes, the Tollway classifies Revenues into three categories: Toll Revenue and Evasion Recovery, Investment Income and Concessions and Miscellaneous. The revenues generated from toll collection and evasion recovery includes tolls, fines and fees collected through the violation enforcement system. Total revenue for 2014 is projected to total \$1,015 million, an increase of \$29 million, or 2.9 percent, over the fiscal year 2013 budget; or 1.7 percent above the current estimate for 2013. The 2013 Budget for Toll Revenue was estimated at \$934 million. The Tollway's Toll Revenue projection for 2013 is \$937 million and \$959 million for 2014. Of the Tollway's total revenues, toll evasion recovery revenue is expected to generate approximately \$50 million in 2013 and \$46 million in 2014. Income from investments is expected to total \$1 million in 2013 and \$2 million in 2014. Concessions and miscellaneous revenue is expected to generate \$10 million in 2013 and \$8 million in 2014, including \$0.6 million from the H.E.L.P. truck sponsorship program for both 2013 and 2014.

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

Exhibit 4

### Toll Revenue Estimates

Revenues are defined per the Amended and Restated Trust Indenture as (i) all tolls, fees, charges, rents and other income and receipts derived from the operation of the Tollway system, (ii) proceeds of any use and occupancy insurance relating to the Tollway system and of any other insurance that insures against loss of revenues, (iii) investment income from any moneys or securities held in funds, accounts, or sub-accounts established under the Indenture, other than the Construction Fund and (iv) amounts transferred from the Construction Fund to the Revenue Fund and transfers to the Trustee by the Tollway from the System Reserve Account. Revenues exclude state and federal grants and appropriations, loan proceeds, gifts or donations of any kind, transfers, if any, to the Tollway as permitted under any Escrow Agreement and receipts not related to the Tollway's performance of its obligations under the Indenture or to the operations of the Tollway system.

In October of each year, the Tollway's independent traffic engineer, CDM Smith, provides expected toll revenue estimates for the budget process. An estimate is provided for the current year by using actual data for the first nine months and estimates for the last three months of the year. A month-by-month estimate of toll revenue for the following year is also provided. The estimation process combines traffic trend data with a travel demand modeling process that can take into account the effect of changing socioeconomic and network characteristics on Tollway usage levels.

The travel demand modeling process used is similar to that used in the regional transportation planning process employed by the Chicago Metropolitan Agency for Planning in Northeastern Illinois and the Rockford Metropolitan Agency for Planning in the Rockford area. The modeling process takes into account current and future socioeconomic conditions and the characteristics of the transportation network, based on the most current adopted regional plans. The modeling process is specifically adapted to the unique characteristics of the Tollway system. For most highway trips, the path chosen is generally the fastest routing that will get the motorist to the desired destination. On the Tollway system, the additional consideration is the toll cost. Using the Tollway for a portion of the trip involves the motorist trading off the time savings in using the Tollway versus the additional cost of the tolls. The modeling process uses value of time considerations in path selections.

In addition to travel times and toll costs, the modeling process takes into account the physical characteristics of the roadway system, which change over time. For example, after a widening project on the Tollway is completed, the additional lanes add capacity can reduce congestion, and can increase use of the Tollway. The benefits of the additional lanes are accounted for by the travel demand modeling process.

The Tollway's traffic engineer utilizes a general methodology for developing estimates for the upcoming year. Transactions by month by vehicle class for each toll plaza direction for several prior years are entered into a database. This recent trend data coupled with a short-term estimate of economic conditions and other factors such as construction impacts are used to develop base transactions by plaza direction by vehicle type. These base estimates are then adjusted for construction projects (both on and off the Tollway) and roadway changes caused by the availability of additional capacity. The size of these adjustments is determined using the travel demand modeling process as well as the manual adjustment processes previously described.

Once the monthly transaction estimates are finalized, they are converted into expected toll revenue estimates at each plaza by applying the toll rate, vehicle class and payment type to the number of transactions in that category. The revenue estimates for the year are simply the sum of all the monthly revenues by plaza. CDM Smith has estimated expected toll revenue to total \$992.8 million in 2013 and \$1,015.4 million for 2014. Please refer to CDM Smith's Toll Revenue Certificate on Pages 217-234.

### **Adjustments to Toll Revenue Estimates**

The "expected revenues" provided by the Traffic Engineer represent the revenue that would be collected if every vehicle paid the published toll based on vehicle class, time of day and payment type.

The expected revenue does not account for overpayments, underpayments, exemptions, revenue lost due to toll avoidance.

### **Evasion Recovery**

Expected revenues provided by the traffic engineer do not account for the fines collected from violations through the violation enforcement process. Amounts of revenue reported in the Tollway's annual budget, quarterly statements and annual financial reports include proceeds from violation enforcement.

Public Act 94-0636 allows the Tollway to implement a toll violation enforcement system. Over time, the Tollway has created an automated violation enforcement system (VES) to collect violations. Using VES, the Tollway captures images of the license plates of vehicles that pass through lanes without paying the full toll either by I-PASS or cash. This system takes multiple images of vehicles when violations occur. First notices for violators include a \$20 fine and the cash toll for each unpaid toll. The fines increase to \$70 per violation if notices are ignored and can lead to court hearings, suspension of license plates and driver's licenses. Fines are dismissed within appropriate time frames for I-PASS customers that have valid accounts when such customers have received notices due to incorrect account information, transponder problems or other similar problems with the collection and application of the electronic toll.

### **Investment Income**

Investment income represents gains and losses on sales of investments as well as interest income on Tollway funds, I-PASS cash escrow accounts and accounts held by the Bond Trustee.

### **Concessions and Miscellaneous Revenues**

Concessions revenue is generated from the Tollway's oases, where third-party vendors provide fuel, food and other conveniences to users of the Tollway. Miscellaneous income includes revenue from H.E.L.P. truck sponsorships, overweight truck fines, rental and easement income, tower co-location fees, rental income from fiber optic lines, transponder fees, insufficient I-PASS fees, finance charges, scrap material sales and other miscellaneous receipts.



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# Fund Structure

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## Fund and Account Description

The Amended and Restated Trust Indenture (the Indenture), effective March 31, 1999, is an agreement between the Tollway and the Trustee (as fiduciary for bondholders) that pledges the Tollway's net revenues and amounts on deposit in certain funds and accounts to secure payment on the bonds. The Indenture establishes two funds, the Revenue Fund and Construction Fund; all revenues are deposited to the Revenue Fund, and proceeds from the issuance of revenue bonds (other than revenue bonds issued for refinancing purposes) are deposited to the Construction Fund (earnings on the Construction Fund are retained therein). Within the Revenue Fund, the Indenture establishes the following accounts: Maintenance and Operations, Debt Service, Debt Reserve, Renewal and Replacement, Improvement and System Reserve accounts as well as sub-accounts within the Maintenance and Operations and Debt Service Accounts. The Indenture establishes the order and amount of allocation from the Revenue Fund to the various accounts and sub-accounts.

### Revenue Fund

The Tollway must deliver all revenues (other than investment income, unless otherwise directed by the Indenture) within five business days after receipt for deposit in the Revenue Fund. On or before the 20th day of each month, the Treasurer of the State of Illinois, at the direction of the Tollway, will transfer or apply the balance in the Revenue Fund not previously transferred or applied in the following order of priority:

First, to the operating sub-account of the Maintenance and Operations Account;

Second, to the operating reserve sub-account of the Maintenance and Operations Account;

Third, to the interest sub-account and redemption sub-account of the Debt Service Account, in that order of priority, for deposits relating to the senior bonds;

Fourth, to the provider payment sub-account of the Debt Service Account to pay costs of credit enhancement or qualified hedge agreements for senior bonds or to reimburse providers of credit enhancement or qualified hedge agreements for senior bonds for payments of principal or interest made by such providers and fees of such providers and to make termination payments then due and owing with respect to any such credit enhancement or qualified hedge agreements outstanding prior to the effective date of the Seventh Supplemental Indenture (June 22, 2005), which contained an amendment establishing the Termination Account (but no such deposit for any termination payment for a qualified hedge agreement shall be made if there is any deficiency in the Debt Reserve Account);

Fifth, to the Debt Reserve Account;

Sixth, to any Junior Bond Debt Service Account or any Junior Bond Debt Reserve Account;

Seventh, to the Termination Payment Account to pay termination payments then due and owing with respect to credit enhancement and qualified hedge agreements executed and delivered on or after the effective date of the amendment establishing the Termination Payment Account (June 22, 2005);

Eighth, to the Renewal and Replacement Account;

Ninth, to the Improvement Account; and

Tenth, the balance of such amounts in the Revenue Fund, to the System Reserve Account.

# Overview of Flow of Funds

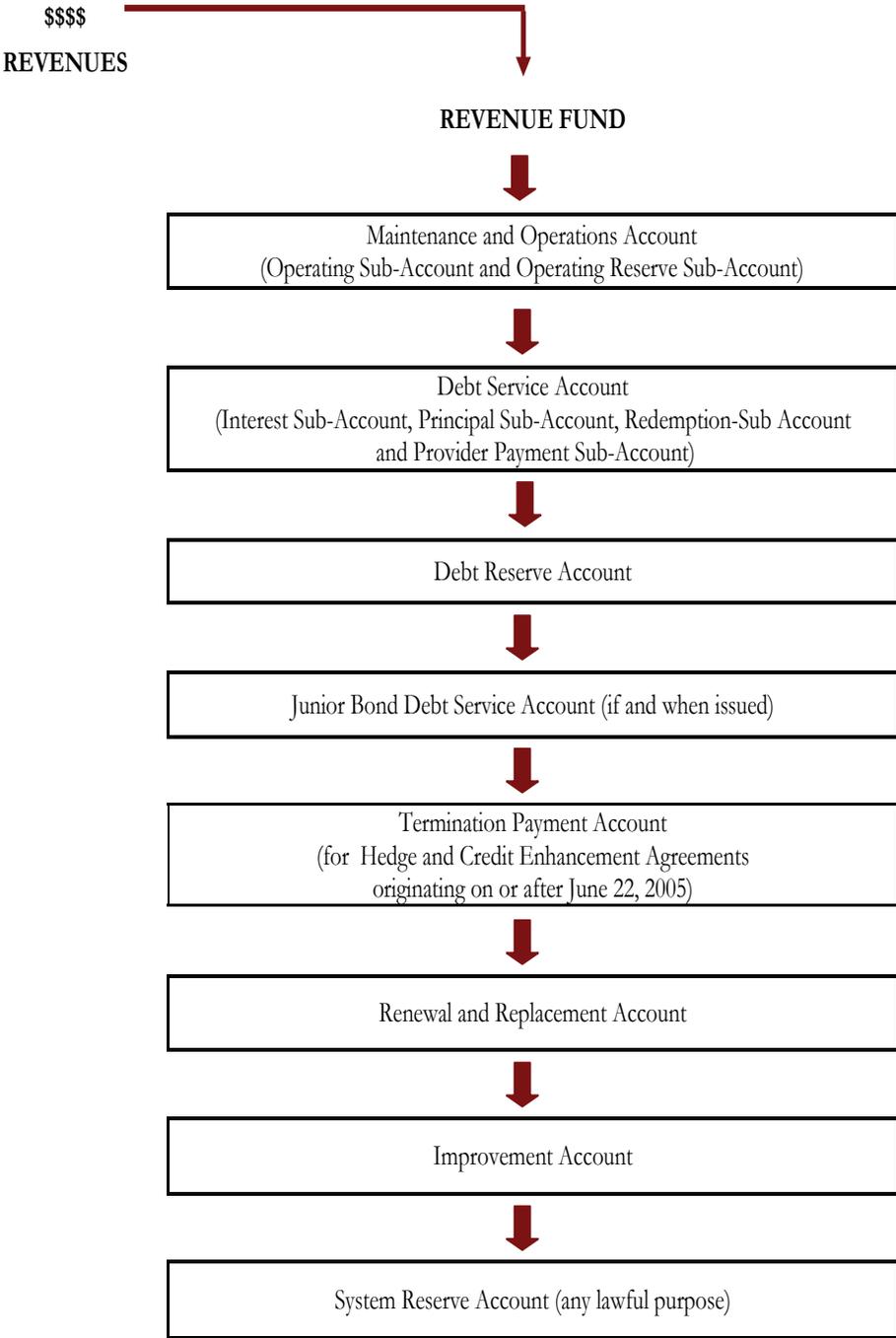


Exhibit 5

**Maintenance and Operations Account**

The Maintenance and Operations Account consists of the Operating Sub-account and the Operating Reserve Sub-account. Monies in the Operating Sub-account are applied to operating expenses at the direction of the Tollway.

Revenues are transferred to the Operating Sub-account to cover the expenses set forth in the annual budget for the current fiscal year. One-twelfth of the operating expenses outlined in the annual budget are transferred to this account once a month.

The Operating Reserve Sub-account receives or retains an amount not to exceed 30 percent of the amount budgeted for operating expenses in the annual budget for the current fiscal year. Monies in the Operating Reserve Sub-account are held as a reserve for the payment of operating expenses and are to be withdrawn if monies are not available to the credit of the Operating Sub-account to pay operating expenses.

If the Tollway determines that the amount in the Operating Reserve Sub-account exceeds the amount necessary, the excess will be withdrawn from such Sub-account and applied as revenues.

**Debt Service Account, Debt Reserve Account and Termination Payment Account**

The Debt Service Account consists of the Interest Sub-account, the Principal Sub-account, the Redemption Sub-account, and the Provider Payment Sub-account to be held by the trustee.

Revenues are required to be deposited to cover the interest, principal and sinking fund installment amounts due and unpaid for bonds and the costs and reimbursements (and termination payments for agreements executed before June 22, 2005) of providers of credit enhancement or qualified hedge agreements.

Revenues must also be deposited to the credit of the Debt Reserve Account, in an amount sufficient to cause the balance in it to equal the Debt Reserve requirement (maximum annual debt service) and to make any required reimbursement to providers of Debt Reserve Account Credit Facilities.

The Termination Payment Account was established in the Seventh Supplemental Indenture (June 22, 2005) to pay termination payments due to any providers of credit enhancement and qualified hedge agreements executed on or after June 22, 2005.

**Renewal and Replacement Account**

Revenues must be credited to the Renewal and Replacement Account in an amount set forth in the annual budget. This amount is determined based on recommendations of the consulting engineer. Additional funds can be transferred to this account by the Tollway, based on the capital program expenditures.

**Improvement Account**

At the direction of the Tollway, amounts are then applied to the Improvement Account for allocation

to Improvement projects until the balance in the Account is equal to the Improvement Requirement.

**System Reserve Account**

The balance in the Revenue Fund is deposited to the credit of the System Reserve Account to provide for deficiencies in any other account or sub-account. If all accounts have sufficient funds, System Reserve Account funds can be used to pay off debt, fund construction projects, make improvements or for any other lawful Tollway purpose.

**Construction Fund**

The Construction Fund is held as a separate segregated fund. The Construction Fund receives funds from the sale of bonds and the investment of such bond proceeds. No toll revenues are deposited in this fund. The treasurer may deposit any such separate, segregated accounts within the Construction Fund with the trustee, pursuant to the provisions of a Supplemental Indenture.

**Fiscal Year 2012 - 2014**  
**Statement of Revenues/Expenditures/Transfers and**  
**Changes in Accounts and Fund Balances**

(\$ millions)

ACCOUNTS/ FUNDS	2012 Actual	2013 Estimate	2014 Budget	2014 to 2013 % Change
<b><u>Maintenance and Operations Account</u></b>				
Beginning Balance	\$26.0	\$41.9	\$27.4	
Transfer from Revenue Fund to Operating Sub-Account	258.5	269.0	295.5	
Transfer from Revenue Fund to Operating Reserve Sub-Account	10.4	0.0	0.0	
Expenditures	(253.1)	(283.4)	(295.5)	
<b>Ending Balance</b>	<b>\$41.9</b>	<b>\$27.4</b>	<b>\$27.4</b>	<b>0.0%</b>
<b><u>Debt Service Account (1)</u></b>				
Beginning Balance	\$96.0	\$102.6	\$139.2	
Transfer from Revenue Fund (2)	242.3	294.6	333.9	
Federal Subsidy for Build America Bonds	16.2	15.5	15.1	
Bonds Retired	(53.0)	(56.4)	(92.9)	
Interest Expense	(193.9)	(204.9)	(241.2)	
Other Financing Costs (6)	(5.1)	(12.1)	0.6	
<b>Ending Balance</b>	<b>\$102.6</b>	<b>\$139.2</b>	<b>\$154.7</b>	<b>11.1%</b>
<b><u>Renewal and Replacement Account</u></b>				
Beginning Balance	\$228.6	\$309.3	\$332.9	
Transfer from Revenue Fund (2)	300.7	200.0	200.0	
Expenditures (3)	(220.0)	(176.4)	(333.3)	
<b>Ending Balance</b>	<b>\$309.3</b>	<b>\$332.9</b>	<b>\$199.6</b>	<b>-40.0%</b>
<b><u>Improvement Account</u></b>				
Beginning Balance	\$137.3	\$169.0	\$170.1	
Transfer from Revenue Fund (2)	163.3	234.5	185.7	
Transfer from Construction Fund	0.0	300.0	908.0	
Reallocation of prior year fund balance (4)	0.0	0.0	0.0	
Expenditures (3)	(131.5)	(533.4)	(1,102.1)	
<b>Ending Balance</b>	<b>\$169.0</b>	<b>\$170.1</b>	<b>\$161.7</b>	<b>-4.9%</b>
<b><u>Construction Fund</u></b>				
Beginning Balance	\$0.0	\$0.0	\$223.0	
Bond Proceeds (5)	0.0	523.0	835.0	
Investment Income	0.0	0.0	0.0	
Transfers to Improvement Account	0.0	(300.0)	(908.0)	
<b>Ending Balance</b>	<b>\$0.0</b>	<b>\$223.0</b>	<b>\$150.0</b>	<b>-32.7%</b>

- (1) Balances in the Debt Service Account include \$19.4 million for optional swap termination payments. This amount can be designated for other purposes by the Board.
- (2) Includes Allocation of interest income.
- (3) 2012 expenditures reflected cost recoveries of \$21 million for the Improvement Account and \$25 thousand for the Renewal and Replacement Account pursuant to inter-governmental agreements (IGA), and 2013 estimated expenditures are net of IGA reimbursements of \$8.3 million for the Improvement Account and \$947 thousand for the Renewal and Replacement Account. 2014 Budgeted Expenditures do not reflect any IGA reimbursements.
- (4) Reallocation to the Revenue Fund for prior year activity. Please see Page 39 for description of Revenue Fund.
- (5) Bond Proceeds are net of underwriters discount, issuance costs and Debt Service Reserve deposits.
- (6) Other Financing Costs include bond-related costs and accounting adjustments.
- Totals may not add due to rounding.*

Exhibit 6

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# Budget Summaries

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### Fiscal Year 2014 Budgeted Revenues and Expenditures

The Tollway is a self-supporting entity depending solely on the revenue stream derived from Tollway operations for its support. Unlike other State of Illinois agencies whose budgets are appropriated and approved by the state legislature, the Tollway receives no appropriations from the State of Illinois and the annual budget is approved by the Tollway Board of Directors.

#### **Revenues**

Toll Revenue and Evasion Recovery	\$1,005 million	Collections via cash, I-PASS or recovery of violation payments
Concessions	\$2 million	Oases, fuel, food and retail sales
Investment Income	\$2 million	Interest income on Tollway funds and I-PASS cash escrow accounts
Miscellaneous	\$6 million	Revenue from overweight trucks, fines, rental of assets for fiber optics, license fees, etc.
<b>Total Current Revenues</b>	<b>\$1,015 million</b>	

#### **Operating Expenses**

Maintenance and Operations	\$295 million	Related to toll collections, roadway maintenance, traffic control, safety, insurance and administration
Debt Service	\$334 million	Principal and interest payments on outstanding debt
<b>Total Operating and Debt Service Expenditures</b>	<b>\$629 million</b>	

**Capital Program Expenditures**    **\$1,435 million**                      Capital expenditures for systemwide maintenance, reconstruction and expansion

Capital program costs are funded through allocations of current revenue, monies on deposit in the Renewal and Replacement Account and the Improvement Account, and proceeds from the sale of bonds.

Exhibit 7

**Sources of Revenue  
FY 2013 - FY 2014**

(\$ millions)

	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
<b>Revenue Total</b>	<b>\$986</b>	<b>\$998</b>	<b>\$1,015</b>

Exhibit 8

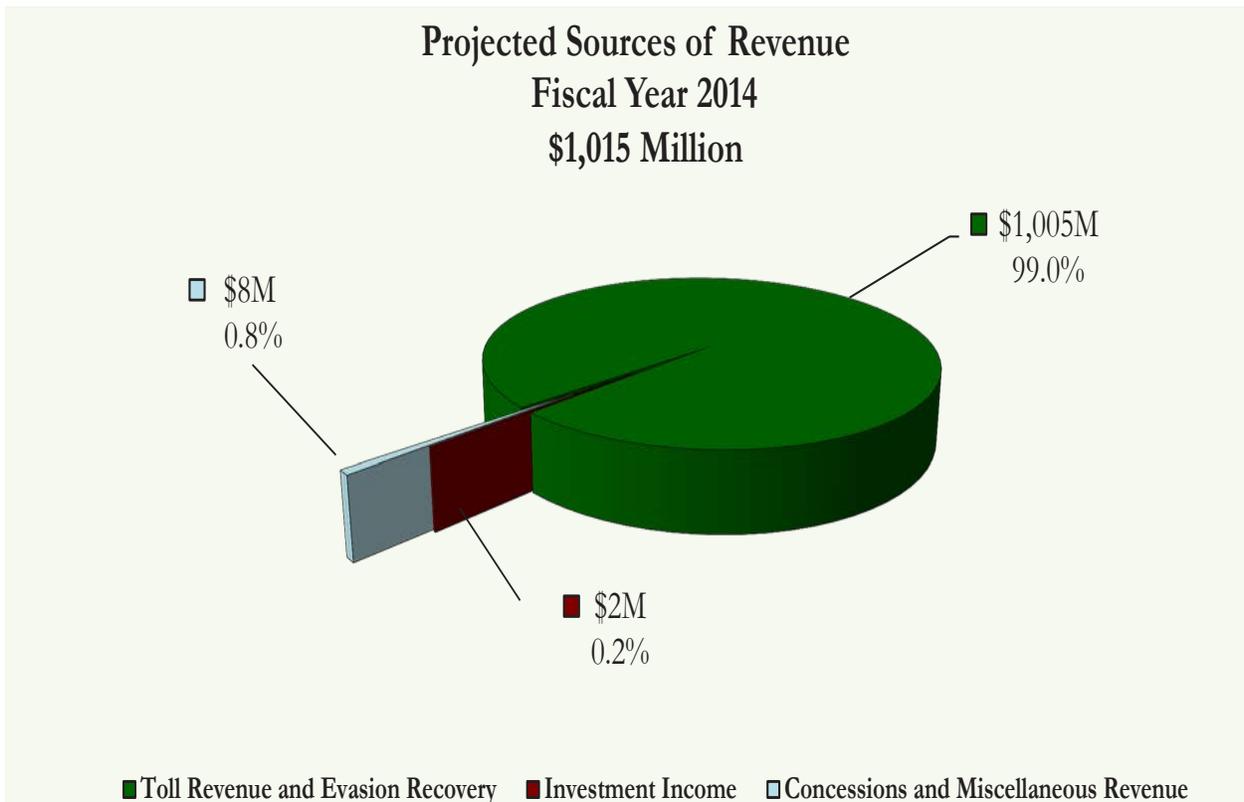


Exhibit 9

**Allocations of Revenue  
FY 2013 - FY 2014**

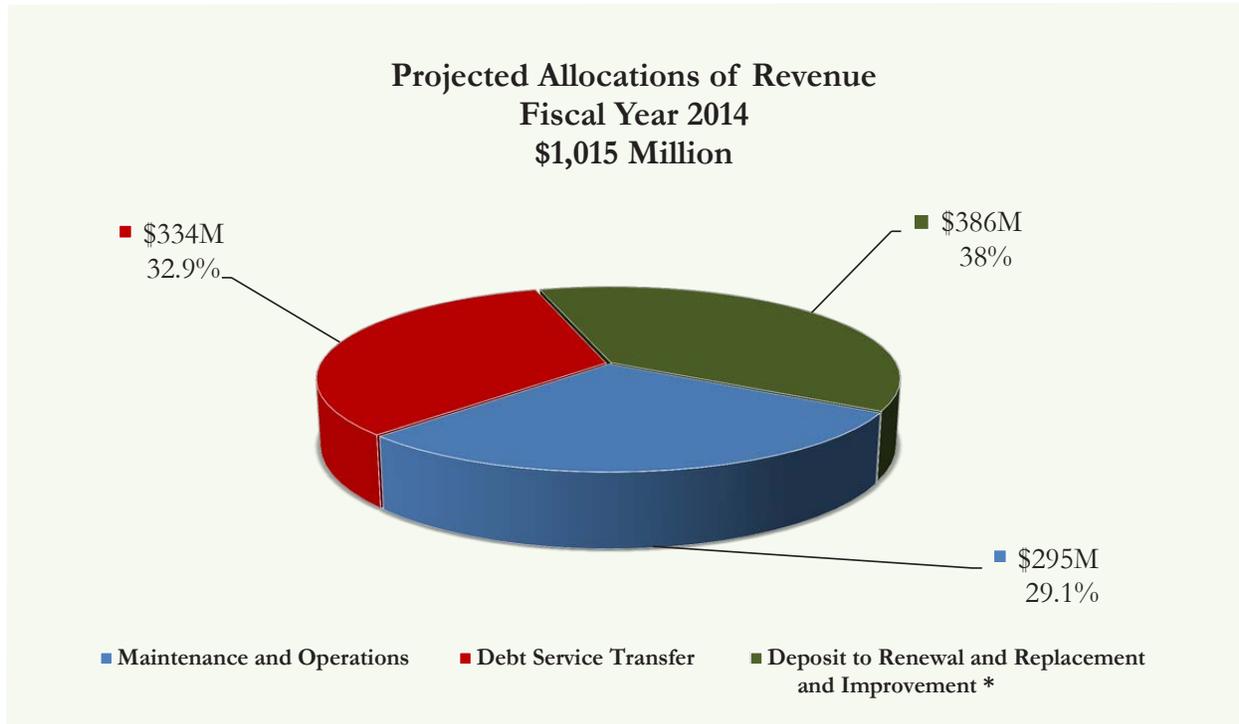
(\$ millions)

	FY 2013 Budget	FY 2013 Estimates	FY 2014 Projections
Maintenance and Operations	\$283	\$269	\$295
Debt Service Transfer	317	295	334
Deposit to Renewal and Replacement and Improvement *	386	435	386
<b>Allocation Total</b>	<b>\$986</b>	<b>\$998</b>	<b>\$1,015</b>

\*Renewal and Replacement and Improvement are Capital accounts used for preservation, rehabilitation, construction, reconstruct or extension of the system and investment in equipment.

Totals may not add due to rounding.

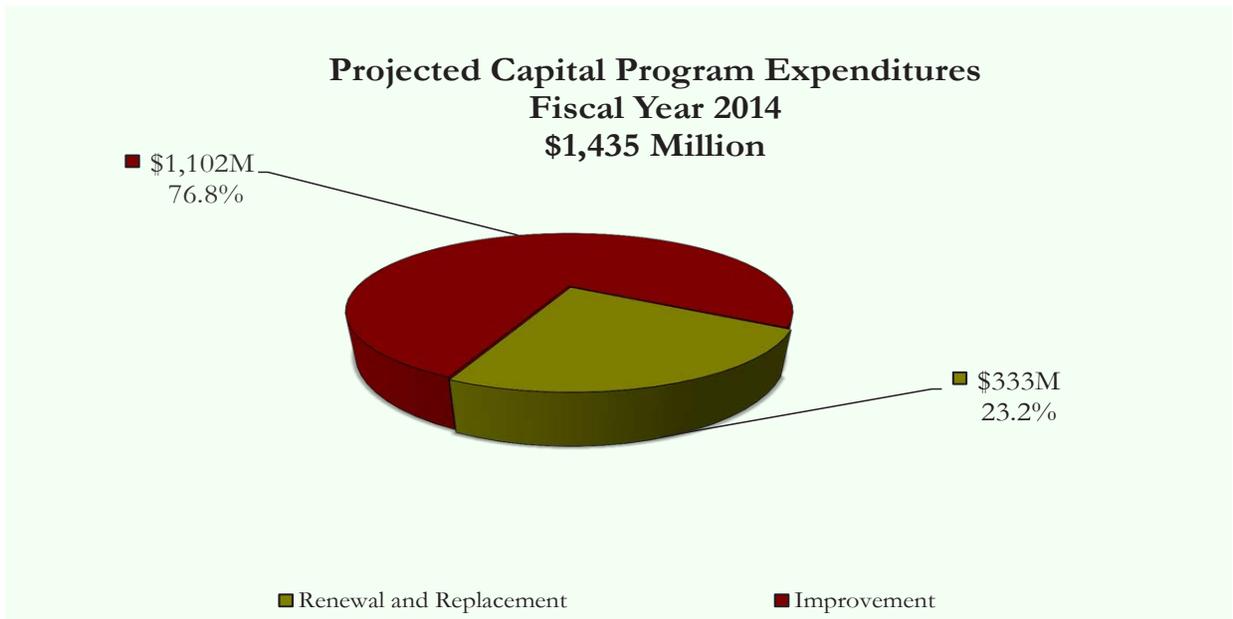
Exhibit 10



\*Renewal and Replacement and Improvement are Capital accounts used for preservation, rehabilitation, construction, reconstruct or extension of the system and investment in equipment.

Totals may not add due to rounding.

Exhibit 11



Capital Program costs are funded through allocations of current revenue, monies on deposit in the Renewal and Replacement Account and the Improvement Account, and proceeds from the sale of bonds.

Exhibit 12

## FY 2014 Requested Headcount

Department	2011 Budget	2012 Budget	2013 Budget	2014 Request	Change From 2013 Budget
Administration	33	36	36	36	-
Business Systems	66	63	63	63	-
Communications	11	11	11	11	-
Diversity and Strategic Development	5	6	6	6	-
Engineering	571	591	605	605	-
Executive Office and Directors	7	7	7	7	-
Finance	53	53	54	55	1
Information Technology	68	70	70	68	(2)
Inspector General	6	6	6	6	-
Internal Audit	6	6	6	7	1
Legal	12	12	12	12	-
Procurement	55	52	54	54	-
State Police	19	19	19	19	-
Toll Operations	686	666	646	646	-
<b>Total Headcount</b>	<b>1,598</b>	<b>1,598</b>	<b>1,595</b>	<b>1,595</b>	<b>-</b>

Exhibit 13

### Headcount Summary

- Finance is adding one position in accounts payable.
- Information Technology is adding two positions in the enterprise resource planning area and eliminating four vacancies in other IT areas.
- Internal Audit is adding one position for the construction auditing area.

## FY2014 Maintenance and Operations Budget

### By Category

(\$ Thousands)

Category	2012 Actual Expenditures	2013 Budget	2014 Budget Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Salary and Wages	\$101,645	\$106,184	\$108,977	\$2,793	2.6%
FICA and Retirement	43,570	48,521	51,615	3,094	6.4%
Group Insurance	27,601	29,190	30,058	868	3.0%
Contractual Services	42,708	54,376	59,986	5,610	10.3%
Professional Development	784	1,013	1,079	65	6.5%
Utilities	6,153	5,391	5,950	559	10.4%
Operational Materials and Supplies	5,835	8,297	7,536	(761)	-9.2%
Parts and Fuels	6,604	7,247	6,492	(755)	-10.4%
Equipment / Office Rental / Maintenance	12,419	15,748	15,691	(57)	-0.4%
All Other Insurance	7,845	9,882	10,483	601	6.1%
Recovery of Expenses	(2,105)	(2,431)	(2,411)	20	-0.8%
<b>Total</b>	<b>\$253,059</b>	<b>\$283,418</b>	<b>\$295,456</b>	<b>\$12,038</b>	<b>4.2%</b>

Totals may not add due to rounding.

Exhibit 14

## FY 2014 Maintenance and Operations Budget

### By Major Account

Major Account Description	2012	2013	2014	\$ Change	% Change
	Actual		Budget	Request	from
	Expenditures	Budget		2013 Budget	2013 Budget
Salaries and Wages	\$101,644,882	\$106,184,294	\$108,977,130	\$2,792,836	2.6%
FICA	6,651,653	7,040,900	7,138,903	98,003	1.4%
Retirement	36,918,488	41,479,821	44,475,746	2,995,925	7.2%
<b>Total Payroll Costs</b>	<b>\$145,215,023</b>	<b>\$154,705,015</b>	<b>\$160,591,779</b>	<b>\$5,886,764</b>	<b>3.8%</b>
Employee Group Insurance	27,600,963	29,190,000	30,058,400	868,400	3.0%
Outside Services	20,294,799	24,081,827	26,778,080	2,696,253	11.2%
Bank Charges	15,288,110	16,520,000	16,675,000	155,000	0.9%
Office Equipment - Maintenance	11,960,804	14,829,368	15,107,675	278,307	1.9%
Consulting Services	3,813,656	9,203,800	11,857,000	2,653,200	28.8%
Workers' Compensation Insurance	6,030,193	7,425,000	7,825,000	400,000	5.4%
Materials - Operational	3,788,392	5,391,278	4,943,550	(447,728)	-8.3%
Contracted Maintenance Service	2,913,462	3,886,202	4,061,500	175,298	4.5%
Fuels and Oils	4,453,967	4,305,058	3,806,058	(499,000)	-11.6%
Utilities and RRandI Relocate	3,639,779	3,301,000	3,301,000	-	0.0%
Property Insurance	1,814,901	2,457,000	2,657,500	200,500	8.2%
Telephone and Telegraph	2,513,227	2,089,735	2,649,085	559,350	26.8%
Replacement Parts	2,030,411	2,820,220	2,557,100	(263,120)	-9.3%
Supplies - Operational	656,024	1,096,300	1,057,550	(38,750)	-3.5%
Office/Equipment Rentals	457,827	918,450	583,530	(334,920)	-36.5%
Postage and Express	842,428	731,006	550,375	(180,631)	-24.7%
Supplies - Office	401,035	579,990	545,910	(34,080)	-5.9%
Uniforms and Accessories	363,698	381,480	436,000	54,520	14.3%
Dues, Books and Subscriptions	220,452	250,325	237,200	(13,125)	-5.2%
Employee Training	85,283	215,011	229,480	14,469	6.7%
Armored Truck Service	184,358	270,000	200,000	(70,000)	-25.9%
Travel and Subsistence	114,585	166,400	176,020	9,620	5.8%
Tools and Equipment	120,022	121,950	129,150	7,200	5.9%
Bond Trustee	23,871	125,000	125,000	-	0.0%
Employment Medical Expense	100,052	115,000	115,000	-	0.0%
Building Equipment	62,662	71,335	93,820	22,485	31.5%
Printing and Publications	39,836	88,225	91,652	3,427	3.9%
Roadway Equipment	69,246	161,839	90,080	(71,759)	-44.3%
Advertising and Promotion	50,170	86,172	82,672	(3,500)	-4.1%
Police Capital Equipment	14,872	81,355	81,355	-	0.0%
Office Equipment	(73,748)	83,600	73,975	(9,625)	-11.5%
Other Expenses	59,372	42,100	49,700	7,600	18.1%
Other Capital Equipment	14,787	52,450	45,500	(6,950)	-13.3%
Other Minor Accounts	-	5,500	4,000	(1,500)	-27.3%
Recovery of Expenses	(2,105,323)	(2,431,000)	(2,411,000)	20,000	0.8%
<b>Total Non-Payroll Costs</b>	<b>107,844,173</b>	<b>\$128,712,976</b>	<b>\$134,863,917</b>	<b>\$6,150,941</b>	<b>4.8%</b>
<b>Total Costs</b>	<b>\$253,059,196</b>	<b>\$283,417,991</b>	<b>\$295,455,696</b>	<b>\$12,037,705</b>	<b>4.2%</b>

Exhibit 15

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## Maintenance and Operations Accounts

For fiscal year 2014, Retirement increased by \$2,995,925 due to increases in the State Employees Retirement System (SERS) pension contribution rate and an increase in salaries and wages subject to pension contributions.

The Tollway's 2014 Tentative Budget included an estimated employer contribution rate of 41.31 percent for the second half of 2014 (July 1, 2014 through December 31, 2014). After the 2014 Tentative Budget was published in October, the SERS Board of Trustees released the certified rate at 42.34 percent for that same period. However, the 2014 Final Budget will be able to accommodate this increase through budget transfers that will not affect the bottom line.

Salaries and Wages increased by \$2,792,836 due to salary and annual wage adjustments required by current collective bargaining agreements along with the addition of 16 State Trooper positions and the phasing of departmental vacancies.

Outside Services increased by \$2,696,253 in two areas: Business Systems due to increased call rates per minute with the new customer call center vendor, increased call minutes and additional state license plate jurisdictions; secondly, in Diversity for the funding of two technical training programs, an inter-governmental agreement with the Illinois Community College Board as well as the Department of Commerce and Economic Opportunity.

Consulting Services increased by \$2,653,200 due to two initiatives: the development of an enterprise resource planning system to more efficiently manage multiple business activities including purchasing, accounting, financial, inventory and human resources management; and the initiation of information technology management services. The total cost of these two initiatives is partially offset by reduced usage of consulting services in other departments.

Employee Group Insurance increased by \$868,400 based on projected employee enrollment and employee contributions towards their insurance coverage. This account includes group medical, dental, optical and life as well as retiree health and life insurance.

Telephone costs increased by \$559,350 to fund the maintenance of the telephone/voice mail system, annual T1/circuit costs, the new customer call center T1/circuit cost and increased cell phone charges.

Workers' Compensation Insurance increased by \$400,000 compared to the 2013 budgeted amount and is based on the latest actuarial study that takes into consideration the volume and value of claims.

Office/Equipment-Maintenance increased by \$278,307 mainly in the areas of software support, lane maintenance (includes installation of 60 automatic coin machine cabinets), reciprocity maintenance and project management, all associated with the Tollway's electronic toll collection system (TRMMP).

Property Insurance increased by \$200,500 due to the additional funding for cyber liability insurance. This account category also covers buildings, bridges, vehicles and other liability insurance.

Contracted Maintenance Service increased by \$175,298 mainly due to a Request for Proposal (RFP) for a new fiber optics contract, an ITS electrical maintenance contract and funding for a new on-call ITS maintenance contract to support all ITS devices (Sensys, Weigh-In-Motion, Road Weather Information System equipment and security surveillance).

Fuels and Oils decreased by \$499,000 based on current forecasts regarding pricing and consumption.

Materials—Operational decreased by \$447,728 mainly due to a reduction in salt contract prices. A \$500,000 decrease in the salt budget is partially offset by increases in 29 other accounts including other winter roadway materials, attenuator parts, cable barrier parts, delineators, light poles, electrical parts and painting materials.

Office/Equipment Rentals decreased by \$334,920 for two reasons. First, the 2013 Budget included customer call center leasing costs for both the Lisle site and the University of Illinois at Chicago (UIC) site to facilitate the transition from the old site to the new location. The 2014 Budget only includes the UIC leasing cost. Second, the proposed purchase instead of lease for a new production printer in Administrative Services.

Replacement Parts decreased by \$263,120 in both Traffic Operations and Fleet Maintenance. With this reduction, there will still be sufficient funds for the maintenance of additional State Police vehicles as well as certain ITS components in the field such as switches, digital encoders, power supplies, cameras, fiber optics and traffic sensors.

Postage and Express decreased by \$180,631 due to a reduction in postcard and transponder replacement letters partially offset by an increase in postage rates.

### FY 2014 Maintenance and Operations Budget By Department

(\$ Thousands)

Department	2012 Actual Expenditures	2013 Budget	2014 Budget Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Administration	\$3,529	\$4,132	\$4,439	\$306	7.4%
Business Systems	47,648	52,203	54,974	2,771	5.3%
Communications	1,206	1,347	1,449	102	7.6%
Diversity and Strategic Development	537	1,396	1,997	601	43.0%
Engineering	61,889	71,920	72,400	480	0.7%
Executive Office and Directors	1,362	1,662	1,661	(0)	0.0%
Finance	40,471	44,121	45,414	1,293	2.9%
Information Technology	8,524	12,176	15,745	3,569	29.3%
Inspector General	696	812	813	1	0.1%
Internal Audit	612	705	785	81	11.4%
Legal	1,449	1,750	1,857	107	6.1%
Procurement	3,700	4,231	4,356	125	2.9%
State Police	27,987	29,633	32,302	2,669	9.0%
Toll Operations	53,450	57,329	57,262	(67)	-0.1%
<b>Total</b>	<b>253,059</b>	<b>283,418</b>	<b>295,456</b>	<b>12,038</b>	<b>4.2%</b>

Totals may not add due to rounding.

Exhibit 16

### FY2014 Maintenance and Operations Budget % of Total Budget by Department

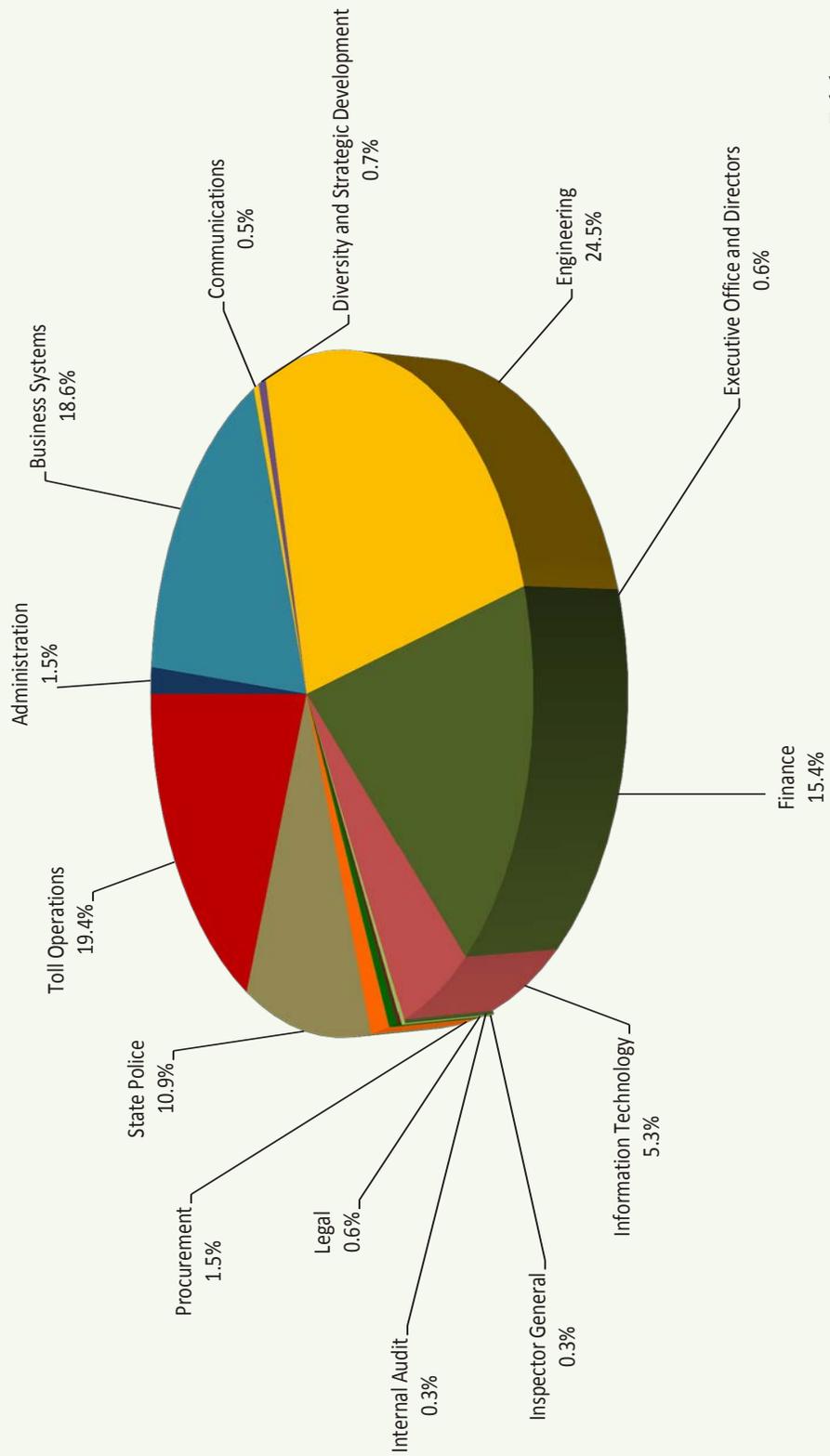


Exhibit 17

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# Strategic Plan



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## Overview of Tollway Strategic Plan

### **Mission Statement**

The Illinois Tollway is dedicated to providing and promoting a safe and efficient system of highways while ensuring the highest possible level of customer service.

### **Strategic Priorities**

With this Mission Statement in mind, the Illinois Tollway is guided by five strategic priorities that are consistent with those outlined by the Governor's Office of Management and Budget:

1. Promote the regional economy (*Attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*Improve infrastructure safety*)
3. Increase collaboration with regional transportation and planning agencies (*Improve infrastructure safety*)
4. Further transparency and accountability (*Support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*Improve infrastructure safety*)

These strategic priorities represent the Tollway's long-range goals and objectives which have been clearly defined and given high priority by management. These strategic priorities are generally considered multi-year programs.

### **Performance Metrics**

The strategic priorities are in turn, aligned with the following performance metrics:

1. I-PASS rush hour transactions percentage
2. I-PASS all hours transactions percentage
3. Travel time index congestion measure
4. Incident response time
5. Incident clearance time
6. Construction program budget to committed contract variance
7. Pavement rating
8. Frontline staff percentage
9. Total transactions per full-time employee
10. I-PASS Call Center responsiveness

These performance metrics are reported to Tollway management as well as the Governor's Office to ensure that the Tollway's mission statement and corresponding strategic priorities are kept on track at all times throughout the organization.

### **Internal Tollway Targets**

Internal targets are established by Tollway personnel involved in the strategic planning process. In some cases, the bar is raised when actual measurements approach a pre-determined target.

**External Benchmarks**

External Benchmarks are established by consultants who try to match the Tollway's performance metrics with those of similar roadway systems throughout the U.S. These external benchmarks will be updated in 2014.

**Departmental Accomplishments, Goals and Objectives**

Included in the Departmental Budgets and Narratives section are the 2013 Accomplishments as well as the 2014 Goals and Objectives for each department. These are aligned to the Tollway's strategic priorities which are generally long-term in nature, while others pertain to internal departmental goals and objectives which are generally short-term in nature and sometimes not quantifiable. Regarding internal departmental goals and objectives, accountability enters into play when one sees how many goals and objectives were actually accomplished from one year to the next.

## Overview of Tollway Operating Metrics

**Mission Statement:**

The Illinois Tollway is dedicated to providing and promoting a safe and efficient system of toll supported highways while ensuring the highest possible level of customer service.

**Strategic Priorities:**

1. Promote the regional economy (*Attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*Improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*Improve infrastructure safety*)
4. Further transparency and accountability (*Support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*Improve infrastructure safety*)

Performance Metric #	Aligned with Strategic Priority #	Performance Metric	Performance Metric Purpose	2013	Internal Tollway Target	External Benchmark
1	2, 5	I-PASS Rush Hour Transactions Percentage	Measures the number of drivers who use electronic toll collection (i.e., I-PASS) during the Rush Hour period. The use of I-PASS reduces traffic congestion at the toll plazas.	90.5%	92%	66% - Orlando Orange County Expressway Authority
2	2, 5	I-PASS All Hours Transactions Percentage	Measures the number of drivers who use electronic toll collection (i.e., I-PASS) during all hours of the day. The use of I-PASS reduces traffic congestion at the toll plazas.	86.3%	88%	57% - Florida Turnpike
3	2, 3, 5	Travel Time Index Congestion Measure	Measures the amount of systemwide traffic congestion. It is the ratio between the Average Travel Time and the Free Flow Travel Time (60 mph). Values greater than 1.00 reflect congestion.	AM Peak = 1.01 PM Peak = 1.10 Total Day = 0.99	AM = 1.00 PM = 1.00 TD = 1.00	AM = 1.16 Atlanta PM = 1.32 Atlanta TD = Not Available
4	2, 5	Incident Response Time	Measures the Tollway's ability to identify congestion creating traffic incidents and ensure units arrive promptly to the scene.	Personal Injury Response Time = 5:33 min Fatality Response Time = 6:04 min Property Damage Response Time = 9:40 min	PIR = 5:00 min FR = 5:00 min PDR = 9:00 min	PIR = Not Available FR = 28:00 min PDR = Not Available Washington State

Overview of Tollway Operating Metrics (continued)

Performance Metric #	Aligned with Strategic Priority #	Performance Metric	Performance Metric Purpose	2013	Internal Tollway Target	External Benchmark
5	2, 5	Incident Clearance Time	Measures the Tollway's ability to remedy congestion creating traffic incidents.	Personal Injury Clearance Time = 31:53 min Fatality Clearance Time = 4:00:18 hrs Property Damage Clearance Time = 16:47 min	PTC = 28:00 min FC = 2:45:00 hrs PDC = 12:00 min	PTC = 2:50 hr FC = 4:06 hr PDC = Not Available Washington State
6	1, 2, 4	Const. Program Budget to Committed Contract Variance	Measures the Tollway's ability to manage its construction program to budget.	-15.2%	0%	Not Available
7	2	Pavement Rating	Measures the condition of the Tollway's roads.	Excellent = 59% Good = 19% Transitional = 6% Fair = 10% Poor = 0% Not Avail. (under const) = 6%	Excellent=70% Good=25% Transitional=5% Fair=0% Poor=0% NA=0%	Excellent=25% Good=59% Transitional=0% Fair=10% Poor=6% NA=0% Oregon DOT
8	1, 2, 3, 4, 5	Frontline Staff Percentage	Measures the percentage of frontline employees to total employees.	74%	75%	Not Available
9	2, 4, 5	Total Transactions per FTE	Measures the efficiency of service delivery.	1527	1500	598 - Oklahoma
10	5	I-PASS Call Center Responsiveness	Measures the responsiveness of the I-PASS Call Center to customer calls.	1) Avg. Time to Answer = 3.5 min 2) Avg. Talk Time = 6.9 min	1) = 2 min 2) = NA	Not Available

Exhibit 18-2

Performance Measurements - Historical Trends

Strategic Priorities:

1. Promote the regional economy (*Attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*Improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*Improve infrastructure safety*)
4. Further transparency and accountability (*Support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*Improve infrastructure safety*)

Performance Metric #	Aligned with Strategic Priority #	Performance Metric	2010	2011	2012	2013
1	2, 5	I-PASS Rush Hour Transactions Percentage	88%	89%	91%	90.5%
2	2, 5	I-PASS All Hours Transactions Percentage	83%	84%	86%	86.3%
3	2, 3, 5	Travel Time Index Congestion Measure	AM Peak = 1.02 PM Peak = 1.08 Total Day = 1.00	AM Peak = 1.00 PM Peak = 1.07 Total Day = 0.98	AM Peak = 0.98 PM Peak = 1.05 Total Day = 0.97	AM Peak = 1.01 PM Peak = 1.10 Total Day = 0.99
4	2, 5	Incident Response Time	Personal Injury Response Time = 6:18 min Fatality Response Time = 5:06 min Property Damage Response Time = 10:06 min	Personal Injury Response Time = 6:30 min Fatality Response Time = 3:44 min Property Damage Response Time = 9:41 min	Personal Injury Response Time = 5:47 min Fatality Response Time = 5:53 min Property Damage Response Time = 9:40 min	Personal Injury Response Time = 5:33 min Fatality Response Time = 6:04 min Property Damage Response Time = 9:40 min
5	2, 5	Incident Clearance Time	Personal Injury Clearance Time = 30:45 min Fatality Clearance Time = 2:28:12 hrs Property Damage Clearance Time = 17:30 min	Personal Injury Clearance Time = 30:32 min Fatality Clearance Time = 1:55:15 hrs Property Damage Clearance Time = 17:26 min	Personal Injury Clearance Time = 29:53 min Fatality Clearance Time = 2:56:27 hrs Property Damage Clearance Time = 12:47 min	Personal Injury Clearance Time = 31:53 min Fatality Clearance Time = 4:00:18 hrs Property Damage Clearance Time = 16:47 min

**Performance Measurements - Historical Trends (continued)**

Performance Metric #	Aligned with Strategic Priority #	Performance Metric	2010	2011	2012	2013
6	1, 2, 4	Const. Program Budget to Committed Contract Variance	-19.8%	-38.9%	-13.4%	-15.2%
7	2	Pavement Rating	Excellent = 55% Good = 21% Transitional = 13% Fair = 8% Poor = 0% Not Avail. (under const) = 3%	Excellent = 59% Good = 25% Transitional = 10% Fair = 5% Poor = 0% Not Avail. (under const) = 1%	Excellent = 60% Good = 18% Transitional = 10% Fair = 11% Poor = 0% Not Avail. (under const) = 1%	Excellent = 59% Good = 19% Transitional = 6% Fair = 10% Poor = 0% Not Avail. (under const) = 6%
8	1, 2, 3, 4, 5	Frontline Staff Percentage	74%	74%	73%	74%
9	2, 4, 5	Total Transactions per FTE	1467	1573	1509	1527
10	5	I-PASS Call Center Responsiveness	1) Avg. Time to Answer = 2.5 min 2) Avg. Talk Time = 5.7 min	1) Avg. Time to Answer = 2.2 min 2) Avg. Talk Time = 6 min	1) Avg. Time to Answer = 3.1 min 2) Avg. Talk Time = 6.5 min	1) Avg. Time to Answer = 3.5 min 2) Avg. Talk Time = 6.9 min

Exhibit 19-2

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# **Departmental Maintenance and Operations Budgets and Narratives**

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## Department Functions Overview

Department	Functions	2014 Request
Administration	Responsible for the development and implementation of administrative policies and procedures and employee compliance therewith	\$4,438,550
Business Systems	Responsible for the operation and maintenance of the open road tolling system and collection of toll revenue from toll violators	\$54,974,381
Communications	Responsible for all external and internal communications between the Tollway and its constituents	\$1,449,220
Diversity and Strategic Development	Responsible for promoting, developing, and implementing a comprehensive diversity program	\$1,996,976
Engineering	Responsible for the planning, design, construction, program management and maintenance of the roadways	\$72,400,118
Executive Office and Directors	Sets policies for the organization and overall management of the Tollway	\$1,661,428
Finance	Responsible for financial reporting, accounting, budgeting, accounts payable, payroll, risk management, fiscal operations, revenue toll audit and bond issuances	\$45,414,240
Information Technology	Responsible for planning, directing, managing and controlling all information technologies and telecommunications throughout the Tollway	\$15,745,006
Office of the Inspector General	Responsible for investigating instances of waste, inefficiencies, fraud, corruption, misconduct and mismanagement of the day-to-day operations of the Tollway	\$813,239
Internal Audit	Responsible for recommending improvements and changes that increase the economy, efficiency and effectiveness of Tollway projects and processes.	\$785,470
Legal	Legal advisor and attorney for the Tollway	\$1,857,464
Procurement	Responsible for all purchasing and procurement issues and authorized to execute contracts and place orders for goods and services	\$4,355,836
Illinois State Police District 15	Responsible for providing comprehensive law enforcement services	\$32,302,071
Toll Operations	Responsible for providing the necessary resources and services to maintain the Tollway's operations, as well as managing the collection and counting of tolls	\$57,261,699

Exhibit 20

## Administration Department

The Administration Department is responsible for the development, implementation and compliance of administrative policies and procedures. In addition, Administration is responsible for appropriating human resources to meet the operational needs of the Tollway. The department serves as the Tollway’s key contact for employee relations and employment issues. The Administration Department ensures that interdepartmental and interorganizational issues are addressed so the Tollway functions efficiently and effectively.

The Administration Department oversees the following functions:

- Employee Services (human resources, employee benefits and employee services)
- Administrative Services (Central Information Services (CIS) and customer relations)
- Safety and Training
- Equal Employment Opportunity (EEO)/Affirmative Action (AA)/Americans with Disabilities Act (ADA)
- Labor Relations (grievances and labor negotiations)

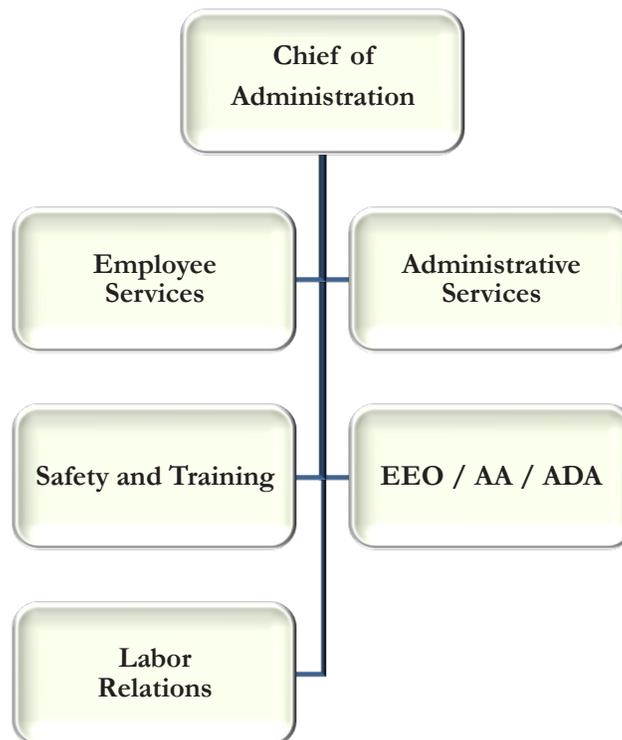


Exhibit 21

Department Budget					
ADMINISTRATION	2012	2013	2014	\$ Change	% Change
Major Account Description	Actual	Budget	Request	from 2013 Budget	from 2013 Budget
Salary and Wages	\$1,691,660	\$1,709,613	\$1,982,022	\$272,409	15.9%
FICA and Retirement	701,023	797,432	960,528	163,096	20.5%
<b>Payroll Sub-Total</b>	<b>\$2,392,683</b>	<b>\$2,507,045</b>	<b>\$2,942,550</b>	<b>\$435,505</b>	<b>17.4%</b>
Telephone and Telegraph	756,422	367,000	656,000	289,000	78.7%
Outside Services	94,568	488,900	231,000	(257,900)	-52.8%
Office/Equipment Rentals	158,232	339,000	152,000	(187,000)	-55.2%
Supplies - Office	63,682	93,368	131,500	38,132	40.8%
Employment Medical Expens	100,052	115,000	115,000	-	0.0%
Office Equipment-Maintenance	52,693	61,000	68,000	7,000	11.5%
Employee Training	28,264	75,000	50,000	(25,000)	-33.3%
Dues, Books and Subscriptions	2,831	20,000	20,000	-	0.0%
Supplies - Operational	9,714	17,500	17,500	-	0.0%
Postage and Express	(58,471)	13,000	13,000	-	0.0%
Other Capital Equipment	-	-	13,000	13,000	N/A
Office Equipment	(80,333)	17,000	10,000	(7,000)	-41.2%
Other Expenses	6,638	5,600	5,500	(100)	-1.8%
Travel and Subsistence	2,133	5,000	5,000	-	0.0%
Advertising and Promotion	-	5,000	5,000	-	0.0%
Building Equipment	-	3,000	3,000	-	0.0%
Other Minor Accounts	458	-	500	500	N/A
<b>Sub-Total</b>	<b>\$3,529,567</b>	<b>\$4,132,413</b>	<b>\$4,438,550</b>	<b>\$306,137</b>	<b>7.4%</b>
Recovery of Expenses	(1,022)	-	-	-	N/A
<b>DEPARTMENT TOTAL</b>	<b>\$3,528,546</b>	<b>\$4,132,413</b>	<b>\$4,438,550</b>	<b>\$306,137</b>	<b>7.4%</b>

Exhibit 22

The fiscal year 2014 Budget Request is \$4.4 million, an increase of \$306 thousand, or 7.4 percent above the fiscal year 2013 Budget amount. Total payroll is \$2.9 million and includes 36 positions.

### Maintenance and Operations Highlights

- Salaries and Wages increased by \$272 thousand compared to the 2013 Budget. This increase reflects salary as well as annual wage adjustments required by collective bargaining agreements partially offset by phasing of departmental vacancies.
- FICA and Retirement increased by \$163 thousand compared to the 2013 Budget due to the average SERS pension Contribution Rate increase from 39.0 percent to 40.8 percent.
- Telephone increased by \$289 thousand based on historical spending, 2014 cost increases and more employees with cell phones.

- Outside Services decreased by \$258 thousand as a result of initiatives that were either completed in 2013 or not needed in 2014 such as E-recruiting, a compensation analysis and performance management tools.
- Office/Equipment Rentals decreased by \$187 thousand based on the purchase of a production printer.
- Supplies – Office increased by \$38 thousand due to extensive printing for Business Systems.
- Employee Training decreased by \$25 thousand based on historical spending and 2014 projections.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Administration Department**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
4,5	Started negotiations on 2013 contract with Service Employees International Union (SEIU) Local 73; should be completed by December 2013.
4,5	Started negotiations on 2013 contract with Metropolitan Alliance of Police (MAP) Union Chapter 135; should be completed by December 2013.
2,4,5	Completed compensation study (Mercer) of non-bargaining unit employees.
2,4,5	Completed a 3-5 year contract for Family Medical Leave Act (FMLA) outsourcing.
2,4,5	Kronos Absence Manager (2012 Goal) has been set up but still being implemented. Should complete by early 2014.

Strategic Priorities	2014 Goals/Objectives
4,5	Successful negotiations of American Federation of State, County and Municipal Employees (AFSCME) Council 31 contract that expires 1-1-2014.
4,5	Successful negotiations of Teamster Local 700 contract that expires 10-1-2014.
2,4,5	Continue working on a Tollway Safety Program Tollway (2012 Goal).
2,4,5	Complete new policy and procedure manual by 12-31-14 (2013 Goal).
1,2,4,5	Initiate and complete E-recruitment and performance management system (2013 Goal).
2,4,5	Create and implement a new performance evaluation system.
2,4,5	Create a standard operating procedure manual for Administration Department.

Exhibit 23

**Department Headcount - Administration**

<b>Position Title</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Administration Manager	1	1	1
Administration Secretary I	1	1	1
Administration Specialist	1	1	1
Central Information Database Specialist	1	1	1
Chief of Administration	1	1	1
CIS Coordinator	1	1	1
Customer Relations Coordinator	1	1	1
Customer Relations Supervisor	1	1	1
EEO/AA Officer	1	1	1
Employee Benefits Clerk	1	2	2
Employee Benefits Manager	1	1	1
Employee Benefits Specialist	1	1	1
Employee Services Coordinator	2	2	3
Employee Services Manager	1	1	1
Employee Services Supervisor	1	1	1
Executive Secretary	1	1	1
Human Resources Placement Specialist	3	3	3
Labor Relations Analyst	1	1	1
Labor Relations Manager	1	1	1
Mail and Duplication Clerk	2	2	3
Safety and Training Manager	1	1	1
Safety Inspector	1	1	1
Safety Supervisor	1	1	0
Senior Manager of Employee Services	1	1	1
Senior Manager of Security	1	1	1
Staffing Coordinator	0	1	0
Supervisor FMLA	1	0	0
Supervisor Workers Comp Claims	1	1	1
Switchboard Operator	4	4	4
Training Specialist	1	0	0
<b>TOTAL</b>	<b>36</b>	<b>36</b>	<b>36</b>

Exhibit 24

## Department of Business Systems

The Department of Business Systems is responsible for the operation and maintenance of electronic tolling system hardware and software, which also includes collecting toll revenue from toll violators and assessing fines and imposing sanctions. The department monitors the contracts and performance of the structure surrounding the electronic tolling system known as open road tolling. Additionally, Business Systems provides support through the Customer Call Center, which acts as a single point of contact for all customer calls that relate to I-PASS, violations processing and missed toll services.

Business Systems oversees the following functions:

- Violation Enforcement System
- Customer Service
- Contract Management
- Performance Measurement

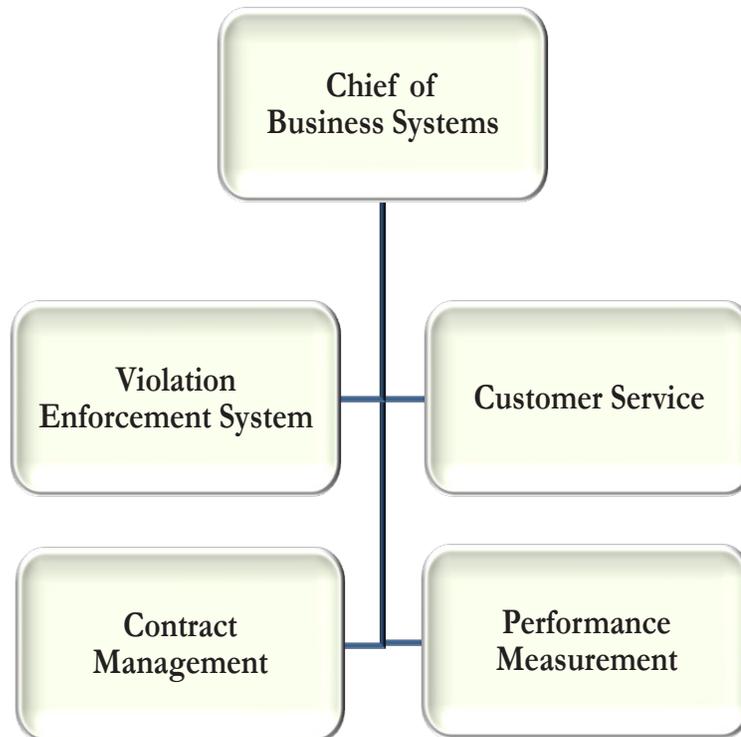


Exhibit 25

Department Budget					
BUSINESS SYSTEMS	2012	2013	2014	\$ Change	% Change
Major Account Description	Actual	Budget	Request	from 2013 Budget	from 2013 Budget
Salary and Wages	\$2,903,058	\$3,125,386	\$3,251,906	\$126,520	4.0%
FICA and Retirement	1,228,357	1,457,807	1,575,939	118,132	8.1%
<b>Payroll Sub-Total</b>	<b>\$4,131,415</b>	<b>\$4,583,193</b>	<b>\$4,827,845</b>	<b>\$244,652</b>	<b>5.3%</b>
Outside Services	16,197,562	17,946,668	20,450,580	2,503,912	14.0%
Bank Charges	15,170,401	16,300,000	16,500,000	200,000	1.2%
Office Equipment-Maintenance	10,425,269	11,191,184	11,513,676	322,492	2.9%
Telephone and Telegraph	1,264,463	1,200,000	1,200,000	-	0.0%
Postage and Express	851,669	660,981	478,350	(182,631)	-27.6%
Office/Equipment Rentals	265,956	536,000	338,580	(197,420)	-36.8%
Supplies - Office	100,637	177,900	103,500	(74,400)	-41.8%
Dues, Books and Subscriptions	72,810	96,000	96,000	-	0.0%
Contracted Maintenance Service	71,716	131,800	85,000	(46,800)	-35.5%
Printing and Publications	-	28,000	33,600	5,600	20.0%
Travel and Subsistence	9,704	12,000	15,000	3,000	25.0%
Supplies - Operational	7,825	12,500	12,500	-	0.0%
Employee Training	7,240	10,000	10,000	-	0.0%
Other Capital Equipment	-	4,500	4,500	-	0.0%
Advertising and Promotion	-	2,500	2,500	-	0.0%
Office Equipment	-	1,500	1,500	-	0.0%
Other Minor Accounts	3,236	8,250	1,250	(7,000)	-200.0%
<b>Sub-Total</b>	<b>\$48,579,903</b>	<b>\$52,902,976</b>	<b>\$55,674,381</b>	<b>\$2,771,405</b>	<b>5.2%</b>
Recovery of Expenses	(932,374)	(700,000)	(700,000)	-	0.0%
<b>DEPARTMENT TOTAL</b>	<b>\$47,647,529</b>	<b>\$52,202,976</b>	<b>\$54,974,381</b>	<b>\$2,771,405</b>	<b>5.3%</b>

Exhibit 26

The fiscal year 2014 Budget Request is \$55 million, an increase of \$2.8 million, or 5.3 percent above the fiscal year 2013 Budget amount. Total payroll is \$4.8 million and includes 63 positions.

### Maintenance and Operations Highlights

- Salaries and Wages increased by \$127 thousand compared to the 2013 Budget. This increase reflects salary as well as annual wage adjustments required by collective bargaining agreements combined with the phasing of departmental vacancies.
- FICA and Retirement increased by \$118 thousand compared to the 2013 Budget due to the average SERS pension contribution Rate increase from 39.0 percent to 40.8 percent.

- Outside Services increased by \$2.5 million due to increased call rates per minute with the new customer call center vendor, increased call minutes and additional state license plate jurisdictions.
- Office Equipment - Maintenance costs increased by \$322 thousand for the Toll Revenue Management and Maintenance Program contract in the areas of software support, lane maintenance (includes installation of 60 automatic coin machine cabinets), reciprocity maintenance and project management.
- Bank Charges (credit card fees) increased by \$200 thousand based on anticipated revenue collected through credit card payments.
- Office/Equipment Rental decreased by \$197 thousand. The 2013 Budget included customer call center leasing costs for both the Lisle site and the University of Illinois at Chicago (UIC) site to facilitate the transition from the old site to the new location. The 2014 Budget only includes the UIC leasing cost.
- Postage and Express decreased by \$183 thousand due to a reduction in postcard and transponder replacement letters partially offset by an increase in postage rates.
- Bank Charges (credit card fees) increased by \$200 thousand based on anticipated revenue increases in 2014.
- Supplies - Office decreased by \$74 thousand for dual-lock strips, coin bags, bubble mailers and foil for transponders and general office supplies.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Department of Business Systems**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
4,5	Continued implementation of customer service technology enhancement strategy. Business Systems has awarded a contract for a robust new technology to support major customer service improvements such as: customer self service, smartphone I-PASS account management, smartphone tolling, text message alerts, automated settlement calculation capability, and integrated call center functionality.

Strategic Priorities	2013 Accomplishments
1,5	Enhanced regional social returns from third-party customer service contracts. As different aspects of the customer service operation come up for contract renewal, we are actively seeking to establish new contracts with State Use Program vendors. In 2012, we successfully contracted with State Use vendors for all print/mail services and for transponder fulfillment services. In 2013, we successfully transitioned to yet another State Use vendor for call center and payment processing services, turning the call center over to this new vendor in full in July 2013.
4,5	Enhanced customer service through implementation of new policy of notice cycle times and supporting technology changes. In 2012, to help prevent customers from receiving notices with violations that are significantly aged, we implemented the “90-day rule,” which means that only notices on which the third violation is less than 90 days old are released. In 2013, we further enhanced customer experiences with the notice process by expanding the notice due dates for each level of notice to 30 days (from the current 21 and 14 days, depending on notice level). The goal is to give customers a longer timeframe during which to receive, review, and address each notice. This 2013 policy change requires system updates and is revenue neutral.
4,5	Enhanced grace period tolling system functionality. We implemented in 2013 enhanced grace period toll payment functionality that links the trip calculator to the grace period toll payment Web pages. Customers often complain they are not certain how to reconstruct their trip so as to pay grace period tolls accurately. Linking the functionality of the different pages of the website will allow people to enter their entry and exit points in the trip calculator, to confirm their route and then to have that route automatically populate the grace period toll payment pages. The goal is to make grace period toll payment easier, more accurate, more transparent and more customer friendly.
1,5	Enhance revenue through improved leverage of new technology. We commenced using the newly installed camera washing system at all major plazas in 2013. As a result of obtaining a higher volume of readable license plate images during winter months, we estimate this system saved us more than \$1 million in annual revenue recovery in just the 2013 winter season alone. This camera washing system was invented by a Tollway employee and is part of a Tollway patent application.
4,5	Enhanced communications and processes for fleets. By the end of the year, we will have enhanced communications for our fleet customers, providing them information that is more accessible and customer friendly through our website and through our paper literature. We have introduced a fleet-only e-mail box to field questions, and we have filled a fleet customer service manager position to oversee an overall fleet-program upgrade for the Tollway. We also have formalized processes – and provided detailed instructions and tools via our website – regarding plate management for commercial accounts and violation reassignments for rental and lease accounts.

Strategic Priorities	2013 Accomplishments
1,5	Establish new call center. By the end of the year, we will have brought live a new call center located at the University of Illinois at Chicago. This call center will have completely new technology, including a new call switch, a new data room and all new desktops and phones. This call center also will have expanded seating and expanded circuits so that there can be increased call capacity to manage the increasing call volumes during peak hours.
4,5	Enhanced disputes processing. To help improve the quality of customer dispute submissions and processing, we established a new disputes form to capture self-reported customer information around disputes. This new form is available on-line, and the processing of these forms has been standardized so that there is consistency in the way disputes are collected, reviewed and ultimately dispositioned. Disputes are now processed more quickly and with greater transparency.

Strategic Priorities	2014 Goals/Objectives
4,5	Implement new back office electronic tolling system. We will be implementing a new electronic tolling back office system to replace the I-PASS account management, violations management, and reciprocity management currently performed within the custom RITE system. We have awarded a contract to Accenture as a reseller of the SAP customer relationship management products. We anticipate the new system to provide the functionality and flexibility necessary to support a number of customer service improvements, including customer self-service, smartphone I-PASS account management, smartphone tolling, text message alerts, automated settlement calculation capability and integrated call center functionality.
4,5	Enhance hardship processing. To help improve the quality of customer hardship (non-standard) submissions and processing, we are working to establish a new hardship form for the capture of self-reported customer information around hardships. This new form would be available online and a full training approach for the processing of the completed forms would be executed in the back office to better standardize the way hardships are collected, reviewed and ultimately dispositioned. The goal is to process disputes more quickly, to process hardships in a way that is more transparent both internally and externally and to process hardships so that dispositions are more consistent.
4,5	Smartphone tolling pilot. The electronic tolling world is on the cusp of enhancing electronic tolling options for customers. One of the more cutting-edge solutions just entering the marketplace is the concept of using the smartphone as a device to support toll collection and payment. There are multiple smartphone business models that are ripe for testing, and the Illinois Tollway would like to pilot at least one of these business models in 2014.

Strategic Priorities	2014 Goals/Objectives
4,5	Lane technology and management. In 2015, the existing lane technology contract with Electronic Transaction Consultants Corporation (ETCC) will expire after 10 years. In 2014, Business Systems will develop and release RFPs to replace the existing ETCC contract. The RFPs will cover technology maintenance, inventory management and hardware replacements and repairs. Additionally, because of potential intellectual property concerns regarding the existing lane technologies, Business Systems will work to determine what, if any, sole-source contracts with ETCC or its existing sub contractors might be needed.
4,5	Automatic Coin Machine (ACM) procurement. The Tollway's existing ACMs are no longer produced and the Tollway has a limited number of spares in inventory. In 2014, Business Systems will develop and release an RFP to procure new ACMs that can be interfaced to the new back-office system in 2015, following the new system's go-live.
4,5	Violations Enforcement System (VES) camera procurement. The Tollway's existing VES cameras are at end of life and at least one of the two models in use is no longer produced. In 2014, Business Systems will develop and release an RFP to procure new cameras that can be interfaced to the new back-office system prior to go-live.
4,5	Lane technology refresh. While the Tollway still has the existing ETCC contract for the lanes, Business Systems will refresh lane hardware that is end of life, such as plaza servers, data loggers, lane controllers and switch gears. Additionally, Business Systems will collaborate with the E-ZPass Group and Kapsch to replace readers and antennas systemwide, all of which are nearing their end of life, as well. The new readers will be able to read feedback transponders, which will help satisfy customer demand for such transponders as well as assist in promoting proactive I-PASS account management. The new readers also might be able to accept multiple protocols, which would help us support hardware-based national interoperability if needed.
4,5	Open road tolling (ORT) test zone. Business Systems will collaborate with Engineering to establish an ORT test zone that captures captive traffic data between itself and a "live" ORT zone. The data will be used in the testing of new technologies and the tuning of existing technologies.

Exhibit 27

**Department Headcount - Business Systems**

<b>Position Title</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Administration Manager of Electronic Tolling	1	1	1
Business Systems Project Administrator	1	1	1
Chief of Business Systems	1	1	1
Customer Service Analyst	2	2	2
Customer Service Inventory Specialist	1	1	1
Customer Service Manager	5	5	5
Customer Service Representative	36	36	34
Deputy Chief of Business Systems	1	1	1
Director Electronic Tolling Initiatives	0	0	1
Executive Secretary	1	1	1
General Manager of Contract Management	1	1	1
General Manager of Performance Measurement	1	1	1
Inventory Supervisor	1	1	1
I-PASS Coordinator	1	1	1
Operations Project Administrator	1	1	1
Performance Measurement Project Administrator	1	1	1
Project Administrator	3	3	3
Project Coordinator	1	1	1
Secretary III	1	1	1
Senior Manager of Customer Service	1	1	2
Special Projects Manager	2	2	2
<b>TOTAL</b>	<b>63</b>	<b>63</b>	<b>63</b>

Exhibit 28

## Communications

The Communications Department is responsible for external and internal communications between the Tollway and its constituents including customers, news media, elected and appointed officials, the general public and employees. The department's focus is effective communication with all constituencies in order to enhance customer service and raise awareness of the Tollway as a safe and efficient travel option.

The Communications Department oversees the following functions:

- Customer/Construction Communications
- External Communications, Message and Outreach
- Media Relations
- Marketing Communications

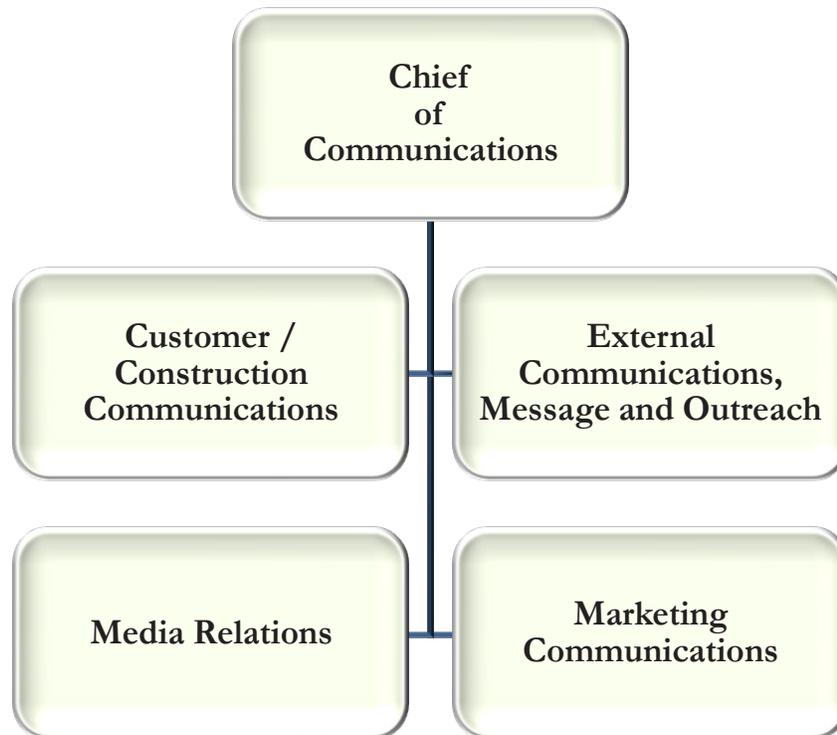


Exhibit 29

Department Budget					
COMMUNICATIONS					
Major Account Description	2012 Actual	2013 Budget	2014 Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Salary and Wages	\$745,717	\$766,731	\$826,028	\$59,297	7.7%
FICA and Retirement	310,599	357,634	400,310	42,676	11.9%
<b>Payroll Sub-Total</b>	<b>\$1,056,317</b>	<b>\$1,124,365</b>	<b>\$1,226,338</b>	<b>\$101,973</b>	<b>9.1%</b>
Printing and Publications	29,321	50,000	50,000	-	0.0%
Consulting Services	37,390	50,000	50,000	-	0.0%
Advertising and Promotion	48,728	48,672	48,672	-	0.0%
Outside Services	13,398	15,000	15,000	-	0.0%
Supplies - Office	8,046	13,000	13,000	-	0.0%
Office Equipment	-	11,400	11,400	-	0.0%
Other Capital Equipment	4,105	8,000	8,000	-	0.0%
Supplies - Operational	972	5,500	5,500	-	0.0%
Travel and Subsistence	793	5,000	5,000	-	0.0%
Postage and Express	3,312	4,000	4,000	-	0.0%
Dues, Books and Subscriptions	4,007	3,200	3,200	-	0.0%
Office Equipment-Maintenance	187	3,000	3,000	-	0.0%
Employee Training	(1,129)	2,500	2,500	-	0.0%
Office/Equipment Rentals	-	2,000	2,000	-	0.0%
Telephone and Telegraph	756	1,010	1,010	-	0.0%
Other Expenses	108	600	600	-	0.0%
<b>DEPARTMENT TOTAL</b>	<b>\$1,206,310</b>	<b>\$1,347,247</b>	<b>\$1,449,220</b>	<b>\$101,973</b>	<b>7.6%</b>

Exhibit 30

The fiscal year 2014 Budget Request is \$1.4 million, an increase of \$102 thousand, or 7.6 percent, above the fiscal year 2013 Budget amount. Total payroll is \$1.2 million and includes 11 positions.

**Maintenance and Operations Highlights:**

- Salaries and Wages increased \$59 thousand compared to the 2013 Budget. This increase reflects salary as well as annual wage adjustments required by collective bargaining agreements.
- FICA and Retirement increased by \$43 thousand compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- All non-payroll categories remained at the 2013 budgeted levels. Major categories include printing and publications, consulting services, advertising and promotion and outside services.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Communications Department**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
5	Expanded public access to traffic images by adding live video feeds from 15 traffic camera locations to Tollway website. Customers can now access camera feeds that offer “bird’s-eye” views from each of the four roadways to see for themselves what travel conditions are like on their way to their destinations.
1,2,3,5	Hosted three media events with Governor Quinn (“Portrait of a Soldier” memorial exhibit, groundbreaking for Elgin O’Hare Western Access Project and opening of the Jane Addams Memorial Tollway (I-90)/Illinois Route 47 Interchange Project).
1,4	Updated collateral materials for the Department of Diversity and Strategic Development’s outreach efforts and objectives. Focused on expanding and reworking both the agency website and the Diversity brochure, thus providing a more comprehensive overview of the department, its objectives, new strategic initiatives and ongoing outreach events.
4,5	Maintained an External Relations Committee of key Tollway engineering, planning, diversity, Equal Employment Opportunity and communications staff consultants whose purpose is to identify ongoing <i>Move Illinois</i> projects and develop outreach communication tools to ensure all project customers, residents, community leaders and other stakeholders are informed in a timely and comprehensive manner.
1,4	Posted testimonials online of contractors and consultants who have benefitted from the <i>Move Illinois</i> Program to demonstrate the program’s impact to citizens, businesses and communities along our corridors as the program moved through its second year of completion. Testimonials focused on the economic impact of the program in both the short- and the long-term.
5	Promoted the agency’s zero-tolerance plan for scofflaws and efforts to pursue the Tollway’s worst toll violators by filing lawsuits against them in court. The agency began filing its first administrative judgments in circuit court effective September 2012. In addition, the Tollway increased coordination with the Illinois State Police District 15 to identify vehicles with suspended license plates.

Strategic Priorities	2013 Accomplishments
3,5	Supported the Illinois State Police programs, including the sixth Annual Family Safety Fair, as well as the nine additional Kids Identification and Safety Seat (K.I.S.S.) events providing 218 safety seat inspections and issuing 531 kids' identification cards. 2013 K.I.S.S. events offered the opportunity to have identification cards created for children age 3 and older in addition to having car safety seats inspected and installed properly by training technicians.
3,5	Worked closely with U.S. Equities to collaborate on special events and activities that appeal to both oases visitors and residents of nearby local communities. This year, we hosted a Kids Identification and Safety Seat (K.I.S.S.) event at the Chicago Southland Lincoln Oasis. We also organized the "Portrait of a Soldier" memorial exhibit, posted work zone safety and construction information and exhibited artwork created by local high school students as part of the Tollway's student map art contest.
5	Launched new I-PASS website allowing customers to manage their accounts anytime, anywhere via a mobile device – smartphone or tablet – with most of the functions they have online with a PC or laptop. The new mobile website allows customers to use their iPhones, Blackberrys, Androids or tablets to view account balance, transponder usage and payment history; review and update personal information and credit card details; add or update vehicles and license plate information; and activate a new transponder.
1,4	Issued news releases announcing monthly engineering contract awards and professional services bulletins to highlight the Tollway's ongoing commitment to promoting economic development and increasing opportunities for all sizes and types of businesses to work for the Tollway.
4	Broadcast live webcasts of all construction contract bid openings, offering the public and contractors the opportunity to watch and listen as the agency opens bid packages for the upcoming construction season.
4,5	Wrote and distributed more than 100 news releases, as well as more than 240 daily construction alerts, to inform customers about the benefits of <i>Move Illinois</i> Program projects, I-PASS and other Tollway programs and services.
5	Hosted our third annual student art contest to select the cover artwork for the 2014 Illinois Tollway map. Invited 435 high schools in the 12 counties served by the Illinois Tollway to participate in the 2014 Tollway Map Cover Art Contest.
4,5	Designed and distributed approximately 60,000 informational cards through customer service centers, tollbooths, oases and other outlets to inform customers about construction, distracted driving, customer service and safety education.
4,5	Wrote, designed and produced six eNewsletters, each sent to approximately 1.3 million I-PASS customers. Continued targeted outreach to include projects and key initiatives, including networking events, Construction Careers Expo, <i>Move Illinois</i> testimonials, PSB notifications and selection results, Earth Day Transportation Summit, Tri-State Tollway (I-294)/I-57 Interchange Project newsletter, Annual Report announcement, smaller contract announcement, Earned Credit Program view video invitation and Small Business Initiative.

Strategic Priorities	2013 Accomplishments
4,5	Managed website content, providing approximately 800 updates to Web pages. Redesigned the Finance section to make it easier for the investor community and customers to obtain financial information about the Tollway and its operations.
4,5	Conducted an online survey of I-PASS customers about perceptions of the Illinois Tollway, its toll rates and favorability compared to other transit options. More than 80,000 customers took the survey.
5	Produced and distributed to media partners two videos encouraging customers to update their I-PASS accounts.
5	Educated customers about traffic, construction, I-PASS, toll rate increase and violations via our Tollway 1-800-TOLL-FYI automated phone line.
2,4,5	Continued to reduce departmental budget by designing and producing an electronic annual report.

Strategic Priorities	2014 Goals/Objectives
5	Continue to educate I-PASS customers about the importance of account management and the need to maintain their I-PASS accounts.
3,4,5	Develop clear and compelling customer communications for the <i>Move Illinois</i> Program and other Tollway programs.
5	Expand efforts to educate customers about the dangers of distracted driving and other Tollway road safety initiatives.
4,5	Develop and implement research strategies to learn more about customer wants and needs and measure the success of Tollway programs and initiatives.
3,4,5	Write and produce compelling and persuasive speeches and presentations for the Tollway's executive director and department chiefs.
3,5	Continue to develop productive working relationships with members of the news media.
5	Explore new ways to leverage technology to maximize communications efforts with customers and other key audiences.
3,4,5	Host special events and activities that build support for and celebrate milestones in the <i>Move Illinois</i> Program and other Tollway programs.

Exhibit 31

**Department Headcount - Communications**

<b>Position Title</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Assistant Multimedia Project Specialist	1	1	1
Assistant Press Secretary	1	1	1
Chief of Communications	1	1	1
Community Relations Coordinator	1	0	0
Executive Secretary	1	1	1
Graphic Designer	1	1	1
Manager of Public Affairs	0	1	1
Marketing Communications Manager	1	1	1
Multimedia Projects Specialist	1	0	0
Press Secretary	1	1	1
Senior Manager of Communications	0	1	1
Senior Manager of Communications and Marketing	1	1	1
Writing Specialist	1	1	1
<b>TOTAL</b>	<b>11</b>	<b>11</b>	<b>11</b>

Exhibit 32

## Diversity and Strategic Development

The Diversity and Strategic Development Department is responsible for promoting, developing and implementing a comprehensive diversity program on behalf of the Tollway to ensure inclusion and equal opportunity for all. The focus is on encouraging participation of qualified Illinois businesses, regardless of the owner’s racial or gender background and improving access of small businesses and disadvantaged, minority- and women-owned firms. The department coordinates all community relations activities with respect to diversity matters and interaction with community groups, regional planning organizations and others. The Diversity and Strategic Development Department seeks to promote a positive and inclusive climate by focusing on promoting, assisting and ensuring participation of a diverse population in all aspects of its operations, especially construction contracting, construction-related consulting and the supply of other goods and services related to the maintenance and operation of the Tollway.

The Diversity Department oversees the following functions:

- Diversity program design and policy implementation
- Disadvantaged Business Enterprise (DBE) Program
- Contract compliance monitoring and reporting
- Networking and outreach activities
- Earned Credit Program (ECP)
- Mentor/Protégé Program (M/P)
- Business Enterprise Program (BEP)
- Small Business Program (SBP)
- Technical assistance (TA)

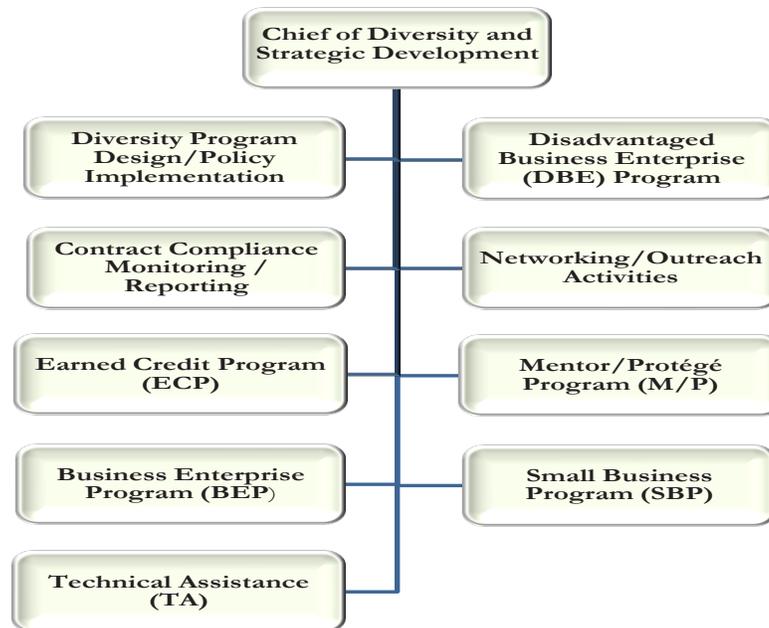


Exhibit 33

Department Budget					
DIVERSITY AND STRATEGIC DEVELOPMENT					
Major Account Description	2012 Actual	2013 Budget	2014 Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Salary and Wages	\$358,859	\$511,994	\$547,329	\$35,335	6.9%
FICA and Retirement	147,865	251,142	265,247	14,105	5.6%
<b>Payroll Sub-Total</b>	<b>\$506,724</b>	<b>\$763,136</b>	<b>\$812,576</b>	<b>\$49,440</b>	<b>6.5%</b>
Outside Services	-	330,000	875,000	545,000	165.2%
Consulting Services	-	250,000	265,000	15,000	6.0%
Advertising and Promotion	-	28,000	25,000	(3,000)	-10.7%
Employee Training	-	10,000	6,000	(4,000)	-40.0%
Supplies - Office	335	7,000	6,000	(1,000)	-14.3%
Travel and Subsistence	5,269	2,500	3,000	500	20.0%
Advisory Committee Expense	-	500	1,000	500	100.0%
Dues, Books and Subscriptions	58	1,150	1,000	(150)	-13.0%
Other Expenses	24,401	2,500	1,000	(1,500)	-60.0%
Postage and Express	182	750	500	(250)	-33.3%
Telephone and Telegraph	168	300	500	200	66.7%
Other Minor Accounts	-	400	400	-	0.0%
<b>DEPARTMENT TOTAL</b>	<b>\$537,137</b>	<b>\$1,396,236</b>	<b>\$1,996,976</b>	<b>\$600,740</b>	<b>43.0%</b>

Exhibit 34

The fiscal year 2014 Budget Request is \$2 million, an increase of \$601 thousand, or 43 percent, above the fiscal year 2013 Budget amount. The payroll is \$813 thousand and includes six positions.

### Maintenance and Operations Highlights

- Salaries and Wages increased by \$35 thousand compared to the 2013 Budget. This increase reflects salary and annual wage adjustments required by collective bargaining agreements as well as the funding for two vacancies and an intern for three months.
- FICA and Retirement increased by \$14 thousand compared to the 2013 Budget. This is due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Outside Services increased by \$545 thousand to fund two technical training programs: an intergovernmental agreement with the Illinois Community College Board and the Illinois Department of Commerce and Economic Opportunity.
- Consulting Services increased by \$15 thousand for a disparity study to ensure compliance with legal standards and industry best practices.
- Advertising and Promotion decreased by \$3 thousand for meetings, conferences, symposiums and expos in order to communicate Tollway opportunities to the public.
- Employee Training decreased by \$4 thousand for professional development that includes Diversity Certification and American Contract Compliance Association Certification.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Diversity and Strategic Development Department**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
1	Implemented a race- and gender-neutral Small Business Set-Aside and Goals Initiative program to allow greater access by small companies to Tollway projects.
1,3,4	Collaborated with the Illinois Finance Authority and the Chicago Community Loan Fund to institute the Small Contractor Bridge Program to assist small businesses with bonding and financing on construction projects.
1	Implemented two technical assistance programs through the Illinois Community College Board and the Illinois Department of Commerce and Economic Opportunity to provide services that will help small construction businesses build capacity and compete on Tollway work.
1,4	Initiated the Tollway Disparity and Availability Study to include analysis of the availability and utilization of small, minority- and women-owned firms on both construction and professional services contracts, as well as on good and services procurements.
1,4	Implemented an interim Business Enterprise Program (BEP) goal setting process for good and services procurements.
1,4	Obtained the services of a consulting firm to assist with on-site Disadvantaged Business Enterprise (DBE) compliance monitoring and reporting.
1	Increased outreach to small businesses for the “unbundled” contracts initiative to increase awareness of smaller contract size to the heavy highway construction community.
1	Attended, hosted or participated in 178 outreach events or meetings in the Chicagoland area in relation to Tollway Diversity and Strategic Development. These outreach events included hosting of the networking events such as 2013 Construction Networking Event, training sessions such as “Are You Ready to Bid?” small business construction workshops, participation in various diversity related groups such as the Diversity Action Council, collaboration with government agencies such as the Illinois Finance Authority and various one-on-one meetings with advocacy groups and individual construction and design-related firms.

Strategic Priorities	2014 Goals/Objectives
1	Increase economic opportunities through continued enhancement of the existing technical assistance programs implemented in 2013.
1,3,4	Created strategic partnerships – develop a DBE Advisory Council.
1	Expand Technical Assistance program reach through a new RFP for services in different areas of the Tollway system.
1,4	Implement Phase I of a Diversity management software tracking system to: assist in contract goal setting and monitoring, perform timely and effective outreach and enable reporting and analysis of DBE, BEP and EEO data.
1	Implement BEP expanded program fully into the Diversity and Strategic Development department. This program includes activities such as: conduct goods and services outreach, compliance monitoring of contracts and administration of the BEP.
1	Implement a Veterans Business Program (VBP). This program includes activities such as: conduct VBP outreach, compliance monitoring of contracts and administration of VBP.
1,4	Implement an electronic management system for the Earned Credit Program to streamline process and efficiently provide status reports.
4	Enhance the Tollway’s DBE and EEO contract compliance efforts by securing periodic site visits to all active construction projects.

Exhibit 35

**Department Headcount - Diversity and Strategic Development**

Position Title	FY2012	FY2013	FY2014
Chief of Diversity and Strategic Development	1	1	1
DBE Program Manager	1	1	1
Diversity Compliance Coordinator	1	1	1
General Manager of Diversity	1	1	1
Secretary III	1	1	1
Senior Manager of Program Development	1	1	1
<b>TOTAL</b>	<b>6</b>	<b>6</b>	<b>6</b>

Exhibit 36

## Engineering Department

The Engineering Department is responsible for the planning, design, construction, operation and maintenance of the Tollway. Additionally, Engineering coordinates with community groups, government agencies and planning organizations on transportation and landuse policies. This department oversees annual inspections of the pavement, bridges and drainage systems, as well as the overall day-to-day maintenance of the Tollway's fleet and roadway system.

The Engineering Department oversees the following functions:

- Planning
- Design
- Construction
- Program Management
- Maintenance and Traffic



Exhibit 37

Departmental Budgets and Narratives

Department Budget					
ENGINEERING	2012	2013	2014	\$ Change	% Change
Major Account Description	Actual	Budget	Request	from 2013 Budget	from 2013 Budget
Salary and Wages	\$33,107,185	\$33,665,904	\$34,612,615	\$946,711	2.8%
FICA and Retirement	14,048,026	15,703,684	16,773,965	1,070,281	6.8%
<b>Payroll Sub-Total</b>	<b>\$47,155,211</b>	<b>\$49,369,588</b>	<b>\$51,386,580</b>	<b>\$2,016,992</b>	<b>4.1%</b>
Consulting Services	2,306,220	7,396,800	6,621,800	(775,000)	-10.5%
Materials - Operational	3,585,796	5,080,078	4,661,250	(418,828)	-8.2%
Fuels and Oils	4,490,964	4,300,058	3,800,058	(500,000)	-11.6%
Contracted Maintenance Service	2,059,833	2,599,802	2,873,000	273,198	10.5%
Replacement Parts	1,673,100	2,390,280	2,141,250	(249,030)	-10.4%
Office Equipment-Maintenance	482,499	784,700	841,515	56,815	7.2%
Outside Services	419,931	548,000	554,500	6,500	1.2%
Supplies - Operational	213,006	325,600	321,350	(4,250)	-1.3%
Uniforms and Accessories	142,408	100,430	154,950	54,520	54.3%
Supplies - Office	54,407	88,350	97,460	9,110	10.3%
Tools and Equipment	92,106	83,475	91,475	8,000	9.6%
Police Capital Equipment	58,716	146,839	90,080	(56,759)	-38.7%
Building Equipment	47,986	47,035	80,520	33,485	71.2%
Dues, Books and Subscriptions	38,002	44,500	45,000	500	1.1%
Travel and Subsistence	19,503	36,000	42,170	6,170	17.1%
Office/Equipment Rentals	32,390	39,000	39,000	-	0.0%
Employee Training	20,689	28,000	25,235	(2,765)	-9.9%
Office Equipment	-	12,000	13,000	1,000	8.3%
Telephone and Telegraph	6,218	11,500	11,500	-	0.0%
Other Capital Equipment	(500)	7,000	6,750	(250)	-3.6%
Postage and Express	6,811	6,275	6,300	25	0.4%
Other Expenses	3,331	4,950	5,250	300	6.1%
Other Minor Accounts	639	75	125	50	66.7%
<b>Sub-Total</b>	<b>\$62,909,265</b>	<b>\$73,450,335</b>	<b>\$73,910,118</b>	<b>\$459,783</b>	<b>0.6%</b>
Recovery of Expenses	(1,020,150)	(1,530,000)	(1,510,000)	20,000	-1.3%
<b>DEPARTMENT TOTAL</b>	<b>\$61,889,115</b>	<b>\$71,920,335</b>	<b>\$72,400,118</b>	<b>\$479,783</b>	<b>0.7%</b>

Exhibit 38

The fiscal year 2014 Budget Request is \$72.4 million, an increase of \$480 thousand, or 0.7 percent, above the fiscal year 2013 Budget amount. Total payroll is \$51.4 million and includes 605 positions.

## Maintenance and Operations Highlights

- Salaries and Wages increased by \$947 thousand compared to the 2013 Budget. This increase reflects salary, as well as annual wage adjustments required by collective bargaining agreements partially offset by attrition, phasing of vacancies and two additional positions being charged to the *Move Illinois* capital program.
- FICA and Retirement increased by \$1.1 million compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Consulting Services decreased by \$775 thousand due to reduced spending for the Tollway's consulting and traffic engineers, systemwide pavement specialist quality assurance, construction management audit, underwater bridge inspection, independent Professional Service Bulletin (PSB) review, systemwide Geographic Infrastructure System (GIS) management costs and an International Organization for Standardization (ISO) audit.
- Fuels and Oils decreased by \$500 thousand based on current forecasts regarding pricing and consumption.
- Materials – Operational decreased by \$419 thousand mainly due to a new CMS salt contract that is averaging \$5 - \$7 less per ton. However, it is uncertain what the pricing will be when the new salt contract is awarded in the second half of 2014. The \$500 thousand decrease in the salt budget is partially offset by increases in 29 other accounts that include other winter roadway materials, attenuator parts, cable barrier parts, delineators, light poles, electrical parts and painting materials.
- The Contracted Maintenance Service category increased by \$273 thousand including a RFP for a new fiber optics contract. It also includes an ITS electrical maintenance contract, as well as funding for a new on-call ITS maintenance contract to support all ITS devices (Sensys, weigh-in-motion, road weather information system equipment and security surveillance).
- Replacement Parts decreased by \$249 thousand. The funding in this account will absorb the maintenance for additional State Police vehicles as well as certain ITS components in the field such as switches, digital encoders, power supplies, cameras, fiber optics and traffic sensors.

## 2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Engineering Department

### Strategic Priorities:

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments - Planning
1,2,3,4,5	<p>Completed multiple capital planning efforts that provide a foundation for projects to move forward. Highlighted accomplishments include:</p> <ul style="list-style-type: none"> <li>• Securing U.S. Department of Transportation (USDOT) approval, Illinois General Assembly authority and permits needed to begin construction of the Elgin O’Hare Western Access Project (EOWA);</li> <li>• Initiating a study to determine the technical and financial feasibility of the Illinois Route 53/120 Project;</li> <li>• Approving an intergovernmental agreement with the Chicago Metropolitan Agency for Planning to participate in a corridor land use plan for the Illinois Route 53/120 Project;</li> <li>• Continuing to close the \$300 million gap in EOWA Project funding through Congestion Mitigation Air Quality (CMAQ) sponsored projects, land donation and through ongoing efforts with local municipalities; and</li> <li>• Securing environmental mitigation needed for <i>Move Illinois</i> Projects (as detailed below).</li> </ul>
1,2,3	<p>Continued to advance sustainability by:</p> <ul style="list-style-type: none"> <li>• Delivering the Tollway’s first “green interchange” at I-90 and Illinois Route 47 (fall 2013), featuring the use of geothermal energy, light emitting diode (LED) lighting and innovative approaches to water management;</li> <li>• Establishing a clean construction demolition debris guideline for all Tollway design and construction contracts to ensure materials are appropriately identified for disposal and to minimize loads being rejected at a receiving facility (thereby controlling costs);</li> <li>• Allowing approximately \$6 billion in construction work to proceed by developed and securing U.S. Army Corps of Engineers (USACE) 404 and Institute of Experimental and Applied Physics (IEPA) 401 permits for the I-90 west, Fox River Bridge, I-90 east and EOWA corridors;</li> <li>• Securing Board approval for all known <i>Move Illinois</i> wetland mitigation, ensuring the restoration and protection of approximately 525 acres of land within Northeastern Illinois;</li> <li>• Creating the first Tollway mitigation project to be dedicated as an Illinois Nature Preserve (River Country Day School); and</li> <li>• Developing the first-of-its-kind Chloride Offset Program as part of the EOWA and I-90 projects to mitigate water quality impacts associated with future projects, establish a formal partnership with local watershed planning groups and reduce winter deicing salt usage by 25 percent below current levels.</li> </ul>

Strategic Priorities	2013 Accomplishments - Planning
1,2,3,4,5	<p>Continued to inform and educate stakeholders, foster cooperation and advance policy initiatives through various public and legislative outreach activities. Highlighted efforts include:</p> <ul style="list-style-type: none"> <li>• Coordinating with counties, local communities and regional planning and economic development agencies to identify economic development opportunities associated with <i>Move Illinois</i> projects;</li> <li>• Collaborating with Pace and the Regional Transit Authority (RTA) regarding transit opportunities within the I-90 corridor consistent with the I-90 Corridor Planning Council Guiding Principles;</li> <li>• Establishing a I-294/I-57 Interchange Project office and conducting ongoing meetings with the public and local officials;</li> <li>• Conducting multiple outreach activities related to I-90 construction;</li> <li>• Continuing meetings of the EOWA Project Local Advisory Committee (LAC); and</li> <li>• Conducting outreach to new members of the Illinois General Assembly concerning <i>Move Illinois</i>.</li> </ul>
1,2,3,4,5	<p>Continued to support sound decision making by:</p> <ul style="list-style-type: none"> <li>• Updating Tollway policies for signs and landscaping;</li> <li>• Continuing analysis of EOWA tolling schemes to support design efforts and technologies;</li> <li>• Evaluating multiple construction contract maintenance of traffic scenarios;</li> <li>• Monitoring, evaluating and analyzing data related to traffic, revenue and violations; and</li> <li>• Concluding a federally funded study to evaluate opportunities for express toll lanes and transit accommodations along the I-90 corridor.</li> </ul>
1,3,5	<p>Streamlined efficiency and reduced Tollway costs by: securing multiple cost-sharing and maintenance intergovernmental agreements (IGA) with other state agencies and local communities; and monitoring progress of IGAs with a monthly status tracking system.</p>
1,3,5	<p>Streamlined land acquisition processes and activities and secured property needed to deliver capital program construction projects, including:</p> <ul style="list-style-type: none"> <li>• Acquiring 252 parcels and completing 75 relocations (the most relocations for any one project to date) for the I-294/I-57 Interchange Project (by the end of 2013);</li> <li>• Negotiating a \$5.2 million dollar corridor easement within the I-355 right of way;</li> <li>• Developing and implementing a negative equity program to assist families; and</li> <li>• Establishing a unique partnership with the Illinois Housing Development Authority (IHDA) to assist with credit counseling and loan programs.</li> </ul>

Strategic Priorities	2013 Accomplishments - Planning
2,3,4	<p>Continued to refine and enhance geographic information system (GIS) tools to improve efficiency and data management, including:</p> <ul style="list-style-type: none"> <li>• Adding live images to the Virtual Tollway site, which received nearly 370,000 visits in the first seven months of 2013;</li> <li>• Implementing corridor manager and survey modules within the Tollway’s right-of-way tracking tool for more efficient land acquisition;</li> <li>• Managing the Tollway’s Virtual Plan Room, with more than 10,000 total downloads by July 2013;</li> <li>• Managing nearly 7,500 lane closure requests as of July 2013 and</li> <li>• Managing nearly 1,500 utility relocation requests as of July 2013.</li> </ul>
Strategic Priorities	2013 Accomplishments - Maintenance and Traffic Operations
1,2,3,4,5	<p>Implemented multiple roadway maintenance efforts that reduced costs, assured policy compliance and enhanced operations. Highlights include:</p> <ul style="list-style-type: none"> <li>• Working closely with the Procurement Department to implement a Vendor Managed Inventory Program for vehicle and equipment parts and supplies;</li> <li>• Establishing a SMART corridor plan for I-90 that outlines technological enhancements and serves as a basis for design and construction efforts. This plan features construction of a high-voltage power transmission line within the right-of-way to support toll collection, traffic operations, communications and security and to increase energy reliability; and</li> <li>• Assisting in the formation of the Great Lakes Regional Transportation Operations Coalition – comprised of agencies across the upper Midwest forming a coordinated, international approach to safety and mobility for interstate travelers and commercial movements on the I-94/I-90 corridor.</li> </ul>
1,2,3,4,5	<p>Completed development of the first Statewide Incident Management Training Program Phase I, working with Illinois Department of Transportation (IDOT) and the Illinois Center for Transportation. Using this brand new curriculum, the Tollway has provided training to fire departments, towing and recovery firms, law enforcement and local agencies who respond to incidents on the Tollway system, improving safety and reducing the disruption caused by crashes. Tollway staff also served as instructors for state-wide training efforts.</p>
1,2,3,4,5	<p>Continued to enhance safety and mobility in work zones by implementing smart work zones in all major corridors, including the 37-mile Jane Addams Memorial Tollway construction zone. Smart work zones feature portable wireless cameras to monitor construction activity, timely messages about current conditions, signs reminding motorists of speed limits and the prohibition of handheld device use while driving. Combined with vigorous enforcement including aerial surveillance, we have achieved a steady reduction in crashes.</p>

Strategic Priorities		2013 Accomplishments - Maintenance and Traffic Operations	
2,3		The fleet unit continued to successfully implement the Fuel Rehabilitation Project, including E-85 tank installation at M-sites 6, 7, 12 and the remote fueling locations at Illinois Route 47 and Illinois Route 251 on I-88. Successful coordination of the Tollway's fuel reduction program also continues, with 2013 results expected to be at or below targeted reduction amounts.	
2,3,4,5		Enhanced equipment to streamline efficiency and reduce costs, including: upgrading the Computer Aided Dispatch (CAD) System from software version 6.50 to 7.00 (the first upgrade in four years); installing a state-of-the-art digital recording system to replace obsolete equipment and save substantial hardware and software maintenance costs over the next two to three years; and conversion to digital video of all analog cameras including ITS, building security and toll audit cameras (expected to be complete by the end of 2013). Additionally, a comprehensive plan for intelligent transportation systems deployment over the next 5-year and 15-year periods was completed and serves as the basis for ongoing commitments to improve motorist mobility and safety.	
2,3,4,5		Improved signage across the system, including continued upgrade to full cube prismatic reflective sheeting, which eliminates the need for sign lighting. This is an excellent example of a green Tollway initiative. More than 80 percent of the system upgrade is in place and when complete, is projected to save the Tollway \$160,000 annually in energy costs, and \$50,000 - \$60,000 annually in reduced maintenance. The sign shop has successfully implemented a contract to refurbish aluminum extrusions from old guide signs, reducing the need for new extrusions and reducing the agency's cost to manufacture new signs. The Sign Shop fabricated 1,115 signs for systemwide improvements and updated various Construction Communication Initiative (CCI) displays in response to the <i>Move Illinois</i> Program.	
Strategic Priorities		2013 Accomplishments - Program Implementation	
1,2,3,4,5		Created or sustained an estimated 6,450 jobs by the end of the end of July 2013 through capital program expenditures of more than \$257 million.	
1,2,3,4,5		Continued successful implementation of the <i>Move Illinois</i> Program. From inception through the end of July 2013, 121 contracts were awarded, \$1.5 billion of the program budget was committed, and work was delivered on time and within budget, with changes and extra work orders well below industry standards and only 0.054 percent above contract award amounts.	
1,2,3,4,5		Continued implementation of the Congestion-Relief Program (CRP), with \$5.1 billion (88.3 percent) of the program budget committed and 87 percent completion (work in place) by the end of second quarter 2013. Work has been delivered on time and within budget, with completed contracts well below established budget and industry standards and 0.18 percent below contract award amounts. From inception through the end of July 2013, the CRP has included 532 contracts.	

Strategic Priorities	2013 Accomplishments - Program Implementation
1,2,3,4,5	<p>Successfully designed, bid and awarded multiple construction contracts that mobilized in 2013, and began delivering improvements to Tollway customers across the system. Highlights include:</p> <ul style="list-style-type: none"> <li>• Completing the I-90/Illinois Route 47 Interchange Project (fall 2013);</li> <li>• Breaking ground on the western section of the Jane Addams Memorial Tollway reconstruction and widening project;</li> <li>• Continuing construction of the Tri-State (I-294)/I-57 Interchange Project;</li> <li>• Breaking ground on the Elgin O’Hare Western Access Project; and</li> <li>• Completing various systemwide projects on I-294, I-355 and I-88 to repair and maintain the existing system.</li> </ul>
1,2,3,4,5	<p>Initiated or completed multiple design efforts for:</p> <ul style="list-style-type: none"> <li>• The eastern section of the Jane Addams Memorial Tollway rebuilding and Widening Project, including plans to enable SMART corridor technology and enhancements;</li> <li>• A master plan for reconstruction or rehabilitation of maintenance sites across the Tollway system;</li> <li>• The EOWA Project; and</li> <li>• Various systemwide improvements and repairs to drainage, safety appurtenances, pavement, bridges and noisewalls.</li> </ul>
1,2,5	<p>Added staff positions to the Engineering Department to cut program delivery costs and transition some consultant services in-house.</p>
1,2,3,4,5	<p>Procured and configured a new Web-based program management system to ensure consistency in delivering, managing and documenting capital program projects and trained 328 new users as of September 27. Phase 1 of the new system, e-Builder, went live on September 6, with Phase 2 commencing early in 2014.</p>
1,2,3,4,5	<p>Updated processes and procedures to ensure a consistent approach in program implementation. Highlighted accomplishments include:</p> <ul style="list-style-type: none"> <li>• Updating 10 department manuals and hosting 12 seminars to provide direction to consultants and contractors to ensure that work is completed according to Tollway requirements;</li> <li>• Developing and deploying new procedures for bid cancellations; and</li> <li>• Revising ISO procedures to align with <i>Move Illinois</i> goals, while achieving another successful ISO recertification (expected in November).</li> </ul>
4	<p>Developed reports, presentations, maps, graphics and other materials to provide clear, accurate and timely program information to the Tollway Board of Directors, to inform stakeholders and to support community outreach activities.</p>
2,3,4,5	<p>Provided staff and assistance to other departments including Communications, Diversity and Strategic Development, Information Technology and Business Systems. Staff is providing critical functions necessary to each departments’ success, such as: developing and implementing website changes to enhance customer communications; assisting in developing new diversity programs and initiatives; developing and deploying various technology upgrades; and supporting efforts to procure new, back-office toll system vendors.</p>

Strategic Priorities	2013 Accomplishments - Program Implementation
1,2,3,4,5	<p>Promoted industry competition for and participation in Tollway projects by qualified construction and professional services firms. Coordinating with the American Council of Engineering Companies (ACEC), Illinois Road and Transportation Builders Association (IRTBA), Hispanic American Construction Industry Association (HACIA) and other industry organizations, the Engineering Department held meetings, seminars, training sessions and webinars to provide information, build relationships and help businesses successfully navigate Tollway processes. <i>Move Illinois</i> quarterly meetings were also held with designers, construction managers and contractors to share information, convey the Tollway's expectations and build a collaborative team.</p>

Strategic Priorities	2014 Goals/Objectives - Planning
1,2,3,4,5	<p>Continue to advance capital planning efforts on a variety of fronts, including:</p> <ul style="list-style-type: none"> <li>• Providing recommendations to the Board of Directors regarding the technical and financial feasibility of the Illinois Route 53/120 Project;</li> <li>• Continuing to coordinate with local officials as construction commences on the Elgin-O'Hare Western Access Project;</li> <li>• Continuing to coordinate with regional transit agencies to fund and incorporate amenities such as park-&amp;-ride facilities and access ramps during construction of I-90;</li> <li>• Coordinating with local agencies to identify opportunities to leverage investments associated with the <i>Move Illinois</i> Program to promote economic development opportunities; and</li> <li>• Partnering with universities and research institutions to integrate new technologies and innovation at the Tollway.</li> </ul>
1,2,3,4,5	<p>Seek opportunities to improve overall efficiency and systemwide operations by evaluating funding options that are consistent with the Strategic Advisory Team report; considering the increased use of technology and roadway communication; evaluating systemwide operational deficiencies that could be addressed during <i>Move Illinois</i>; and creating or updating policies to align with <i>Move Illinois</i> goals, including policies for land use and right-of-way, roadway maintenance and landscaping, freight access planning and congestion pricing.</p>
1,2,3,4,5	<p>Progress the Tollway's commitment to environmental stewardship and sustainability by developing a sustainability plan to meet the requirements of newly enacted state and federal laws; seeking funding opportunities for environmental studies and programs; monitoring the impact of capital projects and developing plans to address post-construction issues.</p>

Strategic Priorities		2014 Goals/Objectives - Planning	
1,2,3,4,5		<p>Continue to deploy public and legislative outreach activities to support the goals of <i>Move Illinois</i>, including:</p> <ul style="list-style-type: none"> <li>• Developing new or updating existing policies to align with the <i>Move Illinois</i> strategic priorities including – freight and commercial vehicle accommodations, landscape and bridge aesthetics enhancement, bicycle and pedestrian accommodations and cost sharing;</li> <li>• Expanding outreach to stakeholders within the I-90 and EOWA corridors;</li> <li>• Monitoring national policy regarding tolling and user fees;</li> <li>• Assisting with the development of the Tollway’s legislative agenda;</li> <li>• Expanding outreach to key constituencies such as truckers associations; and</li> <li>• Updating current legislation and administrative rules to align land acquisition policies and processes with recent changes at the federal levels.</li> </ul>	
2,3,4,5		Streamline efforts related to agreements by improving the IGA tracking process to synchronize with Catapult and GIS and developing standard IGAs for bridge maintenance with county roads.	
1,2,3,4,5		Continue efforts to secure right-of-way for the EOWA and I-90 Projects. Develop Phase II of the right-of-way tracking tool to improve overall process management, provide real-time status information and link GIS data to project budgets.	
1,2,3,4,5		Expand the use of GIS by refining and developing systems for customer communication, planning analysis and legislative outreach, increasing the number of datasets available, expanding data sharing and collection with other agencies and developing off-site hosting capabilities to allow access to key information from construction sites, field offices and other remote locations.	
Strategic Priorities		2014 Goals/Objectives - Maintenance and Traffic Operations	
1,2,3,4,5		Partner with Tollway engineers and the Traffic Incident Management System (TIMS) center to assure best practice approaches to roadway maintenance, traffic and capital program implementation and promote public safety through a continued focus on education, enforcement, engineering and emergency medical services. This includes development of Phase 2 of the Statewide Regional Incident Management Training Guide to train both public and private sector incident responders.	
2,3,4		Continue to implement procedures as required by the Governor’s Executive Order #11 2009 and exceed expectations for reducing the Tollway’s use of petroleum. In addition, the Tollway will have E-85 fuel available at every M-site and the volume used is expected to increase to approximately 120,000 gallons annually.	
1,2,3,4,5		Continue to modernize and enhance technologies with a proactive approach to design engineering, equipment updates and installation and use of national best practices. This includes purchase of a public safety answering point telephone system in order to receive automatic number identification (ANI) and automatic location identification (ALI) on 911 call transfers; and upgrade of the CAD system to structured query language (SQL) CAD to further enhance the capabilities of the system and increase its useful life.	

Strategic Priorities		2014 Goals/Objectives - Maintenance and Traffic Operations	
2,3,4,5		Continue to advance implementation of the Vendor Managed Inventory Program for the acquisition of fleet-related replacement parts and supplies.	
Strategic Priorities		2014 Goals/Objectives - Program Implementation	
1,2,3,4,5		Continue to successfully deliver construction projects on time and within budget, including completion of the I-294/I-57 Interchange Project; completion of the western section of I-90 Rebuilding and Widening Project; initiating advance work for the eastern section of I-90 the Rebuilding and Widening Project; and various systemwide improvements.	
1,2,3,4,5		Continue to secure Tollway staffing resources and enhance program tools, systems, processes and procedures as needed for successful capital program implementation.	
1,2,4,5		Initiate Phase II implementation of e-Builder and conduct all necessary transition and training activities. This includes the potential launching of electronic bidding in 2014.	
1,2,3,4,5		Continue to successfully develop design services for a variety of capital program projects, including the EOWA project, east segment of the I-90 Rebuilding and Widening Project, systemwide improvements and a concept plan for the potential Illinois Route 53/120 Project.	
1,2,3,4,5		Expand industry coordination by forming a professional services committee that would include ACEC, IRTBA, HACIA and other key organizations in the region.	

Exhibit 39

**Department Headcount - Engineering**

<b>Position Title</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Administration Manager	1	1	1
Aerial Lift Operator	1	1	0
Assistant Project Manager	0	2	2
Auto Mechanic	53	54	54
Automotive Attendant	2	2	2
Automotive Body Technician	2	2	2
Budget Procurement and Maintenance Systems Manager	1	1	1
Central Shop Area Supervisor	1	1	1
Central Shop Manager	1	1	1
Central Shop Supervisor	1	1	1
Chief Engineer	1	1	1
Civilian Call Taker	7	7	7
Communications Supervisor	4	4	4
Community Relations Corridor Coordinator	0	1	1
Community Relations/Outreach Manager	1	1	1
Condemnation Support Specialist	0	1	0
Construction Contract Supervisor	1	1	1
Contract Administrator	1	1	1
Contract Payment Expeditor	4	4	4
Contract Payment Expeditor Supervisor	1	1	1
Data Entry Manager	1	1	1
Deputy Chief of Engineering for Planning	1	1	1
Deputy Chief of Program Controls	1	1	1
Deputy Chief of Program Implementation	1	1	2
Dispatch Manager	1	1	1
Document Control Manager	1	1	1
Document Control Specialist	1	1	1
Engineering Document Administrator	1	1	1
Engineering Project Analyst	1	1	1
Engineering Project Liaison	1	1	1
Environmental Planner	1	1	1
Environmental Policy and Program Manager	1	1	1
Equipment Operator Laborer	309	310	310
Executive Project Engineer	4	4	3
Executive Project Manager	2	2	5
Executive Secretary	4	4	4

Exhibit 40-1

**Department Headcount - Engineering**

<b>Position Title</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Fiber Optic Utilities Relocation Manager	0	1	1
Fleet District Manager	2	2	2
Fleet Manager	1	1	1
Fleet Systems Analyst	1	1	1
General Manager of Engineering	1	1	1
General Manager of Maintenance and Traffic	1	1	1
Geometrics Engineer	1	1	1
GIS Support Specialist	1	1	1
GIS Systems Manager	1	1	1
Incident Manager	1	1	1
Intergovernmental Agreement (IGA) Manager	1	1	1
ITS Deployment Engineer	1	1	1
ITS Engineer	0	1	0
ITS Field Technician	1	1	2
Land Acquisition Manager	1	1	1
Legislative and Policy Analyst	1	1	1
Maintenance Section Manager	11	11	11
Maintenance Section Supervisor	12	12	12
Maintenance Systems Analyst	1	1	1
Maintenance Systems Support Clerk	1	1	1
Management Operations Specialist	1	1	1
Materials Engineer	2	2	2
Oasis Project Manager	1	1	1
Parts Clerk	14	15	14
Part Time Data Technician	1	1	1
Permit and Utilities Manager	1	1	1
Policy Analyst	1	1	1
Project Manager	5	4	4
Property Specialist	1	1	1
Quality Auditor	0	1	1
Relocation Assistant	0	1	1
Relocation and Acquisition Specialist	1	1	1
Roadway Electrical Manager	1	1	1
Roadway Lighting Laborer	12	12	14
Roadway Maintenance District Manager	2	3	2
Roadway Maintenance Manager	1	1	1

Exhibit 40-2

**Department Headcount - Engineering**

<b>Position Title</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Secretary II	1	1	1
Secretary III	3	5	6
Section Clerk	13	13	13
Senior Contract Payment Expediter	0	1	1
Senior Environmental Planner	1	1	1
Senior Landscape Architect	1	1	1
Senior Manager of Strategic Planning	1	1	1
Senior Project Engineer	9	7	7
Senior Project Manager	5	5	4
Sign Maker Hanger	16	15	15
Sign Shop Manager	1	1	1
Sign Shop Supervisor	1	1	1
Telecommunicator	20	20	20
Traffic and Revenue Analyst	1	1	1
Traffic Operations Center Manager	1	1	1
Traffic Operations Manager	1	1	1
Traffic Operations Technician	5	5	6
Traffic Permit Technician	2	2	2
Transportation Planner	0	1	0
Utility Administrator	1	1	1
Utilities/IGA Coordinator	0	2	1
Utility Technician	3	3	3
Web-Based Project Management Systems Manager	1	1	1
Welder	6	6	6
<b>TOTAL</b>	<b>591</b>	<b>605</b>	<b>605</b>

Exhibit 40-3

## Executive Office and Directors

The Executive Office and Directors are comprised of the Board chair, eight appointed directors, two *ex-officio* directors and the executive management staff. This office provides the management expertise to conceptually identify and set policies for the Tollway agency. This office also develops and implements a strategic plan that allows for the efficient and effective use of all available resources to accomplish the Tollway’s mission.

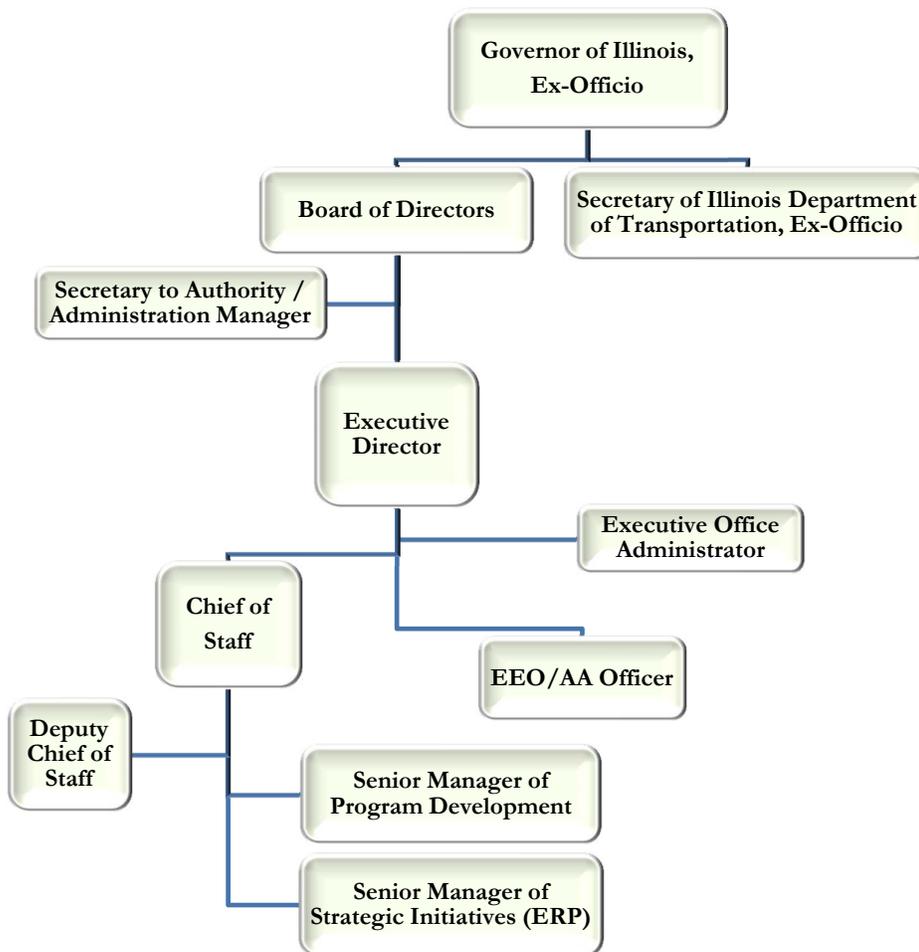


Exhibit 41

Department Budget					
EXECUTIVE OFFICE AND DIRECTORS					
Major Account Description	2012 Actual	2013 Budget	2014 Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Salary and Wages	\$853,018	\$973,424	\$973,770	\$346	0.0%
FICA and Retirement	350,233	454,043	471,908	17,865	3.9%
<b>Payroll Sub-Total</b>	<b>\$1,203,251</b>	<b>\$1,427,467</b>	<b>\$1,445,678</b>	<b>\$18,211</b>	<b>1.3%</b>
Outside Services	73,333	150,000	138,000	(12,000)	-8.0%
Dues, Books and Subscriptions	69,667	40,800	30,250	(10,550)	-25.9%
Other Expenses	1,296	16,500	25,500	9,000	54.5%
Travel and Subsistence	10,581	12,100	12,400	300	2.5%
Supplies - Office	1,314	3,500	2,500	(1,000)	-28.6%
Employee Training	1,403	2,300	1,750	(550)	-23.9%
Advertising and Promotion	812	2,000	1,500	(500)	-25.0%
Other Capital Equipment	-	1,500	1,250	(250)	-16.7%
Postage and Express	682	1,700	1,000	(700)	-41.2%
Supplies - Operational	2	700	600	(100)	-14.3%
Printing and Publications	1	2,500	500	(2,000)	-80.0%
Office Equipment	-	500	500	-	0.0%
<b>DEPARTMENT TOTAL</b>	<b>\$1,362,341</b>	<b>\$1,661,567</b>	<b>\$1,661,428</b>	<b>(\$139)</b>	<b>0.0%</b>

Exhibit 42

The fiscal year 2014 Budget Request is \$1.7 million, a decrease of \$139 compared to the fiscal year 2013 Budget. Total payroll is \$1.4 million and includes seven positions.

### Maintenance and Operations Highlights

- Salaries increased by \$346 compared to the 2013 Budget. This increase reflects salary adjustments partially offset by the phasing of one salaried vacancy.
- FICA and Retirement increased by \$18 thousand compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Outside Services decreased by \$12 thousand based on recent trends in spending.
- Dues, Books and Subscriptions decreased by \$11 thousand based on current needs.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Executive Office and Directors**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
1,2,5	Completed year two of <i>Move Illinois: The Illinois Tollway Driving the Future</i> , a 15-year, \$12 billion capital program funded by bonds and toll revenue generated through a toll rate increase for passenger vehicles as of January 1, 2012, and a previously approved increase for commercial vehicles beginning in 2015. Completed year nine of the 10-year, \$5.8 billion Congestion-Relief Program.
1	Secured approval from the U.S. Department of Transportation and from the Illinois House of Representatives to move forward with construction of the \$3.4 billion Elgin O’Hare Western Access Project. Groundbreaking for the project scheduled for fall 2013.
1	Began construction of the \$2.3 billion Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project as a 21st century, state-of-the-art corridor linking Rockford to O’Hare International Airport.
1,3	Completed the Illinois Route 47 Interchange Project, a new, all-electronic interchange at Illinois Route 47 on the Jane Addams Memorial Tollway (I-90) in Huntley. The interchange was constructed in partnership with the village of Huntley, Kane and McHenry counties and the Illinois Department of Transportation (IDOT). The first “green interchange” on the Tollway system, the Illinois Route 47 Interchange is the first <i>Move Illinois</i> project to be completed.
1,2,3,5	Moved forward with developing detailed plans and further study of economic and environmental impacts for the proposed extension of Illinois Route 53/120 in Lake County and reconvened the Illinois Route 53/120 Blue Ribbon Advisory Council (BRAC). As recommended by the BRAC, a corridorwide land use plan is being developed in coordination with the Lake County and the Chicago Metropolitan Agency for Planning.

Strategic Priorities	2013 Accomplishments
1,4	Worked in partnership with the Illinois Community College Board to establish a new Construction Business Development Center to provide training and technical assistance to small construction businesses, including minority- and women-owned firms. Worked with the Illinois Department of Commerce and Economic Opportunity and the Illinois Hispanic Chamber of Commerce to develop a Coaching for Growth Program for small business owners specializing in heavy highway construction. These programs increase opportunities for small and diverse firms to participate in <i>Move Illinois</i> .
4	Hosted separate networking events for construction and professional services firms to provide opportunities for small businesses, including disadvantaged, minority- and women-owned business enterprises, to learn how to participate in upcoming projects and establish or build relationships with larger firms currently doing business with the Tollway. Hosted a 2013 Road Work Ahead: Construction Careers Expo to help people interested in roadway construction careers learn more about the skills and training needed to work on upcoming projects.
1,2,3	Led by the Illinois Tollway, seven Chicago area transportation agencies reconvened for the fourth annual Earth Day Transportation Summit to improve coordination among the region's transportation leaders. Nearly 100 leaders gathered to share ideas and continue working toward a shared transportation vision.
1,2,3,4,5	Issued \$500 million in senior revenue bonds – the first of two anticipated new-money bond issues totaling \$1 billion in 2013. The Tollway bonds were well-received in the market, with bonds priced to produce reoffering yields ranging from 2.86 percent to 3.53 percent and yields to maturity ranging from 3.35 percent to 4.22 percent. The bonds were issued as fixed rate revenue bonds, with 70 percent of the bonds structured as a term bond maturing on January 1, 2038, and remaining bonds maturing from January 1, 2027 through January 1, 2035.
1,4	Launched a new Small Business Initiative to increase opportunities for small companies to participate in the agency's <i>Move Illinois</i> Program. The new initiative establishes small business goals for select construction contracts on an ongoing basis just as it currently does for disadvantaged businesses, including certified minority- and women-owned business enterprises. Small business goals were set on a project-by-project basis beginning in May 2013. The new initiative also provides for select construction contracts, generally with values of approximately \$1 million, to be identified and awarded specifically to small businesses.
4	Continued pursuing the worst toll violators by filing lawsuits against them in court, sending a clear and strong message to chronic violators who use the Tollway regularly without paying that the time had come for them to pay their fair share.
1,4	Began participating in the new Small Contractor Bridge Program, which provides working capital loans to small contractors, including disadvantaged, minority- and women-owned businesses, to enable these firms to obtain surety bonding and compete for public works projects and work as prime contractors for construction projects in the <i>Move Illinois</i> Program. The program expands resources offered to small construction firms through the state's new Small Contractor Bridge Program administered by the Illinois Finance Authority and the Chicago Community Loan Fund.

Strategic Priorities	2013 Accomplishments
1,4	Implemented the community hiring initiative I-WORK: Building Opportunity Zone to increase employment opportunities for residents who live near the agency's roadway construction projects. The new community hiring encourages contractors to hire workers with construction skills living in the vicinity of <i>Move Illinois</i> projects and provides a financial incentive to prime contractors and sub-contractors that opt to hire local residents from areas with historic unemployment or underemployment. The Tri-State Tollway (I-294)/I-57 Interchange Project in Posen serves as a pilot program for this initiative.
4	Named the 2013 Agency of the Year by the Interagency Committee on Employees with Disabilities (ICED) for efforts to expand opportunities for people with disabilities. The Tollway was selected for this award because of its outstanding affirmative action record in employing people with disabilities, including recruitment, hiring and accommodation practices. The ICED's Agency of the Year award also recognized the Illinois Tollway as a leader among state agencies for its approach to implementing the Americans with Disabilities Act and the Illinois Human Rights Act by fully engaging in a flexible and interactive process to explore reasonable, effective and sometimes creative accommodations.
1,2	Received a \$150,000 grant from the Federal Highway Administration (FHWA) to implement the FHWA's Infrastructure Voluntary Evaluation Sustainability Tool (INVEST). The grant, coupled with a recent partnership with the University of Illinois to develop life cycle assessment (LCA) tools, will help the Tollway ensure that its Move Illinois Program is the cleanest and greenest in the agency's history.
5	Began to develop a new customer service and toll violation processing system that leverages a leading business software, SAP, to support the agency's electronic tolling operations. As the Tollway expands its infrastructure as part of Move Illinois, an enhanced system will be needed to facilitate larger and more complex operations.
5	Created a new I-PASS website allowing customers to manage their accounts anytime, anywhere via a mobile device – smartphone or tablet – with most of the functions they have online with a personal computer or laptop. From their smartphones or tablets, I-PASS users are able to view account balance, transponder usage and payment history; review and update personal information and credit card details; add or update vehicles and license plate information; and activate a new transponder.
2	Entered into separate intergovernmental agreements with the Cook, Lake and Kane county forest preserve districts, as well as the city of Elgin, to provide mitigation credit necessary to compensate for construction impacts associated with the Jane Addams Memorial Tollway (I-90) Rebuilding and Widening and Elgin O'Hare Western Access projects.
4,5	Worked to reduce costs and improve operational efficiencies while operating within budget and be accountable to its customers who support the 286-mile system.
Strategic Priorities	2013 Accomplishments - Enterprise Resource Planning
4,5	RFP for Advisory and Management Services.
4,5	RFP for Independent Verification and Validation (IV&V) services.

Strategic Priorities		2014 Goals/Objectives
1,2,3,4,5		Continue to uphold the Tollway's Mission Statement.
1,2,3,4,5		Continue to advance the agency's goals including: promoting the regional economy, fostering environmental responsibility and sustainability, increasing collaboration with regional transportation and planning agencies, furthering transparency and accountability, and enhancing customer service.
1,2,5		Support the Tollway's 15 year, \$12 billion <i>Move Illinois</i> capital program.
4		Coordinate the improved efficiency of daily operations.
Strategic Priorities		2014 Goals/Objectives - Enterprise Resource Planning
4,5		Procure advisory services.
4,5		Complete the requirements consolidation, planning and preparation activities.
4,5		Publish RFP for procuring implementation services.
4,5		Plan end-user training to prepare business users for future fit-gap discussions.
4,5		Procure hardware infrastructure for development and test environments.
4,5		Start implementation services.

Exhibit 43

Department Headcount - Executive Office and Directors

<u>Position Title</u>	FY2012	FY2013	FY2014
Administrative Manager to the Board	1	1	1
Chief of Staff	1	1	1
Deputy Chief of Staff	1	1	1
Executive Director	1	1	1
Executive Secretary	2	2	2
Senior Manager of Program Development	1	1	1
<b>TOTAL</b>	<b>7</b>	<b>7</b>	<b>7</b>

Exhibit 44

**Finance**

The Finance Department is responsible for all general accounting, financial reporting, capital and operations budgeting, treasury functions, accounts payable, payroll, risk management and toll revenue audit. In addition, Finance manages all bond, cash and investment analysis and helps coordinate the financial portion of the annual audit of the agency.

Finance oversees the following functions:

- General Accounting
- Budget
- Accounts Payable
- Payroll
- Risk Management
- Fiscal Operations
- Toll Revenue Audit

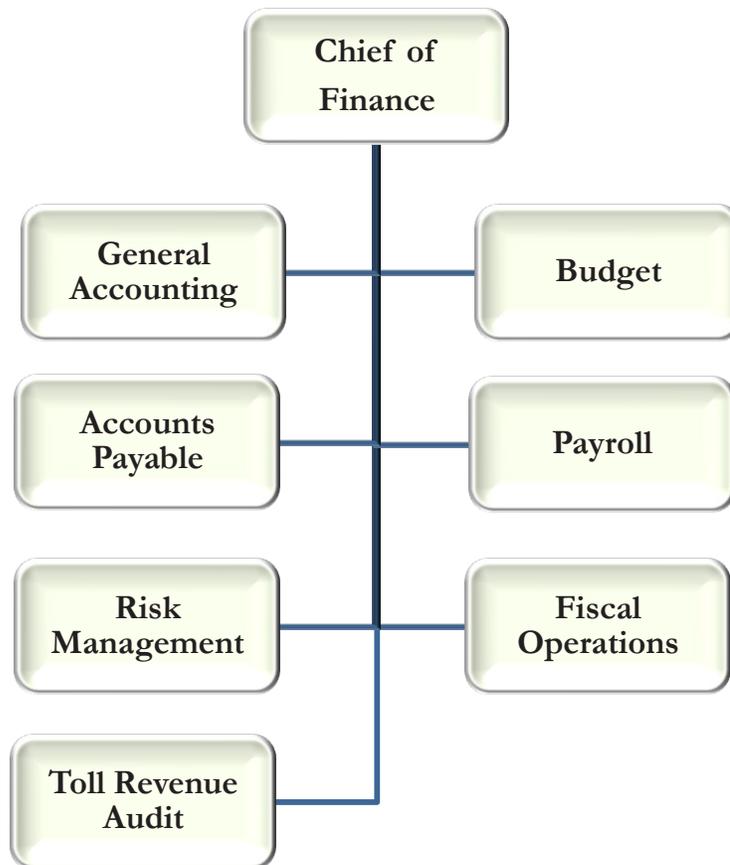


Exhibit 45

Department Budget					
FINANCE	2012	2013	2014	\$ Change	% Change
Major Account Description	Actual	Budget	Request	from 2013 Budget	from 2013 Budget
Salary and Wages	\$2,627,122	\$2,828,411	\$2,851,649	\$23,238	0.8%
FICA and Retirement	2,320,739	1,319,284	1,381,966	62,682	4.8%
<b>Payroll Sub-Total</b>	<b>\$4,947,861</b>	<b>\$4,147,695</b>	<b>\$4,233,615</b>	<b>\$85,920</b>	<b>2.1%</b>
Employee Group Insurance	24,635,444	26,310,000	27,008,400	698,400	2.7%
Worker's Compensation Insurance	6,030,193	7,425,000	7,825,000	400,000	5.4%
Outside Services	2,960,317	3,525,000	3,475,000	(50,000)	-1.4%
Property Insurance	1,814,901	2,457,000	2,657,500	200,500	8.2%
Bank Charges	117,709	220,000	175,000	(45,000)	-20.5%
Bond Trustee	23,871	125,000	125,000	-	0.0%
Supplies - Office	15,553	21,590	21,600	10	0.0%
Postage and Express	13,138	15,000	18,025	3,025	20.2%
Office Equipment-Maintenance	6,108	7,000	7,000	-	0.0%
Dues, Books and Subscriptions	5,114	7,000	7,000	-	0.0%
Travel and Subsistence	712	2,500	3,100	600	24.0%
Printing and Publications	2,351	3,000	3,000	-	0.0%
Employee Training	2,207	2,000	2,000	-	0.0%
Other Expenses	1,118	1,500	1,500	-	0.0%
Office Equipment	1,060	1,000	1,000	-	0.0%
Other Minor Accounts	36	500	500	-	0.0%
<b>Sub-Total</b>	<b>\$40,577,694</b>	<b>\$44,270,785</b>	<b>\$45,564,240</b>	<b>\$1,293,455</b>	<b>2.9%</b>
Recovery of Expenses	(106,521)	(150,000)	(150,000)	-	0.0%
<b>DEPARTMENT TOTAL</b>	<b>\$40,471,173</b>	<b>\$44,120,785</b>	<b>\$45,414,240</b>	<b>\$1,293,455</b>	<b>2.9%</b>

Exhibit 46

The fiscal year 2014 Budget Request is \$45.4 million, an increase of \$1.3 million, or 2.9 percent, above the fiscal year 2013 Budget amount. Total payroll is \$4.2 million and includes 55 positions.

### Maintenance and Operations Highlights

- Salaries and Wages increased by \$23 thousand compared to the 2013 Budget. This increase reflects salary as well as annual wage adjustments required by collective bargaining agreements partially offset by attrition. One additional account payable representative is charged to the *Move Illinois* capital program.

- FICA and Retirement increased by \$63 thousand compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent combined with the phasing of departmental vacancies.
- Group Insurance increased by \$698 thousand over the 2013 Budget level and is based on projected employee enrollment and employee contributions towards their insurance coverage. This account includes group medical, dental, optical and life, as well as retiree health and life insurance.
- Workers' Compensation Insurance increased by \$400 thousand compared to the 2013 budgeted amount and is based on the latest actuarial study which takes into consideration the volume and value of claims.
- Property Insurance increased by \$201 thousand over the 2013 Budget reflecting the addition of cyber liability insurance. This account category also covers buildings, bridges, vehicles and other liability insurance.
- Outside Services decreased by \$50 thousand based on actual expenditures for external auditors as well as roadway emergency services requiring ambulances and fire trucks.
- Bank Charges decreased by \$45 thousand based on historical spending.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Finance Department**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
4	Implemented changes designed to accommodate new accounting standards for government agencies.
3,4	Worked with Illinois Department of Transportation (IDOT) to establish a systematic reporting process for costs incurred by IDOT and the Tollway under intergovernmental agreements.
4	Awarded a contract to implement Microsoft Dynamics to improve financial accounting and reporting.
1,2,3,4,5	Completed the first bond financing for the <i>Move Illinois</i> Program, providing \$523 million at an all-in cost of 4.1 percent, well below planned costs.
1,2,3,4,5	Reduced future debt service by \$14.5 million (\$13.3 million on a present value basis) by advance refunding a portion of the Series 2005A Bonds.

Strategic Priorities	2013 Accomplishments
4	Continued to improve efficiency of operations including service levels, internal controls and accountability.
4	Continued to manage and enhance the Catapult capital and maintenance and operations budgeting and financial reporting system, resulting in improved timeliness and accuracy of financial information critical to Tollway management.
4	For the tenth year in a row, received recognition from the Government Finance Officers Association (GFOA) through the Distinguished Budget Presentation Award.
3,4	Began a process toward establishing an owner controlled insurance program in order to centralize the purchase of insurance for a number of construction projects, thereby reducing insurance costs through economies of scale while providing increased liability coverage for smaller vendors.
3,4	Worked with Engineering to evaluate the potential risks associated with off highway projects and reduce the required limits of excess liability insurance for such projects, thus increasing the pool of vendors while reducing insurance cost for the project.
4	Improved the quarterly financial reports for the Executive Office and the department chiefs by providing quarterly capital, as well as maintenance and operations reports at the department level.
4	Established a cost center and budget to support the Tollway's initiative to implement an enterprise resource planning (ERP) system to improve management processes relating to the general ledger, budget, purchasing, human resources, fleet management and other agencywide needs.
4	Improved the quarterly reporting process by establishing a schedule to identify deliverables for the preparation of Finance Administrative Operations Committee and Board reporting packages.
4	Conducted weekly video reviews of all plaza digital video recorders (DVR) and Network Video Recorders (NVR) to report any camera outages and DVR malfunctions and reported for prompt repair.
4	Maintained weekly queries of collector non-pay button usage for monitoring and reporting of misuse to Toll Services and the Inspector General's office.
4	Reviewed approximately 1,000 video events relating to non-pay query investigations.
4,5	Prepared an estimated 140 digital video disc (DVD) copies of video events for various Tollway departments.
4	Reviewed 300 vault/bag tracking reports and reported any issues found.
4	Assist in the digital conversion of remaining analog cameras and video recording equipment.
4,5	Provide research materials related to the Inspector General subpoenas and legal Freedom of Information Act (FOIA) requests.

Strategic Priorities	2014 Goals/Objectives
4	Support the Tollway's effort to implement an ERP system to improve accounting and reporting of financial results and achieve efficiencies in operations.
4	Streamline the monthly accounting close process to achieve more timely financial reporting.
4	Improve upon the process to prepare the Tollway's annual Generally Accepted Accounting Principles (GAAP) financial statement.
4	Work toward developing a monthly financial report. Continue to refine the process for developing quarterly reporting packages for Board meetings. Establish clear timelines to meet deliverables for senior management presentations.
4	Enhance procedures to process vendor invoices promptly to assist in keeping the <i>Move Illinois</i> program on track.
3,4	Work to implement the potential owner controlled insurance program to obtain centralized insurance coverage for selected projects.
3,4	Continue project risk evaluation to determine if specifications for insurance can be modified to lower insurance cost without increasing risk of uninsured claims or losses.
1,2,3,4,5	Continue to implement and monitor capital planning and spending on the <i>Move Illinois</i> Program and the Congestion-Relief Program. Collaborate with Engineering, Business Systems, Information Technology, Program Management Office, etc. to develop processes for monitoring and reporting status of capital projects.
4	Continue to engage partners in developing systems and processes to improve understanding and reporting of capital needs. Be involved in planning meetings with Engineering, Business Systems and Information Technology to understand plans for investments in new technology and maintenance of existing equipment to support Tollway functions.
4	Work to ensure a successful debt management program and to issue bonds to finance approximately \$835 million of the <i>Move Illinois</i> Program at/or below planned costs.
4	Monitor opportunities to reduce debt service by refunding outstanding debt.
4	Monitor opportunities to reduce risks associated with the synthetic fixed rate bond portfolio. Evaluate alternatives to mitigate future interest rate risk, including hedging options.
4	Continue to test and verify accuracies in the areas of I-PASS collection, violations, and general toll revenue collection processes.
4	Perform safe audits and bank reconciliations of I-PASS and violation revenues collected at the Central Administration Customer Service Center and oases locations.
4	Complete the conversion of analog cameras to digital at all plazas and implement a new DVR system to monitor 500+ security cameras in the field.

Strategic Priorities	2014 Goals/Objectives
4	Identify and report any discrepancies relating to cash toll revenue collections and provide Toll Operations and the Inspector General with any necessary documentation and assistance.
4	Continue to implement reports and processes that identify revenue leakage and provide recommendations to help minimize loss.
4	Develop new tracking methods of collector errors communicated to Toll Services for resolution.
4,5	Provide research materials related to Inspector General subpoenas and FOIA requests.

Exhibit 47

**Department Headcount - Finance**

<u>Position Title</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Accountant	2	2	2
Accounts Payable Representative	3	4	5
Assistant Supervisor Accounts Payable	1	1	1
Budget Analyst	1	1	1
Budget/General Accounting Clerk	1	1	1
Capital Budget Analyst	2	2	2
Capital Budget Manager	1	1	1
Capital Budget Specialist	1	1	1
Cashier	2	2	1
Cashier Supervisor	1	1	1
Cashier/General Accounting Assistant	2	2	3
Chief Accountant	2	2	2
Chief of Finance	1	1	1
Claims Adjuster	1	1	1
Controller	1	1	1
Construction Insurance Analyst	0	1	1
Deputy Chief of Finance	1	1	1
Disbursement Control Supervisor	1	1	1
Emergency Services Collection Analyst	1	1	1
Executive Secretary	1	1	1
Financial Planning Analyst	1	1	1
Fiscal Operations Manager	1	1	1
Insurance Claims Supervisor	1	1	1
Insurance Risk Manager	1	1	1

Exhibit 48-1

Department Headcount - Finance

<u>Position Title</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
M and O Budget Manager	1	1	1
Manned Lanes Control Clerk	1	1	1
Payroll Analyst	3	4	4
Payroll Manager	1	1	1
Payroll Specialist	1	0	0
Payroll Supervisor	1	1	1
Project Accountant	2	2	2
Project Administrator	1	1	1
Property Recovery Analyst	1	1	1
Revenue Loss Specialist	1	0	0
Secretary III	1	1	1
Senior Accountant	5	5	5
Senior Financial Analyst	1	1	1
Toll Audit Clerk	1	1	1
Toll Audit Manager	1	1	1
Toll Audit Supervisor	1	1	1
<b>TOTAL</b>	<b>53</b>	<b>54</b>	<b>55</b>

Exhibit 48-2

## Information Technology Department

The Information Technology Department is responsible for planning, directing and controlling all information technologies and telecommunications, as well as providing the Tollway with strategic guidance and user/client services.

Information Technology oversees the following functions:

- Enterprise Information Services
- Data Communications
- Operations and Field Support

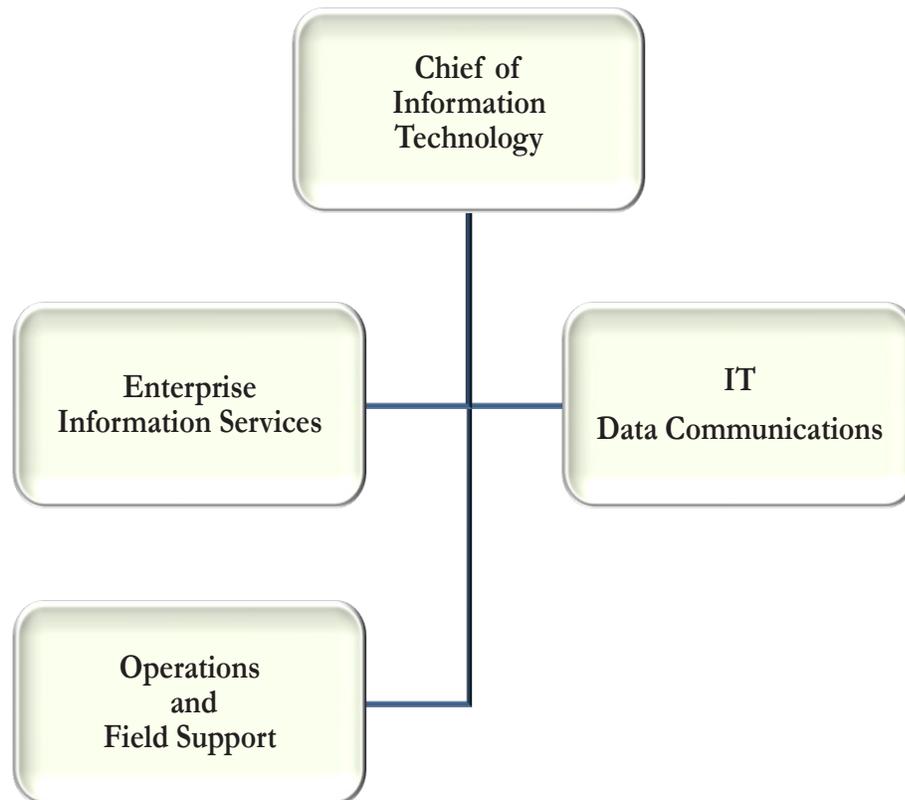


Exhibit 49

## Departmental Budgets and Narratives

Department Budget					
INFORMATION TECHNOLOGY					
Major Account Description	2012 Actual	2013 Budget	2014 Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Salary and Wages	\$3,352,997	\$4,208,034	\$4,378,670	\$170,636	4.1%
FICA and Retirement	1,432,692	2,033,556	2,121,991	88,435	4.3%
<b>Payroll Sub-Total</b>	<b>\$4,785,688</b>	<b>\$6,241,590</b>	<b>\$6,500,661</b>	<b>\$259,071</b>	<b>4.2%</b>
Consulting Services	1,470,046	1,507,000	4,520,200	3,013,200	199.9%
Office Equipment-Maintenance	864,396	2,551,500	2,501,500	(50,000)	-2.0%
Contracted Maintenance Service	714,273	856,100	830,000	(26,100)	-3.0%
Telephone and Telegraph	467,412	480,000	750,000	270,000	56.3%
Outside Services	26,547	216,000	216,000	-	0.0%
Replacement Parts	100,995	160,000	170,000	10,000	6.3%
Employee Training	6,214	30,995	80,995	50,000	161.3%
Supplies - Operational	52,017	68,500	65,500	(3,000)	-4.4%
Office/Equipment Rentals	-	-	50,000	50,000	N/A
Supplies - Office	4,794	8,800	11,800	3,000	34.1%
Materials - Operational	17,814	20,500	11,500	(9,000)	-43.9%
Travel and Subsistence	1,421	9,000	10,500	1,500	16.7%
Other Capital Equipment	6,982	10,000	10,000	-	0.0%
Tools and Equipment	1,722	5,000	5,000	-	0.0%
Postage and Express	1,471	2,200	2,200	-	0.0%
Office Equipment	-	1,900	1,900	-	0.0%
Printing and Publications	1,275	1,850	1,850	-	0.0%
Uniforms and Accessories	824	1,800	1,800	-	0.0%
Dues, Books and Subscriptions	92	1,600	1,600	-	0.0%
Other Expenses	782	1,600	1,600	-	0.0%
Building Equipment	-	400	400	-	0.0%
<b>Sub-Total</b>	<b>\$8,524,763</b>	<b>\$12,176,335</b>	<b>\$15,745,006</b>	<b>\$3,568,671</b>	<b>29.3%</b>
Recovery of Expenses	(645)	-	-	-	N/A
<b>DEPARTMENT TOTAL</b>	<b>\$8,524,118</b>	<b>\$12,176,335</b>	<b>\$15,745,006</b>	<b>\$3,568,671</b>	<b>29.3%</b>

Exhibit 50

The fiscal year 2014 Budget Request is \$15.7 million, an increase of \$3.6 million, or 29.3 percent, above the fiscal year 2013 Budget. Total payroll is \$6.5 million and includes 68 positions.

**Maintenance and Operations Highlights**

- Salaries and Wages increased by \$171 thousand compared to the 2013 Budget. This increase reflects salary and annual wage adjustments required by collective bargaining agreements as well as phasing of departmental vacancies.
- FICA and Retirement increased by \$88 thousand compared to the 2013 Budget due the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Consulting Services increased by \$3.0 million as the result of two new initiatives. The first is \$2.1 million for ERP advisory, management and IV&V services. The second is \$900 thousand for information technology management services.
- Telephone costs increased by \$270 thousand to fund telephone/voice mail maintenance, annual T1/circuit costs and the new Customer Call Center T1/circuit cost.
- Office/Equipment Rentals increased by \$50 thousand to fund ERP facility costs for hosting consultants off-site in case there are on-site space constraints.
- Employee Training increased by \$50 thousand to support ERP training for end-users and fit-gap discussions.
- Office Equipment-Maintenance decreased by \$50 thousand for all software maintenance including Smartnet, Microsoft Assurance, EMC and Oracle. In addition, this category includes Unisys mainframe, Kronos and Datawatch (cold storage for the mainframe reports).
- Contracted Maintenance Service decreased by \$26 thousand for licensing and maintenance of Starcom radios installed in Tollway vehicles including squad cars.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Information Technology Department**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
2,5	Completion of work station/monitors replacement – Efficiencies garnered by the upgrade in hardware resulted in reduced administrative and overhead expenses being passed on to the Tollway’s customers. Ecological concerns are met by reducing energy waste, parts are recycled where possible, and the utilization of energy conscious providers and manufacturers was encouraged.

Strategic Priorities	2013 Accomplishments
2,5	Completion of TRMMP technology refresh and disaster recovery system build out – Provided new and upgraded platform to enhance and cultivate better customer service. Downtime at the Customer Call Center is minimized to facilitate a more positive public opinion for the Tollway. The new equipment will provide a performance boost by reducing per call customer assistance metrics.
5	Completed Phase one of data center improvement and upgrade – 1) increase physical security 2) increase monitoring to facilitate problem management 3) environment control standards are now maintained. This project will be continued in 2014.
2,3,5	Upgrade TIMS core switch. Replacement of all network infrastructure for the TIMS operations center. This includes Cisco switches and router equipment and implementation.
4,5	Replaced Unisys Mainframe – replacement of the Tollway’s mainframe will ensure that the financial applications will continue to function until a replacement for the applications is in place. The current mainframe systems have reached an end-of-life status.
5	New Call Center implementation at the University of Illinois at Chicago. This project includes all network, computer and security infrastructure and a new PBX phone system.
2	Expected to upgrade telecommunications dry cell power systems at selected Tollway sites.
2,4,5	Partial completion of the replacement of all Tollway corporate infrastructure. All equipment will now be under manufacture support. It will include replacement of server equipment, disk equipment, a refresh of back-up and recovery equipment. It will include the upgrade of core application such as exchange e-mail, SQL server, Sharepoint and Evault for file and print. This project also includes building out a disaster recovery for core applications.

Strategic Priorities	2014 Goals/Objectives
2,4,5	The completion of the replacement of all Tollway corporate infrastructure. All equipment will now be under manufacture support. It will include replacement of server equipment, disk equipment, a refresh of back-up and recovery equipment. It will include the upgrade of core application such as exchange em ail, SQL server, Sharepoint and Evault for file and print. This project also includes building out a disaster recovery for core applications.
5	The completion of the data center improvement and upgrade at Central Administration and the DeKalb data centers – 1) increase physical security 2) increase monitoring to facilitate problem management 3) environment control standards are now maintained.
2,5	Upgrade the Tollway’s Private Branch Exchange (PBX) telephone system to a current system.

Strategic Priorities	2014 Goals/Objectives
2	Replace obstruction lighting on Tollway communications towers with current technology.
2	Complete upgrade of telecommunications DC power systems at the remainder of Tollway sites.

Exhibit 51

**Department Headcount - Information Technology**

<u>Position Title</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Antenna Specialist	2	2	2
Application Developer	0	0	1
Assistant to Senior Manager of Strategic Initiatives	0	0	1
Assistant Web Master	1	1	0
Business Systems Analyst	1	1	0
Chief of Information Technology	1	1	1
Communications Equipment Operator	1	1	1
Computer Operator	2	2	1
Customer Service Supervisor	1	1	0
Data Center Operations Manager	1	1	1
Data Communications Manager	1	1	0
Data Communications Specialist	1	1	0
Data Communications Technician	2	2	1
Database Administrator	0	0	1
Deputy Chief of Business Systems	1	1	1
Deputy Chief of IT - Infrastructure and Development	0	1	1
Desk Support Technician	0	0	1
Desktop Support Technician	1	1	2
Enterprise App Support	0	0	1
Enterprise Information Services Manager	1	1	1
Enterprise Support Manager	0	0	0
Executive Secretary	1	1	1
Field Network Engineer	1	1	0
Field Network Technician	5	5	4
Field Operations Manager	1	1	1
Inventory Control Clerk	1	1	1
IT Business Development Coordinator	1	1	1
IT Projects Coordinator	1	1	1
IT Security Manager	1	1	1

Exhibit 52-1

Department Headcount - Information Technology

<u>Position Title</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Mobile Bench Technician	1	1	2
Mobile Installer	3	3	3
Mobile Shop Manager	1	1	1
Network Administrator	2	2	1
Network Manager Cisco	0	0	1
Network Specialist Cisco	0	0	1
Network Support Manager	1	1	1
Network Technician Cisco	0	0	1
Network Operations Manager	0	0	1
Network Operations Operator	0	0	1
Operations and Customer Support Manager	1	1	1
Oracle DBA	1	1	0
PBX Technician	1	1	1
Project Manager	4	4	3
Secretary III	2	2	2
Security Administrator	1	1	1
Senior Computer Operator	2	2	2
Senior Manager of Strategic Initiatives	0	0	1
Senior Network Administrator	2	2	2
Senior Software Engineer	3	3	2
Senior Systems Analyst	3	3	3
System Administrator	1	0	2
System Technician I	6	6	4
Systems Architecture and Engineering Manager	1	1	1
Systems Supervisor	1	1	1
Voice Communications Coordinator	1	1	1
WEB Development Manager	1	1	1
Webmaster	1	1	0
Wireless Network Administrator	1	1	0
<b>TOTAL</b>	<b>70</b>	<b>70</b>	<b>68</b>

Exhibit 52-2

## Office of the Inspector General

It is the intent of the Office of the Inspector General to provide accountability and protect the integrity of the Illinois Tollway. The Office of the Inspector General has independent authority to root out and investigate all instances of waste, inefficiencies, fraud corruption, misconduct and mismanagement in the day-to-day operations of the Illinois Tollway, and recommend policies and procedures to ensure that the Tollway’s Board members and employees, contractors and vendors adhere to all state and federal laws, as well as internal rules and regulations. The Office of the Inspector General now has statutory authority, including subpoena power.

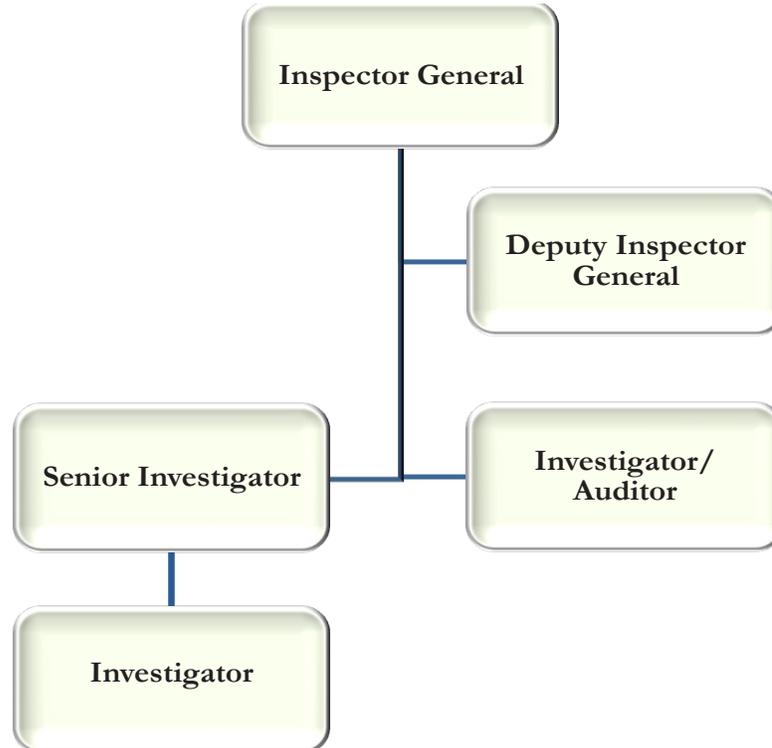


Exhibit 53

Department Budget					
OFFICE OF THE INSPECTOR GENERAL					
Major Account Description	2012 Actual	2013 Budget	2014 Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Salary and Wages	\$476,369	\$532,721	\$531,610	(\$1,111)	-0.2%
FICA and Retirement	199,491	249,042	257,629	8,587	3.4%
<b>Payroll Sub-Total</b>	<b>\$675,860</b>	<b>\$781,763</b>	<b>\$789,239</b>	<b>\$7,476</b>	<b>1.0%</b>
Dues, Books and Subscriptions	8,605	6,200	9,000	2,800	45.2%
Office Equipment-Maintenance	-	6,200	6,200	-	0.0%
Employee Training	4,464	5,000	3,000	(2,000)	-40.0%
Travel and Subsistence	5,462	4,000	2,000	(2,000)	-50.0%
Supplies - Office	969	4,000	2,000	(2,000)	-50.0%
Office Equipment	-	2,000	1,000	(1,000)	-50.0%
Postage and Express	1,096	500	500	-	0.0%
Printing and Publications	-	100	100	-	0.0%
Supplies - Operational	-	200	100	(100)	-50.0%
Other Minor Accounts	-	2,200	100	(2,100)	-95.5%
<b>DEPARTMENT TOTAL</b>	<b>\$696,455</b>	<b>\$812,163</b>	<b>\$813,239</b>	<b>\$1,076</b>	<b>0.1%</b>

Exhibit 54

The fiscal year 2014 Budget Request is \$813 thousand, an increase of \$1 thousand, or 0.1 percent, above the fiscal year 2013 Budget amount. Total payroll is \$789 thousand and includes six positions.

### Maintenance and Operations Highlights

- Salaries decreased by \$1 thousand compared to the 2013 Budget. This decrease reflects salary adjustments partially offset by phasing of a salaried vacancy.
- FICA and Retirement increased by \$9 thousand compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Dues, Books and Subscriptions increased by \$3 thousand for the Lexis/Nexis agreement along with annual membership dues.
- In aggregate, Travel and Subsistence, Employee Training, Office Supplies, Office Equipment and Other Minor Accounts decreased by \$9 thousand.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Office of the Inspector General**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
1,2,4,5	Provided investigative assistance to numerous internal departments to support improvements in internal accomplishments.
1,2,4	Conducted detailed investigation of systemwide utilities service and utilization, resulting in recommendations for improvements and in lowering expenses.
1,2,3,4	Performed investigations of disadvantaged and minority and women (D/M/WBE) enterprise participation in contracts, resulting in recommendations for improved management.
1,2,4,5	Conducted numerous investigations regarding employee conduct and employee performance issues, resulting in recommendations for improvements.
1,2,4,5	As official law enforcement liaison for the Tollway, provided investigative assistance to outside law enforcement agencies to facilitate investigative and prosecutorial efforts.

Strategic Priorities	2014 Goals/Objectives
4,5	Provide appropriate notice of office investigative accomplishments to the Chairman, Board of Directors, Executive Staff, the Illinois Governor and the General Assembly.
2,3,4,5	Preserve and protect Tollway employee and program integrity.
2,3,4,5	Promote improved Tollway management regarding significant and/or planned matters.
1,2,3,4,5	Promote economy, efficiency and effectiveness in Tollway programs and operations.

Exhibit 55

**Department Headcount - Office of the Inspector General**

<b><u>Position Title</u></b>	<b><u>FY2012</u></b>	<b><u>FY2013</u></b>	<b><u>FY2014</u></b>
Administrative Assistant	1	1	1
Deputy Inspector General	1	1	1
Inspector General	1	1	1
Investigator	1	1	1
Investigator - Auditor	1	1	1
Senior Investigator	1	1	1
<b>TOTAL</b>	<b>6</b>	<b>6</b>	<b>6</b>

Exhibit 56

## Internal Audit Department

The Internal Audit Department promotes accountability and integrity by conducting independent audits and reviews regarding the efficiency and effectiveness of Tollway operations. The Internal Audit Department is responsible for recommending improvements and changes that increase the economy, efficiency and effectiveness of Tollway projects and processes. It advises departments on techniques, controls and best practices for mitigating risks, while promoting the highest professional and ethical standards in the issuance and oversight of contracts and ensures accountability and integrity in the handling of public revenues received by the Tollway.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve Tollway operations. It helps the Tollway accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Internal Audit Department oversees the following functions:

- Internal Audit
- Vendor Compliance Audit

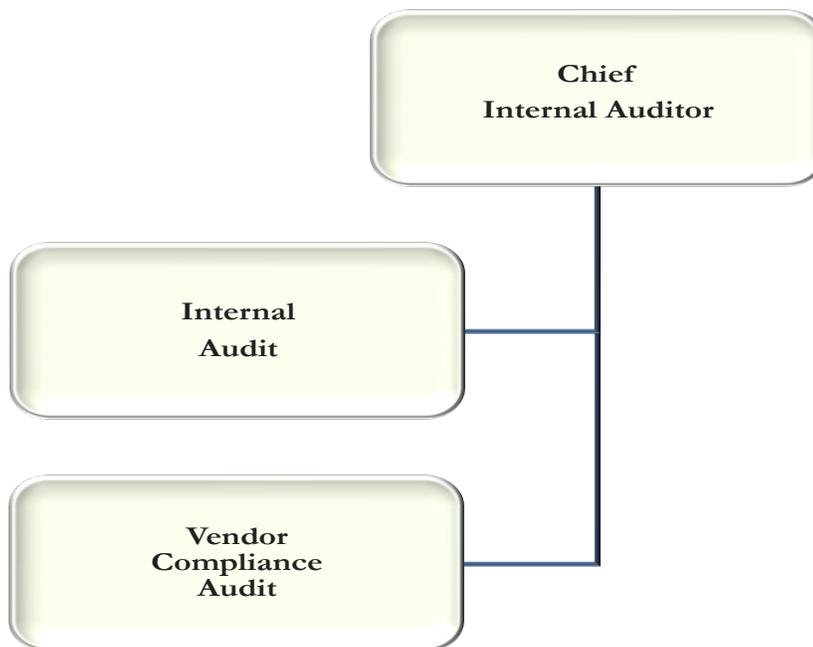


Exhibit 57

Department Budget					
INTERNAL AUDIT	2012	2013	2014	\$ Change	% Change
Major Account Description	Actual	Budget	Request	from 2013 Budget	from 2013 Budget
Salary and Wages	\$423,562	\$468,224	\$519,237	\$51,013	10.9%
FICA and Retirement	177,052	219,331	251,633	32,302	14.7%
<b>Payroll Sub-Total</b>	<b>\$600,614</b>	<b>\$687,555</b>	<b>\$770,870</b>	<b>\$83,315</b>	<b>12.1%</b>
Employee Training	6,065	9,716	9,500	(216)	-2.2%
Dues, Books and Subscriptions	2,268	2,825	2,500	(325)	-11.5%
Travel and Subsistence	1,812	3,850	2,000	(1,850)	-48.1%
Supplies - Office	1,011	900	600	(300)	-33.3%
<b>DEPARTMENT TOTAL</b>	<b>\$611,770</b>	<b>\$704,846</b>	<b>\$785,470</b>	<b>\$80,624</b>	<b>11.4%</b>

Exhibit 58

The fiscal year 2014 Budget Request is \$785 thousand, an increase of \$81 thousand, or 11.4 percent, above the fiscal year 2013 Budget amount. Total payroll is \$771 thousand and includes seven positions.

### Maintenance and Operations Highlights

- Salaries and Wages increased by \$51 thousand compared to the 2013 Budget. This increase reflects salary, as well as annual wage adjustments required by collective bargaining agreements along with an additional salaried vacancy phased at six months.
- FICA and Retirement increased by \$32 thousand compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Travel and Subsistence decreased by \$2 thousand based on historical spending.
- In aggregate, Employee Training, Dues, Books and Subscriptions and Office Supplies were reduced by \$1 thousand.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Internal Audit Department**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
4	Cycle Audits – Completed four scheduled and required cycle audits including Agency Management and Oversight, Personnel and Payroll, Expenditure Control, Purchasing and Procurement.
4	Fiscal Control and Internal Auditing Act (FCIAA) requirements - Completed all administrative requirements set forth within the Fiscal Control and Internal Auditing Act, including, but not limited to, development of the two-year plan, presentations to the Board and Executive management on Internal Audit activities, completion of the annual certification letter to the Auditor General of the State of Illinois.
4	Audit Follow-Up - Performed follow-ups on all 2012 internal and external audit findings presented to management.
4	External Audit Coordination – Coordinated the external audits for the compliance examination, Payment Card Industry (PCI) assessment and three other outsourced audits.
4	Additional Audits – Performed two vendor audits and four additional risk-based audits on Tollway operations.
4	Performed audit activities that have helped the Tollway safeguard assets; promote accountability; ensure compliance with laws, regulations, policies, procedures, generally accepted industry standards and verify the accuracy and reliability of accounting data.
4	Consulting Services - Provide consulting services on pre-implementation of electronic data processing systems and other areas of management to add value and improve governance, risk management and control processes.
4	Completed RFP for Audit Software, which will provide a highly structured format to support the audit process.
4	Developed and sustained collaborative relationships with Administration and other key stake-holders.

Strategic Priorities	2013 Accomplishments
4	Audit recommendations identified ways to maximize revenues or identify opportunities for new revenue or cost savings, manage or utilize its resources in an economical and efficient manner and identified causes for inefficiencies or uneconomical practices.
4	Continued to advise on internal controls for the development of systems and business processes that will provide opportunities for operational improvement and efficiencies.
4	Continued recurring goals and objectives including timely completion of scheduled audits, reviews and special projects, performance of follow-up reviews, staff training and career development.
4	Identified activities requiring internal audit through communication with management, other key personnel or problem areas encountered during the performance of regular assignments.
4	Examined existing systems and activities to evaluate efficient and effective use of resources, accomplishment of goals and objectives, reliability of information, accuracy of records, compliance with policies and procedures and integrity of controls.

Strategic Priorities	2014 Goals/Objectives
4	Cycle Audits - Perform six scheduled and required cycle audits including Administrative Support Services, Budgeting, Accounting and Reporting; Revenues and Receivables; Property, Equipment, and Inventory; Electronic Data Processing; Grant Administration.
4	Additional Audits - Perform additional non-cyclical audits based on yearly risk assessment results.
4	Audit Coordination - Coordinate with External Auditors and Tollway management on various audit engagements to ensure proper communication and efficiency.
4	Consulting Services - Provide consulting services on pre-implementation of electronic data processing systems and other areas of management request to help add value and improve governance, risk management and control processes.
4	Continue to develop and achieve audits scheduled on annual audit plan.
4	Continue to advise on internal controls for the development of systems and business processes that will provide opportunities for operational improvement and efficiencies.
4	Continue timely completion of scheduled audits, reviews and special projects, performance of follow-up reviews, staff training, career development.
4	Ensure all staff pursue continuous professional development that lead to professional and ethical proficiency expected in the profession of Internal Auditing.
4	Ensure communication with the Audit Committee is effective in addressing their requirements.

Strategic Priorities	2014 Goals/Objectives
4	Consulting Services – Provide consulting services on pre-implementation data processing systems and/or management requests to add value and improve governance, risk management and control processes.

Exhibit 59

**Department Headcount - Internal Audit**

<u>Position Title</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Chief Internal Auditor	1	1	1
Construction Auditor/Deputy Chief of Internal Audit	0	0	1
Information Systems Auditor	1	1	1
Internal Audit Manager	1	1	1
Internal Auditor	3	3	3
<b>TOTAL</b>	<b>6</b>	<b>6</b>	<b>7</b>

Exhibit 60

## Legal Department

The Legal Department is a bureau of the Office of the Attorney General of the State of Illinois assigned to provide legal services to the Tollway. The General Counsel reports to the Executive Director and to the Attorney General. The department provides legal assistance in all aspects of the Tollway operations, including contract preparation, financing operations, construction activities and employee labor relations.

The Legal Department oversees the following functions:

- Contracts
- Bond Issues
- Personal Injury Cases
- Recovery of Expenses
- Violation Enforcement Collection Efforts

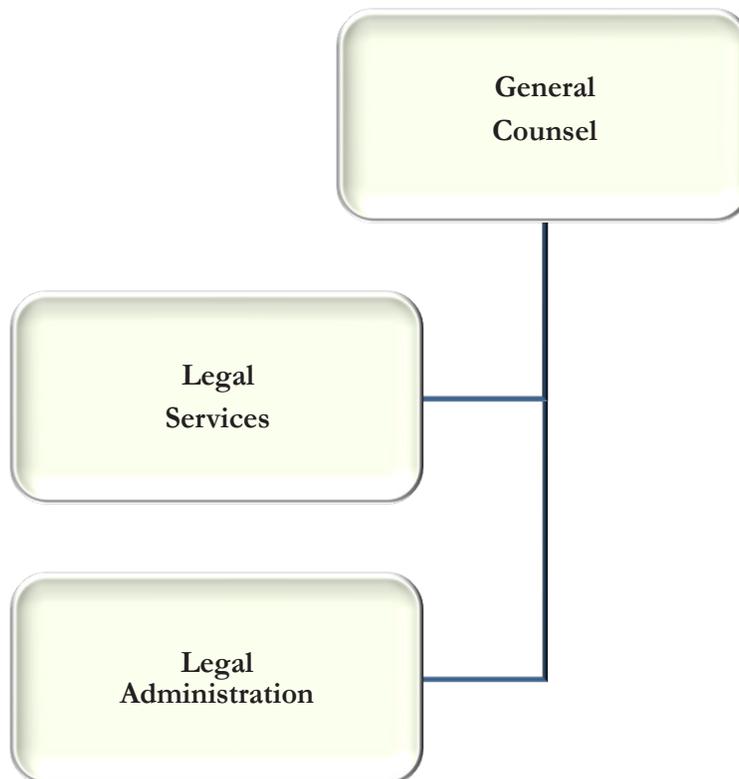


Exhibit 61

Department Budget					
LEGAL	2012	2013	2014	\$ Change	% Change
Major Account Description	Actual	Budget	Request	from 2013 Budget	from 2013 Budget
Salary and Wages	\$954,895	\$1,023,299	\$1,082,019	\$58,720	5.7%
FICA and Retirement	393,005	477,307	524,368	47,061	9.9%
<b>Payroll Sub-Total</b>	<b>\$1,347,899</b>	<b>\$1,500,606</b>	<b>\$1,606,387</b>	<b>\$105,781</b>	<b>7.0%</b>
Outside Services	84,458	225,000	225,000	-	0.0%
Dues, Books and Subscriptions	5,075	7,000	8,500	1,500	21.4%
Travel and Subsistence	5,171	5,500	5,500	-	0.0%
Supplies - Office	1,868	4,750	4,750	-	0.0%
Office Equipment	-	3,475	3,475	-	0.0%
Other Expenses	2,532	3,000	3,000	-	0.0%
Employee Training	1,729	2,500	2,500	-	0.0%
Supplies - Operational	270	1,900	1,900	-	0.0%
Postage and Express	1,444	1,900	1,900	-	0.0%
Telephone and Telegraph	84	525	525	-	0.0%
Printing and Publications	27	-	27	27	N/A
<b>Sub-Total</b>	<b>\$1,450,556</b>	<b>\$1,756,156</b>	<b>\$1,863,464</b>	<b>\$107,308</b>	<b>6.1%</b>
Recovery of Expenses	(1,825)	(6,000)	(6,000)	-	0.0%
<b>DEPARTMENT TOTAL</b>	<b>\$1,448,731</b>	<b>\$1,750,156</b>	<b>\$1,857,464</b>	<b>\$107,308</b>	<b>6.1%</b>

Exhibit 62

The fiscal year 2014 Budget Request is \$1.9 million, an increase of \$107 thousand, or 6.1 percent, above fiscal year 2013 Budget amount. Total payroll is \$1.6 million and includes 12 positions.

### Maintenance and Operations Highlights

- Salaries and Wages increased by \$59 thousand compared to the 2013 Budget. This increase reflects salary, as well as annual wage adjustments required by collective bargaining agreements and the phasing of a salaried vacancy.
- FICA and Retirement increased by \$47 thousand compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Dues, Books and Subscriptions increased by \$2 thousand for legal memberships.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Legal Department**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
4	Continued sensible evolution of toll violation collection process.
4	Provided excellent business, policy and legal support for <i>Move Illinois</i> .
4	Secured needed federal approvals to begin Elgin-O’Hare Western Access project.
4	Successful defense in several personal injury lawsuits.
4	Engaged in various legislative initiatives to support Tollway interests.
4	Provided support during busy times for land acquisition, union negotiations.
4	Continued engagement in support of agency procurement activities (D/M/WBE, small business, local hiring, etc.).
4	Capital plan support – new money/refunding.

Strategic Priorities	2014 Goals/Objectives
4	Continue defense work in key litigation (D/M/WBE, injury).
4	Add key staff.
4	Manage RFP process for multi-faceted legal services.
4	Assist Tollway in executing capital plans.
4	Provide support and guidance in connection with investigations.
4	Facilitate acceptable conclusion in union negotiations.
4	Assist in developments with land acquisition, oases issues.
4	Continue focus on toll violation collection efforts.

Exhibit 63

Department Headcount - Legal

<u>Position Title</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Assistant Attorney General	2	2	2
Deputy General Counsel	0	0	1
Executive Secretary	1	1	1
General Counsel	1	1	1
Legal Secretary III	2	2	2
Property Management Paralegal	1	1	1
Senior Assistant Attorney General	5	5	4
<b>TOTAL</b>	<b>12</b>	<b>12</b>	<b>12</b>

Exhibit 64

## Procurement Department

The Procurement Department is responsible for purchasing and procurement activities of the Tollway. The Procurement Department is authorized to execute contracts and place orders for goods and services and it is responsible for the warehouse function.

The Procurement Department oversees the following functions:

- Purchasing
- Central Warehouse (CW)

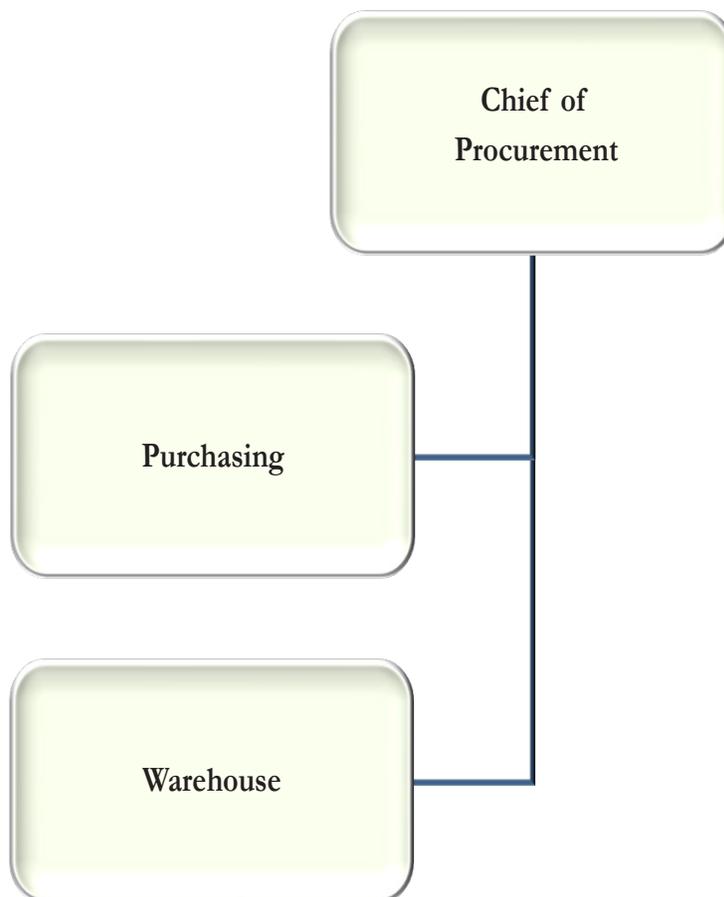


Exhibit 65

Department Budget					
PROCUREMENT	2012	2013	2014	\$ Change	% Change
Major Account Description	Actual	Budget	Request	from 2013 Budget	from 2013 Budget
Salary and Wages	\$2,565,037	\$2,852,808	\$2,913,497	\$60,689	2.1%
FICA and Retirement	1,084,808	1,335,467	1,411,939	76,472	5.7%
<b>Payroll Sub-Total</b>	<b>\$3,649,845</b>	<b>\$4,188,275</b>	<b>\$4,325,436</b>	<b>\$137,161</b>	<b>3.3%</b>
Supplies - Office	7,278	22,000	18,000	(4,000)	-18.2%
Outside Services	18,769	13,000	12,500	(500)	-3.8%
Dues, Books and Subscriptions	7,287	12,900	7,500	(5,400)	-41.9%
Building Equipment	-	2,900	2,900	-	0.0%
Uniforms and Accessories	(21,204)	2,250	2,250	-	0.0%
Travel and Subsistence	2,118	1,100	2,000	900	81.8%
Supplies - Operational	(43,043)	3,000	2,000	(1,000)	-33.3%
Employee Training	-	2,000	1,000	(1,000)	-50.0%
Postage and Express	1,196	1,100	1,000	(100)	-9.1%
Telephone and Telegraph	420	600	750	150	25.0%
Printing and Publications	6,356	500	250	(250)	-50.0%
Other Minor Accounts	93,210	1,400	250	(1,150)	-82.1%
<b>Sub-Total</b>	<b>\$3,722,233</b>	<b>\$4,251,025</b>	<b>\$4,375,836</b>	<b>\$124,811</b>	<b>2.9%</b>
Recovery of Expenses	(22,319)	(20,000)	(20,000)	-	0.0%
<b>DEPARTMENT TOTAL</b>	<b>\$3,699,914</b>	<b>\$4,231,025</b>	<b>\$4,355,836</b>	<b>\$124,811</b>	<b>2.9%</b>

Exhibit 66

The fiscal year 2014 Budget Request is \$4.4 million, an increase of \$125 thousand, or 2.9 percent above, the fiscal year 2013 Budget amount. Total payroll is \$4.3 million and includes 54 positions.

### Maintenance and Operations Highlights

- Salaries and Wages increased by \$61 thousand compared to the 2013 Budget. This increase reflects salary and annual wage adjustments required by collective bargaining agreements and the phasing of departmental vacancies.
- FICA and Retirement increased by \$76 thousand compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Dues, Books and Subscriptions decreased by \$5 thousand based on current and future needs.
- Office and Operational Supplies decreased by \$5 thousand based on historical spending.
- Employee Training decreased by \$1 thousand since current staff is compliant with all procurement regulations.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Procurement Department**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
2,4	Assisted in the implementation of a number of critical procurements that will drive the Tollway's infrastructure, such as the back office, vendor management inventory, ERP, E-Recruiting and Web-based program management.
2,4	Strengthened the relationship between the Tollway and Executive Ethics Commission.
2,4	Provided critical input for recommendations for new legislation that impacts the procurement process.
2,4	Reduced the number of expired contracts by almost 50 percent.
2,4	Implemented new evaluation guidelines and confidentiality agreements so that the evaluation process will be conducted fairly, impartially and with the utmost transparency.
2,4	Completion of all renewals in a timely manner.

Strategic Priorities	2014 Goals/Objectives
2,4	Reduce the number of expired contracts.
2,4	Achieve optimal compliance with the state procurement requirements.
2,4	Manage the bid process fairly and impartially.
2,4	Full implementation of vendor management inventory, job order contracting, ERP advisory and management services and independent validation and verification.

Exhibit 67

**Department Headcount - Procurement**

<b>Position Title</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Accounts Payable Representative	2	2	1
Accounts Payable Specialist	1	0	1
Assistant Inventory Auditor	1	1	1
Buyer	8	7	7
Chief of Procurement	1	1	1
Clothing Room Supervisor	1	1	1
Contract Administrator	2	2	3
Contract Expeditor	0	2	0
Deputy Chief of Procurement	0	1	1
Executive Secretary	1	1	1
Information Processing Operator	2	2	2
Inventory Analysis Control Supervisor	1	1	1
Inventory Control Auditor	1	1	1
Inventory Planner	3	3	3
Inventory Specialist	2	2	2
Invoice Processing Administrator	1	1	1
Messenger Services Supervisor	1	1	1
Messenger/Drivers	9	9	9
Procurement and Warehouse Manager	1	0	0
Property Control Auditor	2	2	2
Property Control Supervisor	1	1	1
Purchasing Coordinator	1	1	1
Purchasing Services Manager	1	1	1
Purchasing Supervisor	1	1	1
Senior Buyer	0	2	2
Senior Cost Analyst	0	1	1
Shipping and Receiving Auditor	1	1	1
Switchboard Operator	1	1	1
Warehouse Manager	1	1	1
Warehouse Workers	5	4	5
<b>TOTAL</b>	<b>52</b>	<b>54</b>	<b>54</b>

Exhibit 68

## Illinois State Police District 15

Illinois State Police (ISP) District 15, one of 21 districts of the Illinois State Police, is responsible for providing comprehensive law enforcement services. The entire Tollway system comprises District 15. State Police patrol the Tollway system to enforce speed limits and traffic laws, assist disabled motorists and provide special details for operations, such as overweight vehicles. The District Commander reports to the Executive Director of the Tollway and to the Director of the ISP.

District 15 is a unique ISP District serving a mobile community comprised of travelers from across the country and local commuters. Troopers assigned to District 15 cover four toll roads in 12 counties, and coordinate with five state police districts. District 15 operates and is solely responsible for a truck task force, special enforcement teams made up of a K-9 anti-drug unit and motorcycle patrol unit, a comprehensive investigative unit, an administrative team and Tollway patrol operations.

State Police District 15 oversees the following functions:

- Zone Commanders
- Administration Commander
- Support Services
- Video Surveillance

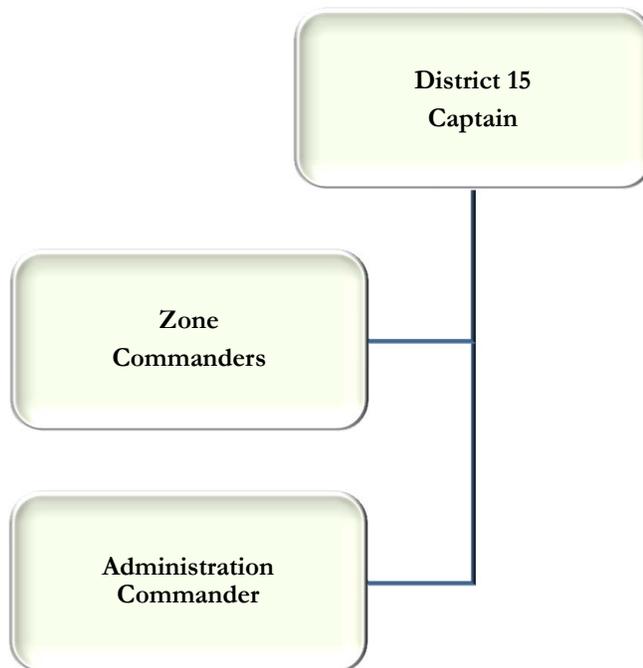


Exhibit 69

## Departmental Budgets and Narratives

Department Budget					
STATE POLICE					
Major Account Description	2012 Actual	2013 Budget	2014 Request	\$ Change from 2013 Budget	% Change from 2013 Budget
Salary and Wages	\$17,841,016	\$18,474,572	\$20,049,342	\$1,574,770	8.5%
FICA and Retirement	6,718,052	7,519,453	8,518,465	999,012	13.3%
<b>Payroll Sub-Total</b>	<b>\$24,559,068</b>	<b>\$25,994,025</b>	<b>\$28,567,807</b>	<b>\$2,573,782</b>	<b>9.9%</b>
Employee Group Insurance	2,965,518	2,880,000	3,050,000	170,000	5.9%
Office Equipment-Maintenance	116,369	202,284	152,284	(50,000)	-24.7%
Supplies - Operational	89,624	155,000	130,000	(25,000)	-16.1%
Uniforms and Accessories	44,394	104,500	104,500	-	0.0%
Outside Services	109,337	95,000	95,000	-	0.0%
Police Capital Equipment	14,872	81,355	81,355	-	0.0%
Supplies - Office	37,536	36,000	36,000	-	0.0%
Telephone and Telegraph	17,032	28,500	28,500	-	0.0%
Postage and Express	18,899	23,000	23,000	-	0.0%
Employee Training	8,138	19,000	19,000	-	0.0%
Replacement Parts	4,130	14,250	14,250	-	0.0%
Office Equipment	5,525	11,250	11,250	-	0.0%
Dues, Books and Subscriptions	3,101	5,000	5,000	-	0.0%
Travel and Subsistence	1,825	4,750	4,750	-	0.0%
Printing and Publications	69	1,500	1,500	-	0.0%
Tools and Equipment	175	1,425	1,425	-	0.0%
Office/Equipment Rentals	650	950	950	-	0.0%
Other Expenses	380	500	500	-	0.0%
<b>Sub-Total</b>	<b>\$27,996,642</b>	<b>\$29,658,289</b>	<b>\$32,327,071</b>	<b>\$2,668,782</b>	<b>9.0%</b>
Recovery of Expenses	(10,100)	(25,000)	(25,000)	-	0.0%
<b>DEPARTMENT TOTAL</b>	<b>\$27,986,542</b>	<b>\$29,633,289</b>	<b>\$32,302,071</b>	<b>\$2,668,782</b>	<b>9.0%</b>

Exhibit 70

The fiscal year 2014 Budget Request is \$32.3 million an increase of \$2.7 million, or nine percent, over the fiscal year 2013 Budget amount. Total payroll is \$28.6 million for 19 civilian positions and 196 Troopers.

### Maintenance and Operations Highlights

- Salaries and Wages increased by \$1.6 million compared to the 2013 Budget. This increase reflects salaries and annual wage adjustments required by collective bargaining agreements as well as the increased staffing level of Troopers from 180 in 2013 to 196 in 2014. It also reflects additional overtime to cover more construction zones in 2014.

- FICA and Retirement increased by \$999 thousand compared to the 2013 Budget due to the average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Employee Group Insurance for 196 State Troopers increased by \$170 thousand due to the additional 16 Troopers.
- Office Equipment–Maintenance decreased by \$50 thousand for ongoing software/hardware maintenance on in-car video cameras as well as funding for a software agreement on laptop computers.
- Supplies–Operational decreased by \$25 thousand based historical spending.

**2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities - Illinois State Police District 15**

***Strategic Priorities:***

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
3,4,5	Reduced fatalities and serious injury accidents by strong enforcement of “fatal four” violations including driving under the influence (DUI), speeding, occupant restraints, and distracted driving.
2,4,5	Acquired 16 wheel weighers to outfit commercial vehicle officers. The increased ability to identify overweight trucks will reduce road deterioration and lessen the severity of crashes involving commercial motor vehicles.
2,3,4	Joint Details – District 15 partnered with other State Police districts to conduct combined corridor enforcement details in areas where the Tollway intersects with other major interstates. Some details included law enforcement from other states along with county and local agencies. District 15 used overtime money to increase visibility (officer presence) in construction work zones.
1,2,5	Increased the size of the District 15 motorcycle unit in order to enhance response times to crashes and incidents that occur in the construction zones. Addition of motorcycle units assist in complying with the Governor’s Executive Order 11, fuel reduction, by utilizing vehicles that consume less fuel. Motorcycle units have an advantage in targeting distracted drivers, in that they are less conspicuous when monitoring those drivers.

Strategic Priorities	2013 Accomplishments
2,5	District 15 acquired patrol car emergency lighting and accessories to equip 91 new patrol cars. The new equipment will increase visibility and tactical advantage, thereby increasing officer safety and reducing on-duty injury.
2,3,5	District 15 acquired 37 new I-WIN units to replace much older, outdated in-car computers. The new computers are much faster and efficient which will increase officer safety and save time and money.

Strategic Priorities	2014 Goals/Objectives
3,4,5	Continue to reduce fatalities and serious injury accidents by strong enforcement of “fatal four” violations: DUI, speeding, occupant restraints and distracted driving.
1,2,5	Further increase the size of the District 15 motorcycle unit in order to enhance response times to crashes and incidents that occur in the construction zones. Also, to aid in the detection of distracted drivers and to assist in complying with the Governor’s Executive Order 11, fuel reduction, by utilizing vehicles that consume less fuel.
1,2	Combine three separate capital projects, the indoor firing range target retrieval system, the firearms animated training system and the indoor range bullet trap, in order to provide a more economical, safer and enhanced training and working environment for officers.
1,4,5	Remodel the Illinois State Police Operations Center by removing old work stations and installing new ergonomic work stations that have been proven to enhance job performance, help prevent injuries and accommodate individuals with various disabilities.
2,4,5	Equip all District 15 officers with tasers. Access to and use of tasers will decrease physical resistance to officers, thereby reducing on-duty injuries to officers and lowering injuries to non-compliant violators.
2,4,5	Acquire new portable breathalyzers (PBT) to replace the fleet’s aging units. Due to fuel cell life expectancy, many of the present units are beyond reasonable repair costs. PBT allow rapid roadside determination of a driver’s breath alcohol level, thereby removing unsafe driver’s from the road which will reduce crashes, injuries and fatalities.
2,4,5	Acquire additional speed-detection equipment to include light detection and ranging (LIDAR), directional moving radar, and visual average speed computer and recorder (VASCAR) units. Many of the fleet’s current LIDAR units have surpassed reasonable repair costs. Moving radar and VASCAR units allow officers to be moving while acquiring accurate speeds on vehicles, all while providing the ability to monitor driver behavior or multiple vehicles. In the end, this contributes to the reduction of crashes caused by reckless driving and driver distraction.

Strategic Priorities	2014 Goals/Objectives
2,5	Repair and replace radio accessories. Currently there are not enough portable radio batteries available for each trooper to have a back-up battery for their portable radio and some present batteries are reaching their life expectancy. Inoperable portable radios are a significant officer safety issue and reduce the officer's ability to operate effectively.

Exhibit 71

**Department Headcount - Illinois State Police District 15**

<u>Position Title</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>
Administration Secretary	2	2	2
Crash Report Call Taker	1	2	2
Executive Secretary	1	1	1
Information Processor Operator	6	5	5
Investigations Secretary III	1	1	1
Police Records Analyst	1	1	1
Police Records Specialist	3	3	3
Support Services Assistant/Time Keeper	1	1	1
Support Services Manager	1	1	1
Video Surveillance Operation Supervisor	1	1	1
Video Surveillance Supervisor	1	1	1
<b>TOTAL</b>	<b>19</b>	<b>19</b>	<b>19</b>

Exhibit 72

## Toll Operations Department

The Toll Operations Department is responsible for providing the necessary resources and support services required for toll collection and cash handling operations, as well as the maintenance of all Tollway buildings.

**The Toll Operations Department oversees the following functions:**

- Toll Collection
- Cash Handling
- Operational Support Services
- Facility Services



Exhibit 73

Departmental Budgets and Narratives

Department Budget					
TOLL OPERATIONS	2012	2013	2014	\$ Change	% Change
Major Account Description	Actual	Budget	Request	from 2013 Budget	from 2013 Budget
Salary and Wages	\$33,744,388	\$35,043,173	\$34,457,436	(\$585,737)	-1.7%
FICA and Retirement	14,458,198	16,345,539	16,698,763	353,224	2.2%
<b>Payroll Sub-Total</b>	<b>\$48,202,587</b>	<b>\$51,388,712</b>	<b>\$51,156,199</b>	<b>(\$232,513)</b>	<b>-0.5%</b>
Utilities	3,639,779	3,301,000	3,301,000	-	0.0%
Supplies - Operational	325,610	505,000	499,700	(5,300)	-1.0%
Outside Services	296,580	529,259	490,500	(38,759)	-7.3%
Consulting Services	-	-	400,000	400,000	N/A
Contracted Maintenance Service	67,640	298,500	273,500	(25,000)	-8.4%
Materials - Operational	172,613	285,700	270,800	(14,900)	-5.2%
Replacement Parts	150,968	253,690	231,100	(22,590)	-8.9%
Armored Truck Service	184,358	270,000	200,000	(70,000)	-25.9%
Uniforms and Accessories	197,277	172,500	172,500	-	0.0%
Supplies - Office	103,607	98,832	97,200	(1,632)	-1.7%
Travel and Subsistence	48,080	63,100	63,600	500	0.8%
Tools and Equipment	21,333	31,450	31,150	(300)	-1.0%
Office Equipment	-	21,325	18,950	(2,375)	-11.1%
Employee Training	-	16,000	16,000	-	0.0%
Office Equipment-Maintenance	11,410	22,500	14,500	(8,000)	-35.6%
Building Equipment	14,676	18,000	7,000	(11,000)	-61.1%
Fuels and Oils	687	5,000	6,000	1,000	20.0%
Other Expenses	4,133	3,850	3,750	(100)	-2.6%
Toll Collection Equipment	-	5,000	3,000	(2,000)	-40.0%
Other Capital Equipment	4,200	19,450	2,000	(17,450)	-89.7%
Office/Equipment Rentals	600	1,000	1,000	-	0.0%
Printing and Publications	427	700	700	-	0.0%
Dues, Books and Subscriptions	1,535	2,150	650	(1,500)	-69.8%
Postage and Express	1,000	600	600	-	0.0%
Other Minor Accounts	10,782	15,300	300	(15,000)	-98.0%
<b>Sub-Total</b>	<b>\$53,459,882</b>	<b>\$57,328,618</b>	<b>\$57,261,699</b>	<b>(\$66,919)</b>	<b>-0.1%</b>
Recovery of Expenses	(10,368)	-	-	-	N/A
<b>DEPARTMENT TOTAL</b>	<b>\$53,449,514</b>	<b>\$57,328,618</b>	<b>\$57,261,699</b>	<b>(\$66,919)</b>	<b>-0.1%</b>

Exhibit 74

The fiscal year 2014 Budget Request is \$57.3 million, a decrease of \$67 thousand, or 0.1 percent, below the fiscal year 2013 Budget amount. Total payroll is \$51.2 million and includes 646 positions.

### **Maintenance and Operations Highlights**

- Salaries and Wages decreased by \$586 thousand compared to the 2013 Budget. This decrease reflects salary, as well as annual wage adjustments required by collective bargaining agreements offset by a \$326 thousand reduction in overtime combined with recently hired toll collectors at starting wages.
- FICA and Retirement increased by \$353 thousand compared to the 2013 Budget due to average SERS pension contribution rate increase from 39.0 percent to 40.8 percent.
- Consulting Services increased by \$400 thousand to fund the new job order contract (JOC) consultant contract.
- Armored Truck Service decreased by \$70 thousand due to reduced customer usage of manual lanes.
- Outside Services decreased by \$39 thousand based on historical spending for Central Administration (CA).
- Contracted Maintenance Service reduced by \$25 thousand in CA maintenance and the carpenter shops.
- Replacement Parts decreased by \$23 thousand based on planned purchase of new coin counting machines that include a 3-month warranty.
- Other Capital Equipment reduced by \$17 thousand for building maintenance.
- Materials-Operational decreased by \$15 thousand in the carpenter shop.
- Building Equipment and Other Minor Accounts were reduced by \$26 thousand based on 2014 needs.

### **2013 Accomplishments and 2014 Goals/Objectives Aligned to Tollway Strategic Priorities-**

#### **Toll Operations Department**

##### **Strategic Priorities:**

1. Promote the regional economy (*attract, retain and grow businesses*)
2. Foster environmental responsibility and sustainability in roadway and agency operations (*improve infrastructure safety*)
3. Increase collaboration with regional transportation planning agencies (*improve infrastructure safety*)
4. Further transparency and accountability (*support basic functions of government*)
5. Enhance customer service for its 1.4 million daily drivers (*improve infrastructure safety*)

Strategic Priorities	2013 Accomplishments
1,2,4,5	Initiated thorough review of annual field inspection reports to assist in formulating the capital improvement project multi-year plan.
2,4,5	Replaced or repaired 12 roofs systemwide, including six plazas, three maintenance sites, and three tower locations.
2,4,5	Completed a review and assessment of the critical electrical infrastructure at CA and at the data disaster recover (DDR) center to determine deficiencies and recommended improvements.
1,2,3,4,5	Created additional work space for 25 employees associated with the <i>Move Illinois</i> and ERP projects, including one new fixed office.
2,4,5	Assisted with the planning and project management for a new customer call center located at the University of Illinois at Chicago (UIC).
2,4,5	Continued progress on a plan to address LEED recommended improvements at CA and energy reduction initiatives system wide.
2,5	Hired and trained more than 70 seasonal Toll Collectors to staff mainline plazas during peak travel periods. Seasonal toll collectors are paid a non-union lower rate and are not entitled to benefits.

Strategic Priorities	2014 Goals/Objectives
1,2,4,5	Continue progress on the establishment of a JOC contract to efficiently address agency emergencies and initiatives.
1,2,3,4,5	Begin to implement improvements to the critical electrical infrastructure at CA and the DDR based on industry standards.
2,4,5	Complete punch list construction items and facilitate final transition to new Customer Call Center at the University of Illinois at Chicago.
2,4	Continue progress on LEED related improvements at CA to reduce energy and water consumption.
1,2,3,4,5	Continue to meet agency initiatives as it relates to providing additional work space at CA and at facilities systemwide.
2,4	Seek methods to reduce energy consumption related to facility operations system wide.
1,2,3,4,5	Install generators and automatic transfer switches at 14 unmanned toll collection sites to allow for revenue collection during power outages.
2,4	Upgrade elevators systemwide to improve reliability and reduce energy consumption.
2,3,4,5	Continue to strengthen protocols relative to the collection and processing of toll revenue and to mitigate leakage.
2,4,5	Continue to review staffing and shift assignments on a monthly basis to determine if we are utilizing staff efficiently.
4,5	The successful negotiation of a new SEIU Local 73 collective bargaining agreement.

Strategic Priorities	2014 Goals/Objectives
2,5	Continue to explore ways to reduce overtime departmentwide.
2,4	Continue to develop strategies that result in additional fuel reduction.

Exhibit 75

### Department Headcount - Toll Operations

Position Title	FY2012	FY2013	FY2014
Accounts Payable Representative	1	1	1
Administrative Manager of Toll Services	1	1	1
Building Engineer	0	1	1
Building Maintenance Manager	2	2	2
Carpenter Shop Manager	1	1	1
Carpenter Shop Supervisor	1	1	1
Cash Handling Manager	1	1	1
Cash Handling Supervisor	1	1	2
Chief of Toll Operations	1	1	1
Coin Counters	15	15	16
Coin Counter/Money Truck Driver	0	0	2
Custodial Manager	1	1	1
Custodial Supervisor	3	3	3
Custodian II	43	40	38
Custodian III	12	13	12
Custodian Clerk	1	0	0
Deputy Chief of Toll Operations	0	1	1
District Supervisor	3	3	3
Equipment Operators Laborers	1	1	1
Executive Secretary	1	1	1
Facility Services Manager	1	1	1
General Manager of Toll Services	1	1	1
Intake Specialist	1	1	1
Lead Supervisor Money Room	1	1	1
Maintenance System Analyst	1	1	1
Mechanical Electrical	17	19	19
Money Room Clerk	1	1	1
Money Truck Drivers	11	11	11
Office Supervisor - Cash Handling	1	1	1

Exhibit 76-1

**Department Headcount - Toll Operations**

<b>Position Title</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Painter	7	7	7
Plaza Manager	16	16	16
Plaza Supervisor	22	24	24
Secretary II	2	1	1
Secretary III	0	1	1
Section Clerk	3	4	4
Senior Building Inspector	1	1	1
Structural	13	13	13
Supervisor Money Room	1	1	0
Toll Collector	476	452	452
Toll Compliance Specialist	1	1	1
<b>TOTAL</b>	<b>666</b>	<b>646</b>	<b>646</b>

Exhibit 76-2

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Pipe underdrain is being installed along I-57 for the new ramp from southbound Tri-State Tollway (I-294) to southbound I-57 (6/27/2013)



Jane Addams Memorial (I-90)/Illinois Route 47 Interchange construction - A pier foundation is formed for the Illinois Route 47 bridge (5/1/2013)

# Capital Program

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## Introduction

The Capital Budget is comprised of two major programs. The newest program, *Move Illinois: The Illinois Tollway Driving The Future*, is a 15-year program which extends from 2012 through 2026 and includes anticipated capital investments totaling \$12 billion. The fiscal year 2014 Capital Budget allocates \$1,135.7 million to fund the third year of the *Move Illinois* Program.

The second program is the Congestion-Relief Program (CRP). The 12-year Congestion-Relief Program, which began in 2005 and will be completed by 2016, is currently budgeted at \$5.8 billion. The Tollway anticipates project cost savings of approximately \$100 million will reduce total expenditures to \$5.7 billion by the end of the program. The fiscal year 2014 Capital Budget allocates \$244.7 million to fund the tenth year of the CRP. Additionally, the Tollway anticipates approximately \$55 million will be expended for "Other" capital projects to support ongoing operations of the Tollway.

<b>Capital Program</b>			
(\$ millions)			
	2012 Actual Expenditures	2013 Estimated Expenditures	2014 Request
<b><i>Move Illinois</i> Program</b>			
Existing System Needs	\$92.3	\$434.0	\$767.8
System Expansion	15.8	139.8	367.9
<b><i>Move Illinois</i> Program Total</b>	<b>\$108.2</b>	<b>\$573.8</b>	<b>\$1,135.7</b>
<b>Congestion-Relief Program and "Other" Capital Projects</b>			
Congestion-Relief Program	\$206.4	\$98.0	\$244.7
"Other" Capital Projects*	36.9	47.2	55.0
<b>Congestion-Relief Program and "Other" Capital Projects Total</b>	<b>\$243.3</b>	<b>\$145.2</b>	<b>\$299.7</b>
<b>Capital Program Total</b>	<b>\$351.5</b>	<b>\$719.0</b>	<b>\$1,435.4</b>

### Notes:

2012 Actual Expenditures reflected cost recoveries of \$21 million pursuant to intergovernmental 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.*

Exhibit 77

## *Move Illinois: The Illinois Tollway Driving The Future*

In August 2011, the Illinois Tollway approved a comprehensive 15-year (2012-2026) capital program – *Move Illinois: The Illinois Tollway Driving The Future* -- to complete the rebuilding of the Tollway system and commit \$12 billion in transportation funding to improve mobility, relieve congestion, reduce pollution and link economics across Northern Illinois.

<b>Move Illinois Program</b>				
(\$ millions)				
	<b>2012 Actual Expenditures</b>	<b>2013 Budget</b>	<b>2013 Estimated Expenditures</b>	<b>2014 Request</b>
<b>Existing System Needs</b>				
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
<b>Existing System Needs Total</b>	<b>\$92.3</b>	<b>\$601.8</b>	<b>\$434.0</b>	<b>\$767.8</b>
<b>System Expansion</b>				
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
<b>System Expansion Total</b>	<b>\$15.8</b>	<b>\$169.1</b>	<b>\$139.8</b>	<b>\$367.9</b>
<b>Move Illinois Program Total</b>	<b>\$108.2</b>	<b>\$770.9</b>	<b>\$573.8</b>	<b>\$1,135.7</b>

**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.*

Exhibit 78

### **Overview: 2013 Move Illinois Program - Year Two**

#### ***Existing System Needs***

The existing system needs are the Tollway's main priority. The new program commits funds to rebuild the remaining critical pieces of the Illinois Tollway system - rebuilding and widening the Jane Addams Memorial Tollway (I-90) with accommodations for transit from the Tri-State Tollway (I-294) to Rockford and rebuilding more than 20 miles on the central Tri-State Tollway (I-294) and the Edens Spur (I-94). Existing system needs will also provide preservation of the Reagan Memorial Tollway (I-88) and the Veterans Memorial Tollway (I-355), construct the Illinois Route 47 Interchange on I-90,

repair bridges systemwide and reconstruct and rehabilitate maintenance facilities. The program also includes upgrades for toll collection technology and non-toll collection technology, program support and other capital needs.

#### Jane Addams Memorial Tollway (I-90)

The current *Move Illinois* Program budget for the Jane Addams Memorial Tollway is \$2.3 billion. Approximately \$309.2 million will be expended on the Jane Addams Memorial Tollway in 2013. Approximately \$155.1 million will be spent to continue design efforts and begin mainline reconstruction and widening in the eastbound section from Mill Road to the Elgin Toll Plaza. Approximately \$27.3 million will be spent on bridge reconstruction and widening at Powers Road, Coon Creek, Mosquito Creek, eastbound U.S. Route 20, Mill Road, Irene Road, Stone Quarry Road, Getty Road, Briar Hill Road and Sandwald Road, as well as an additional \$8.8 million on the reconstruction and widening of the eastbound bridge over the Kishwaukee River. Design on the east section from the Elgin Toll Plaza (9) to the Kennedy Expressway is in full swing, with advanced retaining wall and noisewall installation contracts anticipated to begin in early 2014. Design on the Lee Street Interchange reconstruction continues in anticipation of construction in 2014. On the entire corridor, design expenditures are estimated at \$52.6 million in 2013.

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

In 2013, the Tollway expects to spend \$15.5 million primarily for ramp reconstruction at I-55, I-90/I-190/River Road, U.S. Route 20/Lake Street and Illinois Route 120/Belvidere Road.

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

In 2013, an estimated \$13.7 million will be spent on the Veterans Memorial Tollway primarily for pavement resurfacing from I-55 to Army Trail Road.

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

In 2013, the Tollway expects to spend \$1.3 million for ramp reconstruction at York Road, Spring Road and Highland Avenue.

#### Systemwide Projects

Approximately \$94.4 million will be spent in 2013 on systemwide improvements including: \$39.5 million to complete construction of the interchange at I-90 and Illinois Route 47; \$21.4 million in bridge, pavement and safety improvements; \$12.0 million for business systems, toll collection, IT/ITS and maintenance facility upgrades. The Tollway will spend \$21.3 million on program support activities, including project management services, materials engineering services, support staff and land acquisition support services.

#### ***System Expansion***

The *Move Illinois* Program includes regional projects that will promote economic development by providing an opportunity to stimulate local economies and provide infrastructure improvements necessary to continue to support the quick and efficient transport of goods, services and workers. The

capital program includes a new interchange to connect the Tri-State Tollway (I-294) to I-57 and a new all-electronic Elgin O'Hare Western Access that will provide western access to one of the nation's busiest airports. The *Move Illinois* Program also includes planning for the Illinois Route 53/120 Project.

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

Approximately \$43.4 million will be spent in 2013 on the I-294/I-57 Interchange Project. The work includes a new flyover ramp from northbound I-57 to northbound I-294, a new ramp from southbound I-294 to southbound I-57, building demolition and tree removal, land acquisition and utility relocations, as well as ongoing inspection services.

#### Elgin O'Hare Western Access

The Elgin O'Hare Western Access Project 2013 budget was established at \$95.6 million. Final design services for the Elgin O'Hare Western Access included work from the Central Section Design from Illinois Route 53 to Illinois Route 19 and West Section Design from U.S. Route 20 to Illinois Route 53. The Elgin O'Hare Western Access Project is still forecasting to complete the year on budget and achieve the full \$95.6 million spending authorization amount. Remaining activities for 2013 will include continued final design services for Meacham Road to Illinois Route 53, the I-290 Interchange, Elmhurst Road, Devon Avenue Bridge and Park Boulevard-Pierce Road-Ketter Drive packages.

The Elgin O'Hare Western Access Project will commence construction in 2013 beginning with five (5) projects: westbound noisewalls from Roselle Road to Plum Grove Road; eastbound noisewalls from Roselle Road to Meacham Road; Rohlwing Road (Illinois Route 53) Interchange; widening and rehabilitation of the existing Elgin O'Hare Expressway and Elmhurst Road bridge over I-90. In addition, there are three more projects scheduled to advertise in 2013, including: the I-290 to westbound Elgin O'Hare flyover bridge; widening and rehabilitation from Irving Park Road (Illinois Route 19) to Roselle Road and Devon Avenue bridge over I-290. Land acquisition, appraisals and negotiations also remain ongoing for parcels located throughout the corridor.

#### Illinois Route 53/120 Project/Other Planning Studies

Approximately \$819 thousand will be spent in 2013 on feasibility studies for the possible extension of Illinois Route 53 north of Lake Cook Road.

### Overview: 2014 *Move Illinois* Program - Year Three

In 2014, the fiscal year capital budget includes funding for the third year of the \$12 billion, 15-year *Move Illinois* Program. For fiscal year 2014, more than \$1.1 billion is allocated for *Move Illinois*.

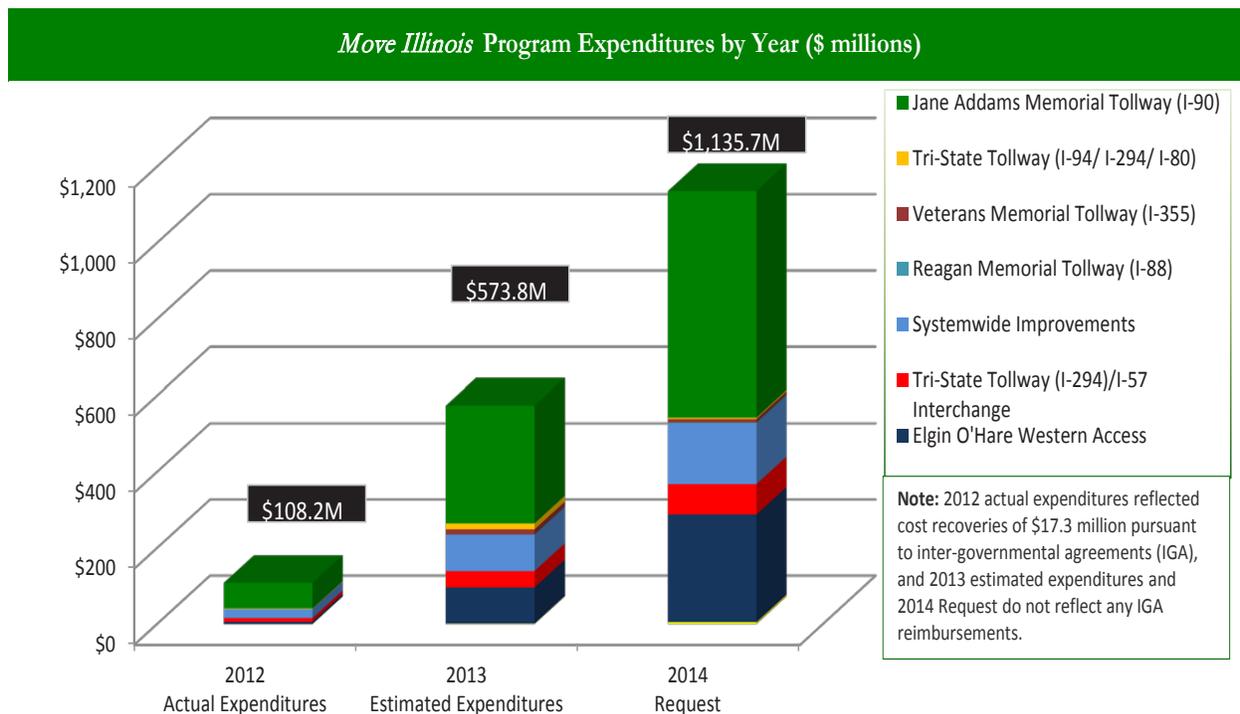


Exhibit 79

### *Existing System Needs*

#### **Jane Addams Memorial Tollway (I-90)**

The Jane Addams Memorial Tollway runs in a northwest direction from near O'Hare International Airport to near South Beloit.

The current *Move Illinois* Program budget for the Jane Addams Memorial Tollway is \$2.3 billion. Approximately \$593 million will be expended on the Jane Addams Memorial Tollway in 2014. The Tollway will allocate \$251.7 million to reconstruct and widen the westbound section from Mill Road to the Elgin Toll Plaza. Mainline bridge reconstruction will continue at U.S. Route 20 and the Kishwaukee River and will begin at several crossroads, including Tyrell Road. Installation of an intermediate power distribution system will provide power for corridor lighting and intelligent transportation system equipment.

The Tollway will commit \$56.6 million to install retaining walls and noisewalls in advance of mainline reconstruction and widening in the east section from the Elgin Toll Plaza to the Kennedy Expressway. Construction will begin on interchange improvements at Lee Street. Bridge reconstruction will occur at Meacham Road and Bartlett Road along with bridge and ramp reconstruction at Illinois Route 25. In 2014, the Tollway will spend \$43.7 million to begin multi-year bridge reconstruction projects at Barrington Road, Higgins Road, Roselle Road and the Fox River Bridge. Wetland mitigation efforts for the I-90 corridor will begin in 2014 as well as intelligent transportation system equipment relocations and advanced ramp toll plaza modifications at toll Plazas 15A (I-290/Illinois Route 53) and 18 (Arlington Heights Road). Right-of-way acquisition efforts will continue through 2014 in anticipation of mainline reconstruction and widening to begin in 2015. Utility relocations will also be critical work ahead of the mainline.

#### Jane Addams Memorial Tollway (I-90)

(\$ millions)

Need	Project Type	Project Limits	Length (miles)	Construction Period	2014 Request
<b>Reconstruct</b>					
Infrastructure Replacement/ Congestion Relief	Reconstruct 6 Lanes/ Add 2 Lanes	Kennedy Expressway to Elgin Toll Plaza (9) (MP 79.0 to 54.0)	25.0	2013-2016	\$188.2
Infrastructure Replacement/ Congestion Relief	Reconstruct 4 Lanes/ Add 2 Lanes	Elgin Toll Plaza (9) to Illinois Route 47 (MP 54.0 to 46.5)	7.5	2013-2016	\$81.3
Infrastructure Replacement/ Congestion Relief	Reconstruct 4 Lanes/ Add 2 Lanes	Illinois Route 47 to I-39 (MP 46.5 to 17.5)	29.0	2013-2016	\$230.7
	Utilities / ROW and Corridor Support	Corridorwide			\$72.9
<b>Sub Total:</b>					<b>\$573.2</b>
<b>Restore</b>					
Infrastructure Renewal	Bridge & Ramp Repairs	Kennedy Expressway to I-39 (MP 79.0 to 17.5)	61.5	2012-2026	\$19.8
<b>Sub Total:</b>					<b>\$19.8</b>
<b>Jane Addams Memorial Tollway (I-90) Total:</b>					<b>\$593.0</b>

Exhibit 80

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

The Tri-State Tollway is the main bypass around the Chicago metropolitan region, starting from an intersection with Illinois Route 394 near South Holland to just south of the Wisconsin state line.

As part of the *Move Illinois* Program, the Tollway will invest more than \$2.1 billion to improve the Tri-State Tollway. In 2014, the Tollway expects to spend \$2.8 million to complete ramp reconstruction at I-55, I-90/I-190/River Road, U.S. Route 20/Lake Street, and Illinois Route 120/Belvidere Road.

Tri-State Tollway (I-80/ I-294/ I-94)					
(\$ millions)					
Need	Project Type	Project Limits	Length (miles)	Construction Period	2014 Request
<b>Reconstruct</b>					
	Utilities / ROW and Corridor Support	Corridorwide			\$0.9
<b>Subtotal:</b>					<b>\$0.9</b>
<b>Restore</b>					
Infrastructure Renewal	Bridge and Ramp Repairs	Bishop Ford Expressway to Russell Road (MP 0.0 to 52.8 (I-294); MP 0.5 to 25.7 (I-94))	78.0	2012-2026	\$2.8
<b>Subtotal:</b>					<b>\$2.8</b>
<b>Tri-State Tollway (I-80/ I-294/ I-94) Total:</b>					<b>\$3.7</b>

Exhibit 81

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

The Veterans Memorial Tollway is the newest of the four tollways, with the section from Army Trail Road to I-55 opened in 1989. In November 2007, a new 12.5-mile extension opened connecting I-55 to I-80 and lengthening the Veterans Memorial Tollway to 29.8 miles.

In 2014, an estimated \$9.2 million will be spent on the Veterans Memorial Tollway to complete pavement resurfacing from I-55 to Army Trail Road.

Veterans Memorial Tollway (I-355)					
(\$ millions)					
Need	Project Type	Project Limits	Length (miles)	Construction Period	2014 Request
<b>Restore</b>					
Infrastructure Renewal	Mill, Patch and Overlay	I-55 to Boughton Road, Collector-Distributor Roads, and North Avenue to Army Trail Road (MP 12.5 to 30.0)	17.5	2013	\$8.2
	Utilities / ROW and Corridor Support	Corridorwide			\$1.0
<b>Veterans Memorial Tollway (I-355) Total:</b>					<b>\$9.2</b>

Exhibit 82

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

The Reagan Memorial Tollway is the major east-west route around the Chicago region, beginning in the west near Rock Falls and feeding into the Eisenhower Expressway (I-290) in the east near Hillside.

Design will begin in 2014 for roadway reconstruction east of York Road, both on the connector road to the Tri-State Tollway (I-294) and the east segment ending at I-290. Ramp reconstruction at York Road, Spring Road and Highland Avenue will be completed along with various utility relocations. In 2014, the Tollway expects to spend \$3.5 million on the Reagan Memorial Tollway.

## Reagan Memorial Tollway (I-88)

(\$ millions)

Need	Project Type	Project Limits	Length (miles)	Construction Period	2014 Request
<b>Reconstruct</b>					
Infrastructure Replacement	Reconstruct 6 Lanes	York Road to I-290 (MP 139.0 to 140.5)	1.5	2017-2019	\$1.0
Infrastructure Replacement	Reconstruct 4 Lanes	East-West Connector between I-294 / I-88	3.7	2017-2019	\$1.0
<b>Sub Total:</b>					<b>\$2.0</b>
<b>Restore</b>					
Infrastructure Renewal	Bridge & Ramp Repairs	U.S. 30 to I-290 (MP 44.0 to 140.5)	96.5	2012-2026	\$0.5
	Utilities / ROW and Corridor Support	Corridorwide			\$1.0
<b>Sub Total:</b>					<b>\$1.5</b>
<b>Reagan Memorial Tollway (I-88) Total:</b>					<b>\$3.5</b>

Exhibit 83

**Systemwide Projects**

Approximately \$158.4 million will be spent in 2014 on systemwide improvements including: \$42.3 million in bridge, pavement and safety improvements; \$60.2 million in toll collection and Information Technology related projects; \$30.7 million in maintenance facility upgrades, which includes the reconstruction of the (M1) maintenance site in Alsip; and \$2.8 million to close-out the construction of the interchange at I-90 and Illinois Route 47. The remaining \$22.4 million will be spent on program support activities, including project management services, materials engineering services, support staff and land acquisition support services.

## Systemwide

(\$ millions)

Need	Project Type	Project Limits	Length (miles)	Construction Period	2014 Request
<b>Systemwide Maintenance Facilities</b>					
Infrastructure Replacement	Reconstruct	All	n/a	2013-2026	\$30.7
<b>Systemwide Maintenance Facilities Subtotal:</b>					<b>\$30.7</b>
<b>Systemwide Improvements</b>					
Infrastructure Renewal	Bridge, Pavement, Drainage and Safety Appurtenance Repairs	Systemwide	n/a	2012-2026	\$42.3
Infrastructure Enhancement	Business Systems/ IT and ITS Upgrades	Systemwide	n/a	2012-2026	\$60.2
Access Expansion	Service Interchanges	Systemwide	n/a	2012-2026	\$2.8
	Program Support	Systemwide	n/a	2012-2026	\$22.4
<b>Systemwide Improvements Subtotal:</b>					<b>\$127.7</b>
<b>Systemwide Total:</b>					<b>\$158.4</b>

Exhibit 84

## System Expansion

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

The *Move Illinois* Program includes construction of a new interchange at the Tri-State Tollway (I-294) and I-57 where no interchange currently exists. The proposed construction will provide access between two major interstates in the southern Chicago metropolitan region.

The first phase of construction will be completed in late 2014, allowing movements from northbound I-57 to I-294 and from I-294 to southbound I-57, as well as a new access to 147th Street for I-294. Approximately \$80.1 million will be spent in 2014 on the I-294/ I-57 Interchange to continue construction of a new flyover ramp from northbound I-57 to northbound I-294 and a new ramp from southbound I-294 to southbound I-57. Reconstruction efforts along 147th Street will also be completed to tie in to the new ramps for I-294. Landscaping and Phase One closeout will also begin in 2014.

Tri-State (I-294)/I-57 Interchange					
(\$ millions)					
Need	Project Type	Project Limits	Length (miles)	Construction Period	2014 Request
System Expansion	New Ramps, Structures and Toll Plazas	New Ramps to and from I-294 and I-57 and to and from 147th Street	n/a	2012-2014	\$63.8
	Utilities / ROW and Corridor Support		n/a	2012 - 2024	\$16.3
<b>Tri-State (I-294)/I-57 Interchange Total:</b>					<b>\$80.1</b>

Exhibit 85

### Elgin O'Hare Western Access (EOWA)

The *Move Illinois* Program includes the conversion of the existing Elgin O'Hare Expressway from U.S. Route 20 in Hanover Park to I-290 to a tollway, as well as start of construction of a new tollway from I-290 to the west side of O'Hare International Airport and construction of western access from Jane Addams Memorial Tollway (I-90) to the Tri-State Tollway (I-294). These improvements will provide access to O'Hare Airport from the west and improve travel efficiency by reducing congestion on the local street network.

For 2014, the Elgin O'Hare Western Access Project is forecasting a total spend of \$328 million, which includes \$283 million in requested Tollway funding and an additional \$45 million to come from other funding sources.

The major areas of scope to be implemented in 2014 include final design services for the I-290 Interchange as well as construction for the lane widening west of Meacham Road to Irving Park Road, completion of the noisewalls east of Roselle Road to Plum Grove Road, start of construction of the

I-290 Interchange, new bridges at the Elmhurst Road Interchange at I-90 and advance construction work from Arlington Heights Road to Illinois Route 83. Tolling facility costs have been included in the corresponding construction packages for each project. Also included in the 2014 spending plan are a number of right-of-way land purchases along the Elgin O'Hare Western Access Project Corridor and utility relocations to support future construction.

#### Elgin O'Hare Western Access

(\$ millions)

Need	Project Type	Project Limits	Length (miles)	Construction Period	2014 Request
System Expansion	Repair 4 Lanes/ Add 2 Lanes and Construct Tolling Facilities	Existing Elgin O'Hare Expressway U.S. Route 20 to Rohlwing Road	6.0	2013-2015	\$75.4
System Expansion	Construct 4 New Lanes	Elgin O'Hare Extension Rohlwing Road to York Road via Thorndale Avenue	4.8	2014-2019	\$111.0
System Expansion	Construct 4 New Lanes	South Leg of Western Access Thorndale Avenue to I-294 via York Road	3.0	2018-2022	\$17.6
System Expansion	Construct 4 New Lanes	North Leg of Western Access Thorndale Avenue to I-90 via York Road	3.2	2021-2025	\$38.2
	Utilities / ROW and Corridor Support		n/a	2012 - 2024	\$85.6
	Local Contribution *		n/a	2014-2021	(\$45.0)
<b>Elgin O'Hare Western Access Total:</b>					<b>\$282.8</b>

\* 2014 Total Budget Request of \$282.8 million includes \$45 million estimated to be non-Tollway funding

Exhibit 86

#### Illinois Route 53/120/Other Planning Studies

The *Move Illinois* Program includes \$2.7 million for planning studies on the extension of Illinois Route 53 from Lake Cook Road north into Lake County, and approximately \$2.3 million will be spent for other studies.

#### Illinois Route 53/120/Other Planning Studies

(\$ millions)

Need	Project Type	Project Limits	Length (miles)	Construction Period	2014 Request
System Expansion	New Routes	Planning Studies For Illinois Route 53 Extension	n/a	n/a	\$5.0
<b>Illinois Route 53/120/Other Planning Studies Total:</b>					<b>\$5.0</b>

Exhibit 87

## Congestion-Relief Program and "Other" Capital Projects

The 2014 fiscal year capital budget reflects the Tollway's commitment to maintain and upgrade the existing facilities and infrastructure of the system. The budget includes funding for the tenth year of the \$5.8 billion, Congestion-Relief Program (CRP). For fiscal year 2014, \$244.7 million is allocated for the CRP and \$55 million is anticipated to be expended to support other needs such as roadway equipment and vehicles, building repairs and improvements and technological equipment and enhancements.

Congestion-Relief Program and "Other" Capital Projects				
(\$ millions)				
	2012 Actual Expenditures	2013 Budget	2013 Estimated Expenditures	2014 Request
<b>Congestion-Relief Program (CRP)</b>				
Jane Addams Memorial Tollway (I-90)	\$21.5	\$3.5	\$14.6	\$136.2
Tri-State Tollway (I-94/ I-294/ I-80)	97.3	18.8	30.9	5.8
Veterans Memorial Tollway (I-355)	0.7	3.7	3.8	0.9
Reagan Memorial Tollway (I-88)	58.8	5.5	6.6	7.1
Open Road Tolling (ORT)	1.4	4.1	2.7	4.0
Systemwide Improvements	26.7	65.4	39.5	90.8
<b>Congestion-Relief Program Subtotal</b>	<b>\$206.4</b>	<b>\$101.0</b>	<b>\$98.0</b>	<b>\$244.8</b>
<b>"Other" Capital Projects Subtotal *</b>	36.9	77.2	47.2	55.0
<b>CRP and "Other" Capital Projects Total</b>	<b>\$243.3</b>	<b>\$178.2</b>	<b>\$145.2</b>	<b>\$299.8</b>

### 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.*

Exhibit 88

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## Congestion-Relief Program (CRP)

### Overview: Congestion-Relief Program 2005 through 2013

By the end of 2013, the Tollway will have spent an estimated \$5.1 billion (net of intergovernmental agreements) of the budgeted \$5.8 billion on design and construction contracts to complete 88.0 percent of the Congestion-Relief Program (CRP). The Tollway anticipates project cost savings of approximately \$100 million will reduce total expenditures to \$5.7 billion by the end of the program.

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

An estimated \$1.9 billion, or 99.7 percent, of the \$2 billion allocated for the Tri-State Tollway in the CRP will be expended by the end of 2013.

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

Nearly \$789.5 million, or 87.9 percent, of an estimated \$897.7 million allocated in the CRP for the Reagan Memorial Tollway will be expended by the end of 2013.

#### Jane Addams Memorial Tollway (I-90)

On the Jane Addams Memorial Tollway, approximately \$395.3 million, or 65.0 percent, of the \$608.0 million allocated in the CRP will be expended by the end of 2013.

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

By the end of 2013, more than \$837.3 million, or 98.9 percent, of the \$846.5 million allocated in CRP for the Veterans Memorial Tollway will be expended.

#### Open Road Tolling (ORT)

As of year-end 2013, approximately \$705.1 million, or 98.5 percent, of the \$715.7 million allocated in the CRP will be expended to deliver open road tolling.

#### Systemwide Improvements

By the end of 2013, the Tollway will have expended approximately \$465.0 million, or 65.3 percent, of the \$711.8 million estimated for systemwide improvements within the CRP. Systemwide improvements include bridge and pavement rehabilitation, interchange improvements, program management services and other similar professional services.

## Overview: 2014 Congestion-Relief Program Year Ten

The 2014 fiscal year capital budget reflects the Tollway's commitment to maintain and upgrade the existing facilities and infrastructure of the system. The budget includes funding for the tenth year of the \$5.8 billion, Congestion-Relief Program (CRP). For fiscal year 2014, \$244.7 million is allocated for the CRP.

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

The Tri-State Tollway is the main bypass around Chicago, starting from an intersection with Illinois Route 394 near South Holland to just south of the Wisconsin state line. As part of the CRP, the Tollway has invested more than \$1.9 billion to improve the Tri-State Tollway.

The 2014 capital budget of \$5.8 million for the Tri-State Tollway corridor is mainly required to complete right-of-way acquisitions for the new I-294/ I-57 Interchange that is being constructed under *Move Illinois*.

Tri-State Tollway (I-80/ I-294/ I-94)				
Project Type	Project Limits	Length (miles)	Estimated Construction Period	2014 Request (millions)
<b>Reconstruct</b>				
Reconstruct / Add Lane	Half Day Road to Illinois Route 137 (MP 56.5 to 64.4)	7.9	2007-2013	\$0.2
<b>Subtotal:</b>				<b>\$0.2</b>
<b>I-294/I-57 Interchange (Inter-Agency Project)</b>				
Reconstruct	Relocate Dixie Creek		2012-2013	\$5.6
<b>Subtotal:</b>				<b>\$5.6</b>
<b>Tri-State Tollway (I-80/ I-294/ I-94) Total:</b>				<b>\$5.8</b>

Exhibit 89

### **Jane Addams Memorial Tollway (I-90)**

The current CRP projected expenditures at completion for the Jane Addams Memorial Tollway is \$608 million. The Jane Addams Memorial Tollway runs in a northwest direction from near O'Hare International Airport to near South Beloit.

In 2014, the \$136.2 million capital budget for the Jane Addams Memorial Tollway is required for the first year of reconstruction and widening from the Kennedy Expressway to the Elgin Toll Plaza (9), including retaining wall and noisewall installation from I-294 to Illinois Route 53.

<b>Jane Addams Memorial Tollway (I-90)</b>				
<b>Project Type</b>	<b>Project Limits</b>	<b>Length (miles)</b>	<b>Estimated Construction Period</b>	<b>2014 Request (millions)</b>
<b>Reconstruct</b>				
Reconstruct / Add Lane	Newburg Road to Rockton Road (MP 61.8 to 76.1)	14.3	2008-2009	\$1.0
<b>Sub Total:</b>				<b>\$1.0</b>
<b>Restore</b>				
Rehabilitate / Resurfacing / Add Lane	Kennedy Expressway to Newburg Road (MP 78.6 to 16.9) - Design Only	61.7	2010-2012	\$0.1
Rehabilitate / Resurfacing / Add Lane	Kennedy Expressway to Illinois Route 53 (MP 78.6 to 68.2)	10.4	2010-2016	\$112.2
<b>Subtotal:</b>				<b>\$112.3</b>
<b>Restore</b>				
Rehabilitate / Resurfacing / Add Lane	Illinois Route 53 to Elgin Plaza (MP 68.2 to 53.8)	14.4	2010-2014	\$1.3
Rehabilitate / Resurfacing / Add Lane	Elgin Plaza to Sandwald Road (MP 53.8 to 45.0)	8.8	2010-2014	\$9.5
Rehabilitate / Resurfacing / Add Lane	Sandwald Road to Newburg Road (MP 45.0 to 16.9)	28.1	2010-2014	\$12.1
<b>Subtotal:</b>				<b>\$22.9</b>
<b>Jane Addams Memorial Tollway (I-90) Total:</b>				<b>\$136.2</b>

Exhibit 90**Reagan Memorial Tollway (I-88)**

The current CRP projected expenditures at completion for the Reagan Memorial Tollway is \$897.7 million. The Reagan Memorial Tollway runs east-west from Hillside to Rock Falls.

The 2014 capital budget for this corridor is \$7.1 million to design the resurfacing between Illinois Route 251 and U.S. Route 30.

<b>Reagan Memorial Tollway (I-88)</b>				
<b>Project Type</b>	<b>Project Limits</b>	<b>Length (miles)</b>	<b>Estimated Construction Period</b>	<b>2014 Request (millions)</b>
<b>Restore</b>				
Resurface	Deerpath Road to Illinois Route 251 (MP 76.2 to 113.5)	3.2	2012-2013	\$0.2
Resurface	IL 251 to US 30 (MP 113.3 to 114.3)	3.2	2015-2016	\$6.9
<b>Sub Total:</b>				<b>\$7.1</b>
<b>Reagan Memorial Tollway (I-88) Total:</b>				<b>\$7.1</b>

Exhibit 91

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

The Veterans Memorial Tollway is the newest of the four tollways with the section from Army Trail Road to I-55 opened in 1989. On Veterans Day 2007, a new 12.5-mile south extension opened connecting I-55 to I-80, lengthening the Veterans Memorial to 29.8 miles. At the end of 2014, more than \$838.2 million will be invested in widening, rehabilitating and extending the Veterans Memorial Tollway as part of the CRP.

The 2014 capital budget of \$933 thousand is mainly required for the southbound resurfacing and widening from 71st Street to 75th Street.

<b>Veterans Memorial Tollway (I-355)</b>				
<b>Project Type</b>	<b>Project Limits</b>	<b>Length (miles)</b>	<b>Estimated Construction Period</b>	<b>2014 Request (millions)</b>
<b>Restore</b>				
Resurfacing / Add Lane	75th Street to I-88 (MP 15.5 to 20.0)	4.5	2008-2009	\$0.7
<b>Sub Total:</b>				<b>\$0.7</b>
<b>Regional Growth</b>				
South Extension	I-355 South Extension (I-55 to I-80)	12.5	2004-2013	\$0.2
<b>Sub Total:</b>				<b>\$0.2</b>
<b>Veterans Memorial Tollway (I-355) Total:</b>				<b>\$0.9</b>

Exhibit 92

**Open Road Tolling**

The 2014 capital budget allocates \$4.0 million for the Traffic Revenue Maintenance and Management Program (TRMMP).

<b>Open Road Tolling</b>				
<b>Project Type</b>	<b>Project Limits</b>	<b>Length (miles)</b>	<b>Estimated Construction Period</b>	<b>2014 Request (millions)</b>
<b>Open Road Tolling</b>				
Reconstruct	DeKalb (66), Dixon (69)	0	2006-2009	\$0.3
Maintenance and Management	Toll Revenue Maintenance and Management	0	2005-2016	\$3.7
<b>Sub Total:</b>				<b>\$4.0</b>
<b>Open Road Tolling Total:</b>				<b>\$4.0</b>

Exhibit 93

**Systemwide**

The 2014 capital budget allocates \$90.8 million for systemwide improvements. Approximately \$40.4 million is allocated for bridge improvements. Another \$46.1 million is allocated for systemwide pavement improvements to ensure the integrity of the system while \$4.4 million is established for interchange improvements, environmental projects, landscaping, program management and other related projects.

Systemwide				
Project Type	Project Limits	Length (miles)	Estimated Construction Period	2014 Request (millions)
<b>Systemwide Needs</b>				
Bridge Improvements	Bridge Improvements	-	Annual	\$40.4
Interchange Improvements	Interchange Improvements	-	Annual	\$1.0
Environmental / Program	Systemwide	-	Annual	\$3.4
Pavement Improvements	Pavement Improvements	-	Annual	\$46.1
<b>Sub Total:</b>				<b>\$90.8</b>
<b>Systemwide Total:</b>				<b>\$90.8</b>

Exhibit 94

### *2014 Other Capital Projects*

In addition to the *Move Illinois* Program and the Congestion-Relief Program (CRP), other capital projects are needed to support ongoing operations of the Tollway and ensure that the existing roadway network is well-maintained and safe for travel. While the *Move Illinois* Program and the CRP are major components of the Tollway's Capital Program, other elements include new technologies to manage congestion, reduce travel times and provide enhanced customer service; improvements to maintenance buildings and other structures to maintain the Tollway's assets; and additional equipment for Illinois State Police District 15 and maintenance staff to improve efficiency and enhance public safety. The Tollway anticipates to spend \$55 million in 2014 to support these ongoing other capital projects.

#### **Building Repairs and Maintenance - \$5.8 Million**

Expenditures of \$3.7 million for systemwide initiatives in 2014 include facility and elevator improvements and rehabilitation, building exhaust and ventilation improvement, roof repair and replacement, building tuck pointing and cubicle furniture purchases. The Tollway anticipates \$1.3 million will be expended for maintenance site projects including remote storage building, floor and in-ground vehicle hoist replacement and salt dome truck bay enclosure. For 2014, \$670 thousand is allocated for Central Administration projects including heating, ventilation and air conditioning control and ductwork improvement, exterior beam painting, ergonomic work station installation for the Illinois State Police District 15 operations room and energy initiative to achieve Leadership in Energy and Environmental Design (LEED) certification. In addition, \$75 thousand will be spent for plaza mold remediation, tunnel leakage repair and façade replacement.

#### **Equipment - \$27.7 Million**

The Tollway anticipates \$18.9 million will be spent in 2014 for technology-related equipment including I-PASS transponders; systemwide phone/voice mail system and software needs; Web/e-commerce, network, mainframe legacy system and intranet improvements; Payment Card Industry Data Security standard compliance; Tollway network and Toll Revenue Management and Maintenance Program (TRMMP) disaster recovery systems; station battery plant and building security improvement upgrades and other similar programs. The 2014 Capital Budget for equipment also includes \$6.6 million to replace and purchase new roadway vehicles and equipment.

More than \$1.5 million will be spent for projects related to intelligent transportation systems (ITS) including ITS video migration from analog to digital format, ITS enhancements and upgrades. Expenditures of \$609 thousand for Illinois State Police District 15 equipment is anticipated for 2014 to include patrol car accessories, speed timing devices, tasers and crash reconstruction stations. In addition, \$120 thousand will be spent for other miscellaneous capital equipment.

#### **Professional Services - \$18.3 Million**

The 2014 Capital Budget for professional services includes funding for management services related to maintenance facilities, enterprise resource planning (ERP), consulting services related to general and traffic engineering and design/construction management, environmental/governmental and financial

services necessary for the implementation of the Capital Program.

**Roadway - \$3.2 Million**

The Tollway capital Budget will fund roadway projects including systemwide pavement markings and roadway signing.

Other Capital Project Highlights	2013 Carry-Over	2014 New Request
	(\$ thousand)	
<b>BUILDING REPAIRS AND MAINTENANCE</b>	<b>\$5,439.0</b>	<b>\$5,762.8</b>
<b>Systemwide</b>	<b>\$563.8</b>	<b>\$3,687.8</b>
Facility Improvements/Rehabilitation	-	1,600.0
Elevator Rehabilitation	-	769.8
Exhaust/Ventilation Improvement	-	500.0
Roof Repair and Replacement	-	500.0
Tuck Pointing	-	200.0
Purchase Cubicle Furniture	82.0	118.0
Repair Roofs at Plazas 47/31/32 and M-3	341.9	-
Tower Preservation	130.0	-
Replace Carpet Tile	9.9	-
<b>Maintenance Sites</b>	<b>\$2,302.6</b>	<b>\$1,330.0</b>
Floor Replacement at M-11 and M-12	300.0	500.0
Replace Remote Storage Building at M-4	-	480.0
M-11 Salt Dome Truck Bay Enclosure	-	200.0
Replace Inground Vehicle Hoist at M-3, M-4 and M-12	106.6	150.0
Repair/Replace Roof M-14	1,066.1	-
Rehab Fuel Stations Phase II	389.9	-
Install Truck Hoist at Central Shop	220.0	-
M-7 Salt Dome Truck Bay Enclosure	120.0	-
Replace/Repair Lift Station at M-1	100.0	-
<b>Central Administration</b>	<b>\$1,872.5</b>	<b>\$670.0</b>
Heating, Ventilation, Air Conditioning Control and Ductwork Improvement	-	250.0
Painting of Exterior Beams	30.0	200.0
Ergonomic Work Stations in District 15 Operations Room	100.0	120.0
Energy Initiative to Achieve Leadership in Energy and Environmental Design Certification	100.0	100.0
Repair/Reseal Skylights	770.0	-
Reconstruct North Entrance	550.0	-
Replace Air Conditioning Handler for Money Room	200.0	-
Replace Steam Boiler	100.0	-
Replace/Repair North Parking Lot Control Panel	22.5	-
<b>Plazas</b>	<b>\$700.0</b>	<b>\$75.0</b>
Repair Tunnel Leakage and Remediate Mold Plaza 33	100.0	50.0
Replace Façade at Plaza 47	50.0	25.0
Repair Plaza Canopy at Plaza 23 and Plaza 83	378.4	-
Repair Plaza at Half Day Road and Maple Avenue	121.6	-
Purchase Split Air Conditioning Units at Plazas 1, 9 and 21	50.0	-

Exhibit 95-1

Other Capital Project Highlights (continued)	2013 Carry-Over	2014 New Request
	(\$ thousand)	
<b>EQUIPMENT</b>	<b>\$14,259.7</b>	<b>\$27,743.0</b>
<b>Technology</b>	<b>\$6,120.5</b>	<b>\$18,931.0</b>
Transponder Purchases	2,720.0	7,080.0
Phone System (PBX) Upgrade	455.8	3,000.0
Unisys Web and Interactive Voice Response	-	3,000.0
Software Enhancements	250.9	1,500.0
Payment Card Industry Data Security Standards Compliance	305.0	1,000.0
Disaster Recovery System	-	1,000.0
Develop Authority Intranet	98.7	500.0
Toll Revenue Management and Maintenance Program Disaster Recovery Services and Implementation	325.6	300.0
Station Battery Plant Upgrade	240.0	250.0
Security Improvements (Velocity)	61.5	238.5
Network Maintenance Upgrade	154.6	200.0
Computer Infrastructure Modernization	-	200.0
Mainframe Legacy System Replace/Upgrade	-	200.0
Diversity Management Software	150.0	150.0
Replace Money Room Coin Counting Equipment	-	120.0
Replace Uninterruptible Power Supply Units	-	75.0
Color Printer Replacement/Upgrade	-	67.5
Velocity Door Alarm System	-	50.0
Production Printer Equipment	594.9	-
Purchase 911 Telephone System for Dispatch	200.0	-
Accounting and Financial Software	132.3	-
Purchase/Install Internal Audit Software	172.0	-
Micro-Imager Machine	81.0	-
Financial Software Programs	50.0	-
High Volume Mailing Machine/Shipping System	45.0	-
Violation Enforcement System Camera	33.4	-
Replace Plaza Intercom	25.0	-
Replace Computer-Aided Dispatch Monitor/Personal Computer/Servers	24.8	-
<b>Roadway Vehicles and Trucks</b>	<b>\$1,680.2</b>	<b>\$6,560.0</b>
Roadway Maintenance and Equipment - Fleet	1,680.2	6,500.0
Tractor and Accessories	-	60.0

Exhibit 95-2

Other Capital Project Highlights (continued)	2013 Carry-Over	2014 New Request
	(\$ thousands)	
<b>EQUIPMENT (continued)</b>	<b>\$14,259.7</b>	<b>\$27,743.0</b>
<b>Intelligent Transportation Systems</b>	<b>\$3,870.2</b>	<b>\$1,523.0</b>
Traffic Incident Management System Security - Next Generation Network Migration	2,038.2	500.0
Traffic Incident Management System Enhancements	-	400.0
Intelligent Transportation Systems Technical Support/ Maintenance Management	-	375.0
Traffic Incident Management System Enhancements	-	198.0
Intelligent Transportation Systems Design Management/ Construction Management Services Upon Request	-	50.0
Dynamic Message Signs Upgrade/Improvement	686.0	-
Closed Circuit Television Camera Installation and Relocation	350.0	-
Video Incident Detection	200.0	-
Replace Intelligent Transportation Systems Core Switch and Add Redundancy	200.0	-
Advanced Traveler Information Systems	150.0	-
Ramp Count/Queue Detector Installation	100.0	-
Weigh-In-Motion Software Upgrades	100.0	-
Intelligent Transportation Systems Services Upon Request	46.0	-
<b>State Police</b>	<b>\$385.0</b>	<b>\$609.0</b>
Patrol Car Accessories	-	250.0
Speed Timing Devices	-	145.0
Purchase Tasers	-	139.0
Crash Reconstruction Total Stations	-	75.0
Indoor Firing Range Target Retrieval System	385.0	-
<b>Miscellaneous Equipment Systemwide</b>	<b>\$383.8</b>	<b>\$120.0</b>
Capital Equipment Purchases	383.8	120.0
<b>Equipment Machinery/ Tools</b>	<b>\$1,820.0</b>	<b>\$0.0</b>
Standby Generators for Plazas	1,470.0	-
Permanent Truck Scale Installation at Maintenance Facilities	200.0	-
End Loader Weigh Scale Inventory Control System	150.0	-

Exhibit 95-3

Other Capital Project Highlights (continued)	2013 Carry-Over	2014 New Request
	(\$ thousands)	
<b>PROFESSIONAL SERVICES</b>	<b>\$9,661.0</b>	<b>\$18,301.7</b>
<b>General Consulting Services</b>	<b>\$4,271.6</b>	<b>\$16,924.0</b>
General Engineering Consultant	-	9,000.0
Traffic Engineering Consultant	943.0	3,000.0
Design Services Upon Request	1,726.0	1,874.0
Technology Services	-	900.0
Construction Services Upon Request	1,302.6	1,530.0
Manpower for Construction Sites - State Police Overtime	-	300.0
Print Services, Web Plan, Advertising	-	270.0
Design Management/Construction Management Services Upon Request	300.0	50.0
<b>Enterprise Resource Planning</b>	<b>\$5,000.0</b>	<b>\$0.0</b>
Enterprise Resource Planning System	5,000.0	-
<b>Environmental/ Governmental</b>	<b>\$284.4</b>	<b>\$1,302.7</b>
Life Cycle Assessment Tools Development - IGA with University of Illinois	-	470.0
Illinois State Geological Survey - IGA with University of Illinois	100.0	400.0
Biotic/Aquatic Species Surveys - IGA with University of Illinois	-	260.5
Engineering Research	-	150.0
Research of Superstructures - IGA with University of Illinois	67.0	12.2
Illinois Center of Transportation Research - IGA with University of Illinois	-	10.0
University Research Program	117.4	-
<b>Financial</b>	<b>\$80.0</b>	<b>\$75.0</b>
Financial Advisory Services	25.0	75.0
Transactional Advisors Fee	55.0	-
<b>Geographic Information System</b>	<b>\$25.0</b>	<b>\$0.0</b>
Geographic Information System Off-Site Hosting Services	25.0	-
<b>ROADWAY</b>	<b>\$921.3</b>	<b>\$3,192.5</b>
<b>Maintenance, Repairs and Improvements</b>	<b>\$921.3</b>	<b>\$1,130.0</b>
Pavement Markings	-	1,000.0
Annual Authoritywide Miscellaneous	918.6	100.0
Miscellaneous Project Wrap-up Costs	2.7	30.0
<b>Signage</b>	<b>\$0.0</b>	<b>\$2,062.5</b>
Signage Upon Request	-	1,000.0
Sign Shop Roadway Signing	-	950.0
Aluminum Extrusion Refurbishing	-	112.5
<b>Other Capital Projects TOTAL</b>	<b>\$30,280.8</b>	<b>\$55,000.0</b>

Exhibit 95-4

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## Capital Planning

The Tollway's capital budget is a financial plan of capital project expenditures for the fiscal year beginning January 1 and ending December 31. The capital budget provides funding for non-recurring expenditures for the preservation, replacement, repair, renewal, reconstruction, modification and expansion of the Tollway system. The capital budget is funded from current revenues, proceeds from the sale of revenue bonds and interest income.

The Tollway adheres to the covenants of its Trust Indenture and generally accepted accounting principles (GAAP) to provide direction for capital budgeting. Per the Trust Indenture, a capital project of the Tollway is to be classified as either (a) Improvement or (b) Renewal and Replacement. These categories are defined as follows:

- *Improvement:* Any system expansion project or any acquisition, installation, construction, reconstruction, modification or enhancement of or to any real or personal property (other than operating expenses) for which a currently effective resolution of the Tollway has been adopted authorizing the deposit of revenues to the credit of the Improvement Account including, without limitation, the cost of related feasibility studies, plans, designs or other related expenditures.
- *Renewal and Replacement:* Any preservation, replacement, repairs, renewals and reconstruction or modification of the Tollway system or any part of it constituting real or personal property, whether leased or purchased, but does not include system expansion projects.

The annual capital budget is comprised of funding for capital projects necessary to maintain, improve and enhance Tollway roads, including resurfacing, rehabilitating, reconstructing and widening existing roadway and building new roadways, such as new routes and interchanges. Additionally, the Tollway's capital budget allocates funding for other projects, including new technologies, building improvements and machinery and equipment. The goals of the capital budget include maintaining and improving the capital infrastructure of the existing system by:

- Rebuilding the remaining critical pieces of the Illinois Tollway;
- Ensuring the Tollway system remains in a state of good repair;
- Providing congestion relief by widening many miles of existing roadway;
- Providing congestion relief by utilizing open road tolling;
- Providing system expansion by building new interchanges and expanding existing interchanges;
- Providing system expansion by constructing new routes;
- Accounting for the needs of growing communities;
- Establishing corridor planning councils to strengthen the partnerships between the Tollway and the communities it serves;
- Improving mobility for communities served by the Tollway through an updated interchange policy, multi-modalism and context-sensitive improvements such as noisewalls and bike paths;

- Reconstructing maintenance facilities; and
- Implementing intelligent transportation systems to better serve customers.

### **Planning Overview**

The Tollway works in partnership with local communities and officials to provide the 12-county region it serves with strategic transportation solutions, recognizing the value of an integrated approach to project development and implementation. This helps balance local interests with a shared vision for the region and promotes a fair distribution of benefits.

Input from local communities is instrumental in the successful development and implementation of regionally significant transportation projects. Additionally, ongoing dialogue with local businesses ensures that long-term benefits of an improved transportation network are understood and the short-term impact of construction is clearly communicated.

The Tollway's leadership continues to work closely with residents, business owners, local and state government officials, as well as other transportation agencies to continuously evaluate needs and establish priorities for providing Northern Illinois with a coordinated transportation plan.

### **Planning Process**

The Tollway uses a comprehensive capital planning process, includes analyzing and evaluating the needs of the Tollway and its surrounding communities and developing strategies to increase system efficiency.

The planning process begins with stakeholder departments, including Finance, Engineering, Information Technology, Business Systems and Operations sharing information on departmental needs. During this process, projects are reviewed for consideration in accordance with near-term and long-range Tollway goals. Projects are evaluated through a rigorous and thoughtful prioritization process based on several criteria, including:

- Condition – assessment of existing roadway network and facilities
- Benefit – congestion relief and improved operations
- Safety – accident reduction, improved traffic flow and response time
- Community – anticipated local and regional growth
- Financing – impact on revenue, future maintenance and operating costs
- Cost – estimated project cost and risk
- Multi-agency implementation support

The proposed projects are evaluated against detailed asset inventories and condition assessments to assist the Tollway in developing priorities and investment strategies. Then, a thorough cost-benefit analysis is performed to justify the proposed capital expenditures and impacts to the operating budget.

The Tollway uses a public and transparent process to evaluate potential future projects and initiatives. Working with the Illinois Department of Transportation, transit agencies, local and regional

transportation and planning agencies, the Tollway continuously updates project analyses, and seeks to identify projects that would significantly reduce congestion, expand economic opportunities, improve the region's transportation infrastructure and foster environmental responsibility and sustainability. The planning process identifies approximate costs, regional and local support and financing options for projects for review by the Tollway Board of Directors. These comprehensive reviews are publicly presented and posted on the Tollway's website.

### **Budget Development**

Program and project reviews are ongoing throughout the fiscal year, however, capital budget development begins each summer. The budget division meets with the Tollway's department chiefs and division managers to explain the overall process and to provide pertinent information regarding any funding or expenditure issues, budget process changes and general instructions. At this meeting, the budget manager outlines the Tollway's goals and direction for the new budget.

The budget division works with each department to compile a comprehensive list of capital needs which is used in identifying new projects to be recommended for funding. This list identifies preliminary project information such as name, location, description or scope, estimated cost and any operating impact. New projects and initiatives are also incorporated into the capital needs list. The requesting department prepares and submits a capital program project request form which provides all necessary information including the priority of the project (scale of 1-100, 1 being the highest), schedule of the project (start and completion dates), purpose/objective of the project, the proposed project description, location and scope, operating budget impacts, cost-benefit analysis, future year funding impact analysis, alternatives, other affected departments and basis for cost estimate.

Along with identifying new projects, the budget division works with departments to gather updated information regarding ongoing projects. Draft documents are developed showing all projects - both ongoing and proposed. These draft documents are distributed to departments for review and the opportunity to add or revise any information. In conjunction with department chiefs, the budget division compiles a list of proposed and ongoing projects to be presented to key decision makers. The budget division meets with the chief of finance to discuss financial impacts and projects to be included in the proposed capital budget. The budget division coordinates with department chiefs and managers to obtain further justification of projects as requested by the chief of finance.

The revised proposed project list is compiled and reviewed again with department chiefs prior to presentation to executive management. Review and sign-off is completed by the executive director, and a tentative capital budget is presented to the Board of Directors in October for approval. Requested changes by the Board of Directors and executive management are incorporated into the tentative budget. Public hearings are held in November and public comments are presented to the Board of Directors for incorporation into the final budget. The budget division reviews and incorporates changes from the Board of Directors, executive management and public comments. A final budget is then presented to the Board of Directors for adoption in December.

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### **Funding Sources**

Funding for capital projects comes from three sources including current revenues, proceeds from the sale of revenue bonds and interest income. Current revenues are deposited in the Revenue Fund and transferred to the Renewal and Replacement Account and the Improvement Account; bond proceeds are deposited into the Construction Fund.

### **Use of Funds**

Capital expenditures are related to the Capital Program, which is comprised of the *Move Illinois* Program, the Congestion-Relief Program (CRP) and other capital needs, such as roadway equipment and vehicles and new technologies and enhancements. For reporting purposes the programs are divided into corridors. Other capital needs are divided into building repairs and maintenance, equipment, professional services and roadway.

### **Capital Projects Operating Impacts**

Planning for the operational impact of the capital program is an important consideration during the Tollway's budget process. The cost of operating new and enhanced infrastructure is included in the operating budget in the fiscal year the asset becomes operational. Debt service payments on the debt issued for capital projects are also included in the debt service budget.

The existing Tollway system features a toll collection system incorporating mainline plazas and ramp plazas with accommodations for the combined use of I-PASS, automatic coin collection and manual lanes. As capital projects are implemented, the toll collection system is expanded. CRP expansion included the 12.5-mile extension of the Veterans Memorial Tollway (I-355), the widening of existing routes through the addition of lanes and the construction of additional interchanges. Measured in terms of lane miles, the Tollway system has grown by approximately 23 percent since 2005.

### **Cost Monitoring**

The Tollway maintains a project management database that is used to monitor and measure program status, provide early identification of problem areas, provide for alternative analysis and ensure that pertinent information is communicated to project participants. It allows for real-time access of information on budgets, commitments, expenditures, cash flows, forecasts and performance status. Timely reporting of this information allows decisions to be made in advance and provides for effective cost control of the project.

Regularly published reports include performance measures to assess the magnitude of variations that occur on projects. The Tollway analyzes the causes of the variances and determines what corrective actions are required. Examples of financial reports that are developed to assist in the variance analysis include:

- Monthly project status reports focus on schedule and cost status, proposed/pending changes and current project issues. These reports include detailed financial and schedule performance for each project, including change orders and expenditure tracking. In addition, these reports provide a tool for management to follow the progress of each project.

- Exception reports provide a forum for the initial disclosure of project issues that could potentially cause a project delay or cause a budget overrun. These reports provide an opportunity to quickly address project impediments and trigger necessary actions to bring the anticipated project performance into line with the project plan.
- Change order reports reflect the original budget and indicate all subsequent changes approved by the Tollway or currently in the approval process. Recording anticipated changes provides a realistic assessment of the program and shows the remaining contingency by contract.

### **Schedule Monitoring**

Program status and schedule changes are monitored and reported on a monthly basis via the master program schedule. The main goal of the schedule reporting process is to detect adverse trends in design, construction and administrative activities early enough to correct them. Modifications to schedule information may or may not require adjustments to other aspects of the overall project plan.

The master program schedule serves the following purposes:

- Validates the funding schedule and budget presently established by the capital budget,
- Explores various combinations of project implementation,
- Projects a consistent and reasonable level of effort and expenditure over the program term,
- Adjusts scopes of work and/or the distribution of funding as needed to respond to unforeseen conditions and capitalize on opportunities to meet implementation goals; and
- Establishes funding requirements for subsequent capital budgets.

Revisions to start and finish dates for the approved project schedule are generally made in response to scope changes. As potential delays/changes become apparent, a special schedule study will be initiated to determine if the lost time could be recovered and how changes to the originally anticipated schedule logic/sequence should best be reflected.

### **Change Management Control**

In order to reduce delay claims and complete projects on time and within budget, the Tollway has empowered staff to direct field changes to reduce the time for authorizing construction contractors to proceed, which helps maintain construction schedules. The process begins when the contract cost change controls committee (C5) analyzes the scope of work, the estimated cost of the proposed change and identifies the cause of the change (design error, owner requested change, change in conditions, etc.). The C5 committee recommends approval, rejection or requests additional information and provides an authorization to proceed for those changes that are recommended for approval.

The Tollway's approval model is as follows:

Project Manager	Up to \$30,000
Chief Engineer	Up to \$100,000
Executive Director	Up to \$150,000
Chair	Up to \$200,000
Board	Over \$200,000

On a weekly basis, a list of potential change orders is entered into the project management database along with the pending and approved change orders. This information is used to develop various change management reports including:

- Program Change Order/Potential Change Order Log – this log is used to compare the current change order status versus the allocated construction contingency reserve funds at a summary level for all projects within the program.
- Outstanding Change Order Report – this report provides an analysis of pending and potential change orders, including number of days outstanding, ball-in-court reporting and forecasted final contract amount.
- Project Change Order/ Potential Change Order Log – this log identifies all approved, pending and potential contract changes at a detail level for all projects. It has the ability to provide process-related performance measures for all participants.

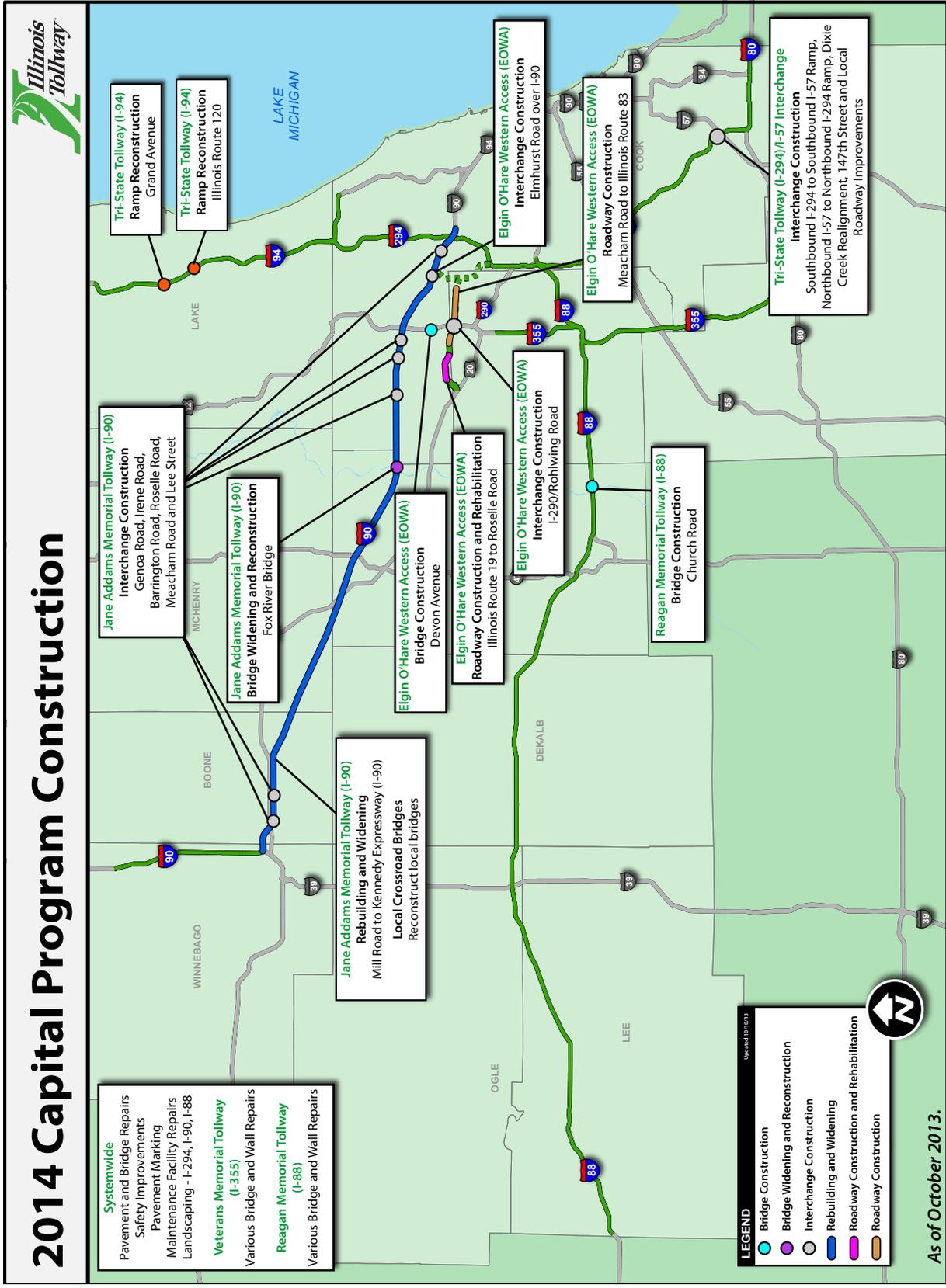


Exhibit 96

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# Debt Management

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## CURRENT CAPITAL PROGRAMS

### Move Illinois Program

On August 25, 2011, the Tollway's Board of Directors approved the 15-year \$12 billion *Move Illinois* Program. The program is financed with a combination of current revenue and bond proceeds. In May 2013, the Tollway obtained \$523 million of proceeds for the *Move Illinois* Program from its issuance of 2013 Series A Bonds. The Tollway anticipates obtaining \$835 million of proceeds for the *Move Illinois* Program in 2014 from two bond issuances. In connection with the *Move Illinois* Program, the Tollway's Board approved an increase on passenger vehicle toll rates that went into effect on January 1, 2012. The increase raised toll rates at a typical mainline toll plaza from \$0.40 to \$0.75 for users paying electronically and from \$0.80 to \$1.50 for users paying by cash. The Tollway's Board also affirmed a prior increase on commercial vehicle toll rates scheduled to become effective beginning on January 1, 2015.

### Congestion-Relief Program

In September 2004, the Tollway's Board of Directors approved the 10-year \$5.3 billion Congestion-Relief Plan. The plan, which upon its commencement became the Congestion-Relief Program (the "CRP"), targeted financing as much as \$3 billion of program costs by issuing revenue bonds. In September 2007, the Tollway approved an update to the CRP that lengthened the CRP by two years from 2014 to 2016 and increased the cost of the CRP to \$6.3 billion. In connection with this update, the amount of CRP costs targeted to be financed by revenue bonds was increased from \$3.0 to \$3.5 billion, with other costs to be financed from Tollway revenues deposited into the Renewal and Replacement Account and the Improvement Account. The Tollway completed six revenue bond issuances from 2005 through 2009 to finance the targeted \$3.5 billion of bond-financed CRP costs. Approximately \$5.1 billion of the CRP has been completed to date. As the CRP has progressed, its estimated cost has been reduced from \$6.3 billion to \$5.8 billion, and is currently projected to be about \$5.7 billion at completion. Remaining CRP costs over the remaining period of 2014-2016 are expected to be financed from revenues.

## DEBT PROFILE

### Currently Outstanding Debt

On January 1, 2014, the Tollway has two scheduled principal payments totaling \$92,855,000. After making those principal payments, the Tollway will have \$4,303,700,000 par amount of bonds outstanding. Of the outstanding par amount of bonds:

- \$500,000,000 financed a portion of the *Move Illinois* Program;
- \$3,605,665,000 financed or refinanced a portion of the CRP; and
- \$198,035,000 financed or refinanced pre-CRP projects.

The \$3,605,665,000 CRP-related bond par amount exceeds the \$3.5 billion amount of CRP costs financed by bond proceeds due to the funding of: issuance costs, capitalized interest, debt reserve account deposits, original issue discount/premium and, in the case of refunding bond issues, the extent by which the cost of the cash and investment securities in the refunding escrow exceeded the principal amount of bonds refunded and defeased.

The following table lists each outstanding series and its respective final maturity, principal scheduled to be outstanding on January 1, 2014, and interest rate type. Bond issues listed as variable-rate are all weekly mode (rates are reset weekly by a remarketing agent per then-current market conditions). In order to reduce exposure to interest rate risk, the Tollway entered into interest rate swap agreements in connection with all of its outstanding variable-rate bond issues. Per these agreements, swap counterparties make variable-rate payments to the Tollway in exchange for fixed-rate payments from the Tollway. Of the \$4,303,700,000 par amount of bonds outstanding, \$3,001,700,000 (69.7 percent) are traditional fixed-rate bonds and \$1,302,000,000 (30.3 percent) are variable-rate bonds that have been swapped to a fixed interest rate (“Synthetic Fixed-Rate Bonds”).

#### **Illinois Tollway Outstanding Bonds as of January 1, 2014\***

<u>Series</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
1998 Series A	1/1/2016	74,935,000	Fixed
1998 Series B	1/1/2017	123,100,000	Variable
2005 Series A**	1/1/2023	508,415,000	Fixed
2006 Series A-1**	1/1/2031	291,660,000	Fixed
2007 Series A-1**	7/1/2030	350,000,000	Variable
2007 Series A-2**	7/1/2030	350,000,000	Variable
2008 Series A-1**	1/1/2031	383,100,000	Variable
2008 Series A-2**	1/1/2031	95,800,000	Variable
2008 Series B**	1/1/2033	350,000,000	Fixed
2009 Series A**	1/1/2034	500,000,000	Fixed
2009 Series B**	12/1/2034	280,000,000	Fixed
2010 Series A-1**	1/1/2031	279,300,000	Fixed
2013 Series A***	1/1/2038	500,000,000	Fixed
2013 Series B-1**	12/1/2018	217,390,000	Fixed
<b>Total</b>		<b>\$4,303,700,000</b>	

\* Amounts shown are after payments due January 1, 2014, funds that are remitted to the Bond Trustee during the prior fiscal year.

\*\* CRP financing.

\*\*\* *Move Illinois* financing.

Exhibit 97

## **Planned 2013 Debt Issuance**

### **New Money**

The Tollway anticipates two new-money bond issues totaling \$900 million in 2014 to finance portions of the *Move Illinois* Program. The budget includes \$26.25 million to fund interest expense on the new bonds in 2014. The timing and structure of the new money bond issuance is subject to change based on cash flow need and market conditions.

### **Refunding/Restructuring of Synthetic Fixed-Rate Bonds**

In addition to the estimated new money issuance for the *Move Illinois* Program, the Tollway also will continue to explore opportunities to reduce risks associated with its \$1,302,000,000 synthetic Fixed-Rate Bonds. In 2010 the Tollway issued traditional fixed-rate bonds to refund a portion of its Synthetic Fixed-Rate Bonds, reducing its total Synthetic Fixed-Rate Bonds from \$1,589,300,000 to \$1,302,000,000. In 2011 the Tollway further reduced the risks of its Synthetic Fixed-Rate Bonds by diversifying its liquidity providers, replacing its former liquidity provider on its \$1,178,900,000 Series 2007A and 2008A Bonds (Dexia Credit Local) with credit and liquidity facilities from seven replacement providers. Six of the Tollway's credit and liquidity facilities, supporting \$804,100,000 of Series 2007A and 2008A Bonds, are scheduled to expire in the first quarter of 2014. These facilities are expected to be renewed or replaced.

The 2014 Budget includes transfers from revenues into the Provider Payment Account (a sub-account of the Debt Service Account) for costs related to the Synthetic Fixed-Rate Bonds. These costs are fees payable to credit/liquidity facility providers, remarketing agents and bond rating agencies.

Throughout 2014, the Tollway will continue to monitor the credit markets for opportunities to refund more of its Synthetic Fixed-Rate Bonds with traditional fixed-rate bonds or to execute other refunding/restructuring alternatives that reduce the risks of Synthetic Fixed-Rate Bonds. The cost of a refunding with traditional fixed-rate bonds would be the Tollway's cost of borrowing plus its cost of terminating the interest rate swap agreements associated with the bonds refunded. The purpose of such a refunding would be to reduce interest rate risk and to reduce risks associated with the credit/liquidity facility providers and, if applicable, the bond insurer. The Tollway may deem that such risk reduction is in the Tollway's best interests even if accompanied by an increase in debt service. The Fiscal Year 2014 Budget includes a \$5 million contingency for increased debt service on Synthetic Fixed-Rate Bonds, primarily related to potential increased debt service from a refunding/restructuring.

### **Estimated Debt Service Obligations**

The following graph shows annual debt service on all Tollway Bonds through their maturities. This is gross debt service and does not net out anticipated federal subsidies in connection with the Tollway's outstanding Build America Bonds, i.e., its \$500 million Series 2009A and \$280 million

Series 2009B Bonds. Per the provisions of the American Recovery and Reinvestment Act's Build America Bonds program, the Tollway expects to receive rebate payments on these taxable Series 2009A/B Bonds. Such subsidy payments reduced debt service by \$16.2 million in 2012 and by \$15.5 million in 2013 and are expected to reduce 2014 debt service by \$15.1 million. The subsidy payments for each of 2012 through 2014 were originally expected to be \$16.2 million equaling 35 percent of the interest payments on the Build America Bonds, but the amount in 2013 and the amount expected in 2014 is reduced due to sequestration.

**Tollway Estimated Debt Service Obligations**  
(\$Millions)

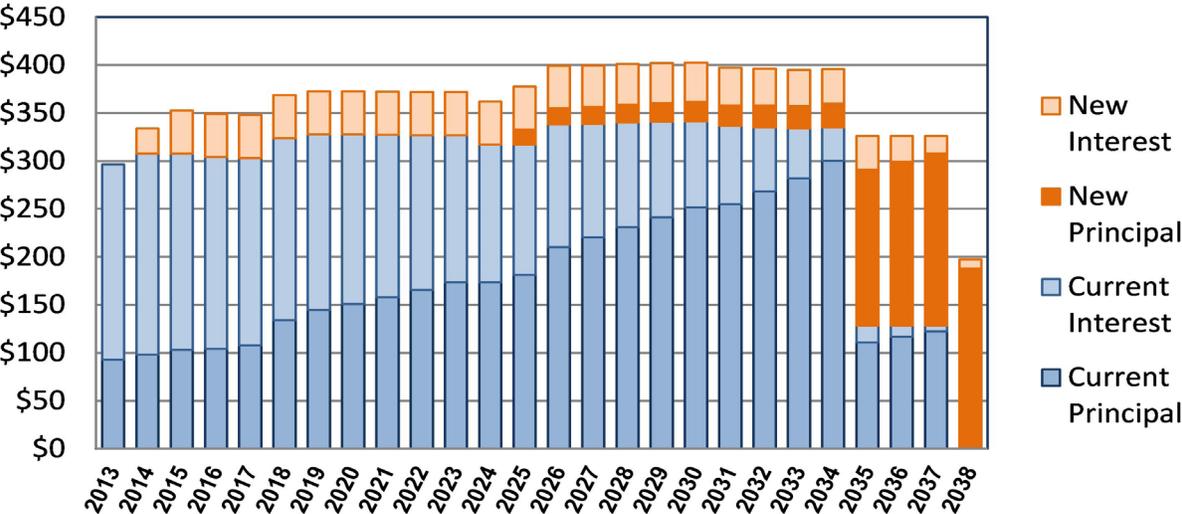


Exhibit 98

**SECURITY FOR THE BONDS**

The Tollway's bonds are secured by a pledge of and lien on the net revenues generated by the Tollway system in accordance with the Amended and Restated Trust Indenture of 1999 ("Master Indenture") and each respective Supplemental Indenture. Net revenues are defined in the Master Indenture as the annual revenues of the system less operating expenses. To help ensure a sufficient amount of revenues to cover debt service, the Master Indenture, through which all of the Tollway's outstanding bonds have been issued, includes a toll rate covenant that requires tolls to be set at rates which will produce a minimum of 1.3X debt service coverage. Furthermore, additional bonds may be issued only to the extent that the Tollway certifies: (i) compliance with the toll rate covenant for a 12-month period within the preceding 18 months; and (ii) projected compliance with the toll rate covenant for each year through five years after the completion of the projects financed by the additional bonds. The Tollway's debt service coverage is estimated at 2.40x in 2013 and budgeted at

2.12x in 2014, both before adjustments for expected federal subsidies related to the Build America Bonds program. Using debt service net of the expected federal subsidies, debt service coverage is estimated at 2.53x in 2013 and budgeted at 2.22x in 2014. Each is well above the 1.3x covenant level.

Additional security is provided by the Tollway's Debt Reserve Account, which is funded at maximum annual debt service ("MADS") on all senior lien debt. As of September 30, 2013, MADS is \$341,399,798 (which is the debt service obligation for fiscal year 2030), and the Debt Reserve Account is valued at \$341,401,025, consisting of \$241,401,025 in investments and a \$100 million surety policy from Berkshire Hathaway Assurance Corporation. Berkshire Hathaway Assurance Corporation is rated "Aa1" by Moody's and "AA+" by Standard & Poor's. The surety policy is guaranteed by Colombia Insurance Company, which is rated "A++" (highest rating) by A.M. Best.

## DEBT SERVICE COVERAGE

The Tollway has historically maintained debt service coverage ratios well in excess of required ratios. Debt Service Coverage Ratios are calculated by dividing the Net Revenues (i.e. revenues less operating expenses) by the Aggregate Debt Service for a given year. The following chart shows actual debt service coverage for fiscal years 2008 through 2012, estimated debt service coverage for 2013 and budgeted debt service coverage for 2014. Please note, the following chart does not include annual costs related to the bonds (liquidity, remarketing, etc.). Also, 2012 Operating Expenses does not include a \$10.4 million deposited to an operating reserve.

	Actual					Estimated	Budgeted
	2008	2009	2010	2011	2012	2013	2014
Operating Revenues	\$691,113	\$658,052	\$672,760	\$697,416	\$963,755	\$998,200	\$1,015,000
Operating Expenses	<u>\$244,275</u>	<u>\$255,185</u>	<u>\$250,857</u>	<u>\$245,975</u>	<u>\$253,058</u>	<u>\$283,400</u>	<u>\$295,500</u>
Net Operating Revenues	\$446,838	\$402,867	\$421,903	\$451,441	\$710,696	\$714,800	\$719,500
Debt Service	\$198,429	\$173,319	\$248,108	\$249,960	\$250,253	\$298,000	\$339,000
Debt Service Coverage (X)	2.25	2.32	1.70	1.81	2.84	2.40	2.12
Build America Bond ("BAB") Subsidies & Pre-Paid Interest		\$6,423	\$28,133	\$16,244	\$16,244	\$15,538	\$15,075
Debt Service Coverage after BAB Subsidies & Pre-paid Interest (X)		2.41	1.92	1.93	3.04	2.53	2.22

Exhibit 99

## MUNICIPAL BOND RATINGS

In concert with each new bond issuance, the Tollway applies for municipal bond ratings from Fitch Ratings, Moody's Investor Services and Standard & Poor's Corporation. Each rating agency reviews the Tollway's current fiscal condition, capital financing plan, debt coverage ratios and various other factors to assess the Tollway's ability to repay its debt obligations. The underlying ratings of the Tollway's bonds are Aa3, AA- and AA- by Moody's Investors Service, Fitch Ratings and Standard & Poor's, respectively. These ratings were confirmed in April and June of 2013 in connection with the Tollway's issuance of its Series 2013A and Series 2013B-1 Bonds. All three rating agencies maintain Stable Outlooks for the Tollway's ratings.

## INTEREST RATE EXCHANGE AGREEMENTS

To lower its borrowing costs, the Tollway has entered into multiple variable-to-fixed interest rate exchange agreements (swaps). These swap agreements produce a "synthetic fixed interest rate" in which the Tollway pays a fixed interest rate to the swap provider in exchange for the swap provider's payment of a variable interest rate intended to approximate the variable interest rate paid by the Tollway to bondholders. In all cases, the synthetic fixed interest rates were lower than the fixed interest rates otherwise accessible in the market at the times the various bonds were issued. The Tollway entered into two swaps for the Series 1998B Bonds (the "1998B Swaps"), four swaps for the Series 2007A Bonds (the "2007A Swaps") and four swaps for the Series 2008A Bonds (the "2008A Swaps"). One of the swaps for the Series 2008A Bonds was terminated in connection with the refunding of a portion of the Series 2008A Bonds in 2010.

The 1998B Swaps were entered into as "interest-cost-based" swaps – swaps in which swap providers pay a variable-rate amount exactly equal to the variable-rate amount owed to bondholders. In certain events upon notice by the swap counterparty, the 1998B Swaps may convert to SIFMA-based Swaps, in which the swap providers would pay a variable interest rate amount based on an index known as the USD SIFMA Municipal Swap Index. The Tollway has received no such notifications that have triggered such conversions. The 2007A and 2008A Swaps are SIFMA-based. The Tollway exchanges a fixed-rate payment to swap providers for a variable-rate payment based on the USD SIFMA 7-day Municipal Swap Index.

Mark-to-market valuations of the Tollway's swaps typically decline in value (from the Tollway's perspective) when interest rates decline and increase in value when interest rates increase. To the extent that any negative valuation of the Tollway's derivatives were to become realized by a swap termination, it is possible (although not certain) that such a realized loss might be mitigated by a lower cost of capital expected to be available in that lower-interest rate market. The estimated total mark-to-market valuations as of December 31, 2010, 2011 and 2012 were (\$101.8 million), (\$289.7 million) and (\$308.8 million) respectively, on \$1,301,975,000 swap notional amount outstanding. Following are the estimated mark-to-market valuations as of September 30, 2013.

The Illinois State Toll Highway Authority  
Swap Portfolio as of September 30, 2013  
(Note: Valuations are net of accrued interest.)

(\$ thousands)

Series	Provider	Notional Amount	Fixed Rate Paid	Variable Rate Rec'd	Maturity	Valuation
1998 SERIES B	Goldman Sachs Mitsui Marine	67,705	4.3250%	Actual	1/1/2017	(7,154)
1998 SERIES B	JP Morgan Chase Bank*	55,395	4.3250%	Actual	1/1/2017	(5,853)
<b>1998 SERIES B TOTAL</b>		<b>\$123,100</b>				<b>(\$13,007)</b>
2007 SERIES A-1	Citibank N.A., New York	175,000	3.9720%	SIFMA	7/1/2030	(\$25,173)
2007 SERIES A-1	Goldman Sachs Bank USA	175,000	3.9720%	SIFMA	7/1/2030	(\$25,173)
<b>2007 SERIES A-1 TOTAL</b>		<b>\$350,000</b>				<b>(\$50,346)</b>
2007 SERIES A-2	Bank of America, N.A.	262,500	3.9925%	SIFMA	7/1/2030	(\$38,397)
2007 SERIES A-2	Wells Fargo Bank**	87,500	3.9925%	SIFMA	7/1/2030	(\$12,799)
<b>2007 SERIES A-2 TOTAL</b>		<b>\$350,000</b>				<b>(\$51,196)</b>
2008 SERIES A-1	The Bank of New York	191,550	3.7740%	SIFMA	1/1/2031	(\$23,830)
2008 SERIES A-1	Deutsche Bank AG, New York Branch	191,550	3.7740%	SIFMA	1/1/2031	(\$23,830)
<b>2008 SERIES A-1 TOTAL</b>		<b>\$383,100</b>				<b>(\$47,660)</b>
2008 SERIES A-2	Bank of America, N.A.***	95,775	3.7640%	SIFMA	1/1/2031	(\$11,804)
<b>2008 SERIES A-2 TOTAL</b>		<b>\$95,775</b>				<b>(\$11,804)</b>
<b>TOTAL</b>		<b>\$1,301,975</b>				<b>(\$174,012)</b>

NOTE: 1998B swaps are valued assuming the receipt of SIFMA+8bp, as an approximation of the valuation of these actual-bond-rate swaps.

\* Originally Bear Stearns Financial Products; novated to JP Morgan Chase Bank in May 2009.

\*\* Originally Wachovia Bank, N.A.; acquired by Wells Fargo in December 2008; name changed in March 2010.

\*\*\* Originally Merrill Lynch Capital Services, Inc.; Bank of America acquired Merrill Lynch in December 2008; swap novated to Bank of America, N.A. in October 2011.

Exhibit 100

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# Budget Process and Documents



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The Trust Indenture requires a tentative budget of the operating expenses for the ensuing fiscal year on or before October 31 of each fiscal year. The tentative budget must also be submitted to the Trustee and the Consulting Engineer. The tentative budget must include the recommendations of the Consulting Engineers as to the Renewal and Replacement Deposit (for preservation of the Tollway system). The Tollway must provide accompanying estimates of the amount that will be available for credit to the Improvement Account (for improvements to the Tollway system). The Tollway must also provide a statement of the actual revenues for the first eight months of the current fiscal year and estimated revenues for the next four months of the current fiscal year and for the ensuing fiscal year. The budget must be divided into reasonable classifications and divisions. The tentative budget shall include the amounts budgeted for operating expenses and amounts required to be deposited into the Renewal and Replacement Account.

The Trust Indenture and budgetary calendar govern the budget process. The Tollway budget is required to generate revenues sufficient to pay for operating costs, debt service and a required deposit for the maintenance and repair of the toll roads as certified by an independent engineer.

#### **Budget Review Process and Implementation**

The Tollway's budget process begins in early July of each year. The budget office prepares and distributes a preliminary budget for each department at department and cost center levels based on actual and projected expenditures. Departments are asked to submit planning requirements, new initiatives, programs, headcount changes or other assumptions to be incorporated into both their upcoming maintenance and operations budget as well as their capital budget. Once the departmental budget requests are returned to the budget office, the initial preliminary budget is compared to the departmental budget request indicating dollar and percent changes along with proper justification.

The preliminary/departmental comparison budget is then presented to the chief of finance by the budget office. Financial impacts are discussed and the chief of finance reviews and questions certain requests based on the justification provided. The budget office will then meet with the department chiefs to obtain further justification on items denied by the chief of finance.

Revised budget requests are returned to the budget office and chief of finance for review. Meetings are held with budget staff, department chiefs and the chief of finance to discuss and finalize the budget requests. Final review and sign-off is completed by the chief of finance and the executive director. This process results in the tentative budget.

The tentative budget is presented to the Board of Directors in October. Requested changes by the Board of Directors and executive management will be incorporated into the tentative budget and public hearings will be held in November. The budget office will review and incorporate changes from the Board of Directors, executive management, and public comments. The final budget is then presented to the Board of Directors in December.

The budget is monitored throughout the fiscal year. Quarterly budget reports are provided to the Board of Directors and posted on the Illinois Tollway's Website.

**Budget Amendment**

The Tollway Board may at any time adopt an amended annual budget. If the Tollway adopts an amended budget for total operating expenses exceeding 110 percent of the annual budget initially adopted, the Tollway shall give the Consulting Engineers not less than 10 days prior written notice, including a copy of the proposed amended Annual Budget. If the Consulting Engineer files an objection to such notice, such amended budget shall not be effective or supersede any prior annual budget until the Tollway Board of Directors adopts the amended budget by not less than a three-fifths vote of all Directors at a public meeting. Notice of such public meetings shall be given in accordance with the law.

**Budgetary Basis of Accounting**

The Tollway is required by its Trust Indenture to prepare a tentative budget for the ensuing fiscal year, on or before October 31 of each fiscal year and to adopt the annual budget for such fiscal year on or before January 31 of each fiscal year.

The Tollway uses accrual basis of accounting for its proprietary funds. Revenues are recognized in the accounting period they are earned and become measurable. Expenses are recognized in the accounting period in which the liability is incurred.

The Tollway's budgetary basis of accounting (as required by its Trust Indenture) differs from the Tollway's GAAP Basis of Accounting with respect to the following:

Under the provisions of the Trust Indenture, the basis of accounting followed for the revenue fund and the construction fund differs in certain respects from generally accepted accounting principles (GAAP) in the United States. The major differences in accounting in accordance with the Trust Indenture are:

1. Capital construction and asset acquisitions are charged against fund balance as incurred. In addition, there is no provision for depreciation.
2. Monies received from sale of assets are recorded as revenue when the cash is received.
3. Monies received for long-term fiber optic leases are recorded as revenue when received.
4. Principal retirements on revenue bonds are expensed when paid.
5. Bond proceeds (including premiums) are recorded as income in the year received. Amounts received from refunding issuances, if any, are recorded net of transfers to the escrow agent.
6. Unrealized gains and losses on Debt Reserve invested funds are netted against interest and other financing costs.
7. Capital lease obligations are not recorded. Payments under capital leases are expensed in the period payments are made.
8. Interest related to construction in progress is not capitalized.
9. Recoveries of expenses are classified as decreases in operating expenses.
10. Construction expenses incurred under intergovernmental agreements are decreased by payments received under these intergovernmental agreements.
11. Transponder purchases and other miscellaneous are reflected in the Renewal and Replacement Fund as construction expense, but reflected as operating expense for GAAP.

2014 Budget Planning Calendar by Task	Date(s)
The 2014 Budget process begins with the establishment of economic assumptions for salaries, wages, FICA and retirement as well as guidelines regarding overall budget growth or reduction based revenue projections, current and future programs.	6/24/2013
Budget prepares M and O spreadsheets to include 2011 and 2012 expenditures, 2013 Budget, 2013 Year End Forecast and a Preliminary 2014 Budget.	6/24/2013
Budget prepares Capital spreadsheets that include the 2013 Budget as well as expenditures-to-date for roadway and non-roadway capital projects. The 2014 Capital Request Form and Instructions are also prepared.	6/27/2013
Request to PMO to update the Cash Flow for the 2013 Capital Program and to prepare Cash Flow for the 2014 Capital Program.	6/27/2013
Budget sends Capital instructions and spreadsheets to each Department requesting detailed justification for new initiatives that include program duration and dollar impact between capital and M and O.	7/15/2013
Budget sends the instructions and spreadsheets for M and O to each Department requesting detailed justification for new initiatives, changes in headcount and dollar impact between capital and M and O.	7/29/2013
Each Department develops its own 2014 Budget Request through a series of internal planning meetings and information gathering. Each Chief manages the review process before the Request is submitted to the Budget Office.	7/29/2013
The Departments return their completed 2014 Budget Requests for Capital to the Budget Office for review.	8/9/2013
The Departments return their completed 2014 Budget Requests for M and O to the Budget Office for review.	8/23/2013
The Budget Requests are compared to the 2013 Budget, 2013 Forecast and the Preliminary 2014 Budget Plan. Year over year dollar impacts are analyzed so that justifications are consistent with the Authority's goals and objectives.	8/23/2013
Accounting Office prepares 2013 August G/L Closing Revenue data; and final data is supplied to Budget and CDM Smith.	9/5/2013
The Budget Office reviews the 2014 Departmental Budget Requests with the Chief Financial Officer (CFO) and Deputy Chief of Finance. Financial impacts are discussed and new initiatives are evaluated based on the justifications provided by each Department.	9/5/2013
Meetings are held as necessary with the Department Chiefs, the CFO, Deputy and Chief of Finance to discuss and finalize the 2014 Departmental Budget Requests.	9/9/2013
Meetings are then held with the Executive Director, Chief of Staff, Department Chief, CFO and Deputy Chief of Finance to discuss any modifications to each Department's 2014 Budget Request.	9/16/2013
In collaboration with each Department, Budget Office makes any changes to the 2014 Tentative Budget resulting from the meetings with the Executive Office. The Budget Office begins the cross-checking process making sure all budget information is correct and up to date.	9/17/2013
Executive summary, charts, graphs, debt tables and department narratives are prepared for the 2014 Tentative Budget Book.	9/28/2013
CDM Smith and AECOM submit their Annual Toll Revenue Certificate and Renewal/Replacement Deposit Letter respectively for inclusion in the 2014 Tentative Budget Book.	10/1/2013
Communications develops executive summary section and submits to the Budget Office.	10/1/2013
The CFO, Deputy Chief of Finance and Communications review and edit Tentative Budget Book.	10/7/2013
The Budget Office completes all revisions from the CFO, Deputy Chief of Finance, and the Communications Department.	10/7/2013
Finance sends the budget book to the Executive Director and Chief of Staff for their review.	10/8/2013
Edits from the Executive Office are incorporated into the Tentative Budget Book.	10/9/2013
Latest draft of the budget book is e-mailed to the Chair for review.	10/11/2013
Conference call with the Chair, the Executive Director, Chief of Staff, CFO and Deputy Chief of Finance for a final review of the 2013 Tentative Budget Book. Comments from the call are incorporated into the book.	10/15/2013
Final revisions are incorporated into the 2014 Tentative Budget and hard copies of the book are printed.	10/15/2013
Tentative Budget Book is presented to the Finance, Administration and Operations Committee (FAO) via a hard copy book and a power point presentation by the CFO.	10/16/2013
The Tentative Budget books are delivered to the Board Members, Executive Office and Department Chiefs on the morning of the Board Meeting. The CFO gives a PowerPoint presentation to the Board on the 2014 Tentative Budget.	10/24/2013
Public Hearings are held at Central Administration and Open House at the Hinsdale Oasis for questions or comments regarding the 2014 Tentative Budget.	11/12/2013 & 11/19/2013
Any changes are incorporated into the 2014 Final Budget Book, distributed at the Board Meeting, and then adopted by the Board.	12/19/2013

Exhibit 101

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# Financial Policies and Practices

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The Tollway will follow a defined set of policies and practices for directing the Tollway's fiscal affairs. These policies and practices have been reviewed as part of the financial planning process and are the basis for developing this financial plan.

All of the policies and practices are aimed at keeping the cost of operating and maintaining the Tollway as low as possible, while providing excellent customer service.

The financial plan provides the opportunity for making well-informed decisions, based on adherence to solid, carefully considered policies and provides a forecast of what the results of today's decisions may reasonably be in the future.

## **Fiscal Policies and Practices**

### **General**

The Tollway has established policies to foster sound financial management and encourage progressive approaches to financing. The annual budget includes a set of policies to be followed in managing the financial and budgetary affairs of the Tollway. These policies will allow the Tollway to maintain its strong financial condition while providing quality services.

### **Revenue**

Traffic volume assumptions are derived by reviewing historical data and analyzing the impact of current economic conditions, local and regional economic indices, energy price trends, demographic and population trends, employment trends, industry and home building development, household income and roadway capital projects.

Surpluses identified, but not included in the annual base-operating budget, are dedicated to the capital plan.

1. The Tollway will maintain a revenue monitoring system to assist in trend analysis and revenue forecasting.
2. The Tollway will support legislation that will allow for expanded, progressive and fiscally responsible financing measures.
3. The revenue model assumes the new toll schedule, which went into effect January 1, 2012. The toll rates were passed coinciding with approval of the *Move Illinois* Program on August 25, 2011.

### **Expenditures**

1. The Tollway will maintain a level of expenditures, which will provide for the public well-being and safety of its roads.
2. Expenditures will be within the availability of generated revenue, bonds issued for construction and unreserved fund balances.

3. The Tollway will maintain expenditure categories according to state statutes, the Trust Indenture and administrative rules.
4. The Tollway will forecast its capital expenditures for the duration of the *Move Illinois* Program and the Congestion-Relief Program and may update this forecast annually with multi-year plans. Expenditure forecasts will be cognizant of the elastic and inelastic structure of revenues.
5. Annual operating budgets should provide for adequate design, construction, maintenance and replacement in the Tollway's capital program.

### **Debt Administration**

1. The Tollway will maintain regular communication with credit rating agencies and facilitate disclosure of financial and management issues important to investors.
2. Capital plans proposed for financing through debt should be accompanied by an analysis of the future maintenance and operations costs associated with the projects.
3. The Tollway will oversee and coordinate the timing, process of issuance and marketing of bonds and other capital financing activities required in support of its capital program.
4. The Tollway will allocate sufficient revenue to finance ongoing maintenance needs.
5. No debt will be issued for the purpose of funding capital projects until approved by the Board of Directors at a public meeting.
6. Borrowing should be of a duration that does not exceed the average economic life of the project(s) that it finances. To the extent possible, the Tollway will design the repayment of debt to recapture rapidly its credit capacity for future use.
7. The Tollway will seek to issue its debt obligations through a sale method that will produce the best results for the Tollway.
8. When determined appropriate, legally permissible and approved by the Board of Directors, the Tollway may elect to sell its debt obligations through competitive sealed bid, competitive selection and negotiation or a private placement.
9. The Tollway may issue advance refunding bonds and current refunding bonds (as defined for federal tax law purpose) when advantageous, legally permissible, prudent and in the best interest of the Tollway and its customers.
10. The Tollway may choose to defease its outstanding indebtedness through purchase of its securities on the open market, when market conditions make such an option financially feasible.

**Reserve Policy**

1. The Tollway will maintain an operating reserve. The Board of Directors may alter the reserve to best suit financial levels of the Tollway. This reserve shall be created and maintained to provide the capacity to:
  - (a) Offset unexpected downturns or reductions in revenues
  - (b) Ensure sufficient cash flow for daily financial needs at all times
  - (c) Offset unexpected increases in expenditures

**Cash Management**

1. The Illinois Tollway's Investment Policy ("Policy") describes the Tollway's intent to invest all funds under the Tollway's control in a manner that provides the highest investment return using safe authorized instruments, while meeting the Tollway's daily cash flow demands in conformance with all state statutes and any amended and revised Trust Indenture governing the investment of Tollway funds.
2. The primary objective in the investment of Tollway funds is to ensure the safety of principal, while managing liquidity to pay the financial obligations of the Tollway and providing the highest investment return using authorized instruments.
3. The cash management process is designed to accurately monitor and forecast expenditures and revenues, enabling the Tollway to invest funds to the fullest extent possible. The Tollway will match fund flows to projected disbursements.
4. In order to maximize interest earnings, the Tollway co-mingles funds. Interest revenue derived from co-mingled investments is allocated to the participating funds monthly.

Criteria for selecting investments and the order of priority are:

- (a) Safety. The safety of principal is the foremost objective of the investment program. Tollway investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To attain this objective, diversification is required to ensure that the Tollway prudently manages market, interest rate and credit risks.
- (b) Liquidity. The investment portfolio shall remain sufficiently liquid to enable the Tollway to meet all operating requirements that might be reasonably projected.
- (c) Return on Investment. The investment portfolio shall be designed to obtain the highest available return, taking into account the Tollway's investment risk constraints and cash flow requirements.

**Accounting, Auditing and Financial Reporting Policies**

1. The Tollway is a component unit of the State of Illinois and is accounted for as a proprietary fund (enterprise fund) using the flow of economic resources measurement focus.
2. The Tollway uses the accrual basis of accounting. Under the accrual basis of accounting, revenue

is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred.

3. The Tollway accounts for operations and financing in a manner similar to private business enterprises. The intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
4. The Tollway has established and maintains high standards for accounting practices in conformance with Generally Accepted Accounting Principles (GAAP) for governmental entities as promulgated by the Governmental Accounting Standards Board (GASB).
5. The accounting systems maintain records on bases consistent with accepted standards for governmental accounting.
6. An independent firm of certified public accountants performs an annual financial audit in accordance with Generally Accepted Auditing Standards (GAAS) and publicly issues an opinion, which is published in the Tollway's Comprehensive Annual Financial Report (CAFR).
7. The Tollway annually seeks the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program. This certificate has been awarded to the Tollway annually since 1995.
8. The Tollway promotes full disclosure in its annual financial statements and its bond presentations.
9. For purposes of the statement of cash flows, the Tollway considers all highly liquid investments including assets with a maturity of three months or less when purchased and all other investments held on its behalf by the Illinois State Treasurer's office to be cash equivalents, as these investments are available upon demand.
10. All investments in U.S. Treasury and agency issues are reported at fair value. All other Tollway investments, which consist of repurchase agreements, are recorded at face value which approximates fair value.

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# Demographics



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### **User Profile**

Passenger cars account for almost 89 percent of the Tollway usage and commercial vehicles the remainder. The heaviest usage of the Tollway is on weekdays. On Saturdays traffic is typically down about 12 percent from an average day and Sundays see the lowest use, down about 23 percent from an average day. Seasonal variation in traffic also exists. The summer months of June, July and August have the highest levels of usage, with average daily traffic approximately 7 percent higher than the yearly average. During the summer, passenger car recreational usage is higher but commercial vehicle activity is also slightly higher. January typically has the lowest usage, with average daily traffic about 12 percent below the average month in 2012.

Periodic Origin-Destination surveys are conducted at locations on the Tollway system. From the latest survey where users were asked questions about their trip-making, a profile of some user characteristics emerged. On a typical weekday, about 61 percent of the peak-hour usage is for work related trips; either trips to/from a place of employment or for company business. Slightly more than 50 percent of the peak-hour users are on the Tollway at least five times per week. Less than 20 percent of the peak-hour users are fairly infrequent travelers on the Tollway, using it less than once a week. The most typical Tollway weekday user is a resident of the suburban Northeastern Illinois area. This customer uses the Tollway on a daily basis to make trips to and from work with a work destination in either suburban Chicago or Chicago itself. On weekend days the usage pattern changes slightly as more of the travel is performed by less frequent users. Non-work travel makes up the majority of the usage during these weekend periods. While the majority of users are from Northern Illinois, there are more out of area users on the system on weekend periods than during the weekday periods.

### **Population**

Tollway routes pass through 12 counties in Northern Illinois. Counties served by Tollway routes include Boone, Cook, DeKalb, DuPage, Kane, Lake, Lee, McHenry, Ogle, Whiteside, Will and Winnebago counties.

The 12 counties of the Tollway service area had a combined 2010 population of nearly 9 million, mostly living within the Chicago metropolitan area. The largest county in the area, Cook County, has a population of approximately 5.2 million and includes mature population centers such as the city of Chicago and inner-ring suburbs, as well as fast growing exurban areas in the northwestern portion of the county. DuPage County, the second most populous county in the metropolitan area, had almost 917,000 residents in 2010. Both Cook and DuPage counties are well served by the Tollway and have a mix of residential and employment-generating land uses. Other counties, including Kane, Lake, McHenry, and Will, include a mix of mature suburban population centers, satellite cities, and recent suburban development.

The remaining six counties in the Tollway service area are generally rural in character, with populations of fewer than 110,000. The exception is Winnebago County with 295,000. It is home to Rockford, the largest city in Illinois outside of the Chicago area.

Service Area Population 1980 vs. 2010				
County	1980 Population*	2010 Population*	Net Change	Annual % Change 1980-2010
Boone	28,630	54,170	25,540	2.1%
Cook	5,253,630	5,194,680	(58,950)	0.0%
De Kalb	74,630	105,160	30,530	1.1%
DuPage	658,880	916,920	258,040	1.1%
Kane	278,410	515,270	236,860	2.1%
Lake	440,390	703,460	263,070	1.6%
Lee	36,330	36,030	(300)	0.0%
McHenry	147,900	308,760	160,860	2.5%
Ogle	46,340	53,500	7,160	0.5%
Whiteside	65,970	58,500	(7,470)	-0.4%
Will	324,460	677,560	353,100	2.5%
Winnebago	250,880	295,270	44,390	0.5%
<b>Total</b>	<b>7,606,450</b>	<b>8,919,280</b>	<b>1,312,830</b>	<b>0.5%</b>

\*US Census Bureau, 1980 and 2010 census

Exhibit 103

#### Service Area Population 2000 vs. 2010

County	2000 Population*	2010 Population*	Net Change	Average Annual % Change 2000-2010
Boone	41,790	54,170	12,380	2.6%
Cook	5,376,740	5,194,680	(182,060)	-0.3%
De Kalb	88,970	105,160	16,190	1.7%
DuPage	904,160	916,920	12,760	0.1%
Kane	404,120	515,270	111,150	2.5%
Lake	644,360	703,460	59,100	0.9%
Lee	36,060	36,030	(30)	0.0%
McHenry	260,080	308,760	48,680	1.7%
Ogle	51,030	53,500	2,470	0.5%
Whiteside	60,650	58,500	(2,150)	-0.4%
Will	502,270	677,560	175,290	3.0%
Winnebago	278,420	295,270	16,850	0.6%
<b>Total</b>	<b>8,648,650</b>	<b>8,919,280</b>	<b>270,630</b>	<b>0.3%</b>

\*US Census Bureau, 2000 and 2010 Census

Exhibit 104

### Tollway Service Area Population 2010 - 2040 Forecast

The population of the 12 county service area is expected to continue to grow. By the year 2040, the total population is estimated to approach 10.9 million. All of the counties are expected to grow in population over the coming decades, with relatively higher growth rates projected for the outer suburban counties of McHenry, Kane, Boone and Lake. Will County is anticipated to pass the 1.2 million mark by 2040, becoming the second most populous county in the Tollway service area.

**Service Area Population 2010 vs. 2040 Forecast**

County	2010 Population*	2040 Population Estimate**	Net Change	Average Annual % Change 2010-2040
Boone	54,170	77,020	22,850	1.2%
Cook	5,194,680	5,542,100	347,420	0.2%
De Kalb	105,160	132,010	26,850	0.8%
DuPage	916,920	1,010,900	93,980	0.3%
Kane	515,270	824,580	309,310	1.6%
Lake	703,460	941,220	237,760	1.0%
Lee	36,030	37,250	1,220	0.1%
McHenry	308,760	542,340	233,580	1.9%
Ogle	53,500	57,990	4,490	0.3%
Whiteside	58,500	59,690	1,190	0.1%
Will	677,560	1,274,950	597,390	2.1%
Winnebago	295,270	354,460	59,190	0.6%
<b>Total</b>	<b>8,919,280</b>	<b>10,854,510</b>	<b>1,935,230</b>	<b>0.7%</b>

\*US Census Bureau 2010 Census

\*\*Woods & Poole Economics, Inc. (W&P), "2012 Complete Economic and Demographic Data Source (CEDDS)" and al, Chalabi Group, LTD.

Exhibit 105

## Employment

Employment growth is a key indicator of the Tollway service area's economic growth, as well as an important factor in predicting Tollway traffic.

### Tollway Service Area Employment 2000-2010

Employment in the 12 county service area decreased by 105,000 jobs, from 2000 to 2010. The largest employment decrease occurred in Cook County with nearly 199,000 jobs lost followed by 20,000 jobs lost in Winnebago County. This reduction was partially offset by an increase of approximately 123,000 jobs in Will, McHenry, Kane and Lake counties. It should be noted that 2010 employment reflected the lingering effects of the recent national economic recession that began in the fall of 2007.

Service Area Employment 2000 vs. 2010

County	2000 Employment*	2010 Employment *	Net Change	Annual % Change 2000-2010
Boone	18,860	19,850	990	0.5%
Cook	3,321,600	3,122,750	(198,850)	-0.6%
DeKalb	47,150	52,770	5,620	1.1%
DuPage	696,730	689,730	(7,000)	-0.1%
Kane	239,980	257,350	17,370	0.7%
Lake	415,340	428,850	13,510	0.3%
Lee	17,960	15,460	(2,500)	-1.5%
McHenry	110,730	134,820	24,090	2.0%
Ogle	25,390	23,090	(2,300)	-0.9%
Whiteside	30,720	27,200	(3,520)	-1.2%
Will	184,450	252,320	67,870	3.2%
Winnebago	175,310	155,290	(20,020)	-1.2%
<b>Total</b>	<b>5,284,220</b>	<b>5,179,480</b>	<b>(104,740)</b>	<b>-0.2%</b>

Employment reported based on U.S. Commerce Dept. Bureau of Economic Analysis definition.

\*Woods & Poole Economics, Inc. (W&P), "2012 Complete Economic and Demographic Data Source (CEDDS)" and al, Chalabi Group, LTD.

Exhibit 106

### Tollway Service Area Employment 2010 - 2040 Forecast

The following table shows forecasted change in employment for the 12 counties. Significant employment growth is generally expected in the Tollway service area. By 2040, the number of jobs in the service area is forecasted to grow by over 1.7 million.

**Service Area Employment 2010 vs. 2040 Forecast**

County	2010 Employment *	2040 Forecast Employment*	Net Change	Annual % Change 2010-2040
Boone	19,850	31,500	11,650	1.6%
Cook	3,122,750	3,534,830	412,080	0.4%
DeKalb	52,770	70,960	18,190	1.0%
DuPage	689,730	851,740	162,010	0.7%
Kane	257,350	509,620	252,270	2.3%
Lake	428,850	638,090	209,240	1.3%
Lee	15,460	20,230	4,770	0.9%
McHenry	134,820	321,510	186,690	2.9%
Ogle	23,090	32,480	9,390	1.1%
Whiteside	27,200	35,400	8,200	0.9%
Will	252,320	672,950	420,630	3.3%
Winnebago	155,290	194,750	39,460	0.8%
<b>Total</b>	<b>5,179,480</b>	<b>6,914,060</b>	<b>1,734,580</b>	<b>1.0%</b>

Employment reported based on U.S. Commerce Dept. Bureau of Economic Analysis definition.

\*Woods & Poole Economics, Inc. (W&P), "2012 Complete Economic and Demographic Data Source (CEDDS)" and al, Chalabi Group, LTD.

Exhibit 107



# Appendix

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801 Warrenville Road, Suite 260, Lisle Illinois 60532  
tel: 630 434-8111  
fax: 630 968-2064

December 9, 2013

Michael Colsch  
Chief of Finance  
Illinois State Toll Highway Authority  
2700 Ogden Avenue  
Downers Grove, IL 60515

**Subject: Annual Toll Revenue Certificate 2014**

Dear Mr. Colsch:

In accordance with the Trust Indenture of the Illinois State Toll Highway Authority (the Tollway), Section 713(3), the Tollway's Traffic Engineer must submit an annual, written estimate of toll revenues for remainder of the current Fiscal Year 2013, as well as the subsequent Fiscal Year 2014. Estimates of gross toll revenues contained in this document incorporate the current, known construction schedule; the current state of the national and regional economy; and expectations for recovery from the recent economic recession. Estimates are of expected revenue and, as a result, do not include the effects of overpayments, underpayments, or toll evasion.

Short-term forecasts are based on several key variables. Initially, CDM Smith reviews recent trends in the context of historical averages. This includes a review of actual transactions and revenue by plaza, by month, by vehicle classification, and by payment type. Any variation from the prevailing trends is noted and, where possible, attributed to a particular event or ongoing condition. This includes analysis of factors such as construction both on and off of the Tollway system, weather-related events, land-use developments, and any other externality that may have impacted recent performance. By understanding when and where these variances occur, CDM Smith can better estimate how similar events may impact Tollway performance in the future.

Following a thorough review of recent performance, factors that will affect traffic in the coming months and following year are considered. Information addressing scheduled construction, both on and off the system; system improvements, including added capacity or new interchanges planned developments; and near-term economic trends are analyzed for their potential impact on traffic and toll revenue. Given the uncertain nature of the ongoing economic recovery, economic variables are of particular import to short-term forecasting.

Economic recovery remains a challenge in 2013. The Chicago Metropolitan Statistical Area (MSA) continues to trail the Midwest region and the United States (U.S.) in most economic indicators affecting travel demand. However, the Tollway has performed well, despite the slow pace of the economic recovery and the substantial toll rate increase in 2012.





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Due to several factors to be explored further in this text, the first quarter of 2013 saw a decline in transactions and revenues from 2012 levels. Recent performance, however, has trended positive. As of September 2013, year-to-date revenues for 2013 exceeded 2012 revenues by an estimated \$6.6 million<sup>1</sup> and approximately 0.8 percent higher than 2012 transactions. Given this recent trend and the slow but steady pace of the economic recovery, CDM Smith anticipates continued revenue growth through the fourth quarter of 2013 as compared to 2012.

Regarding the state of the economy, 16 national forecasting bodies are projecting growth in the national Gross Domestic Product (GDP) between 2.1 percent to 3.8 percent in 2014, with an average estimation of 2.8 percent. Forecast values and their sources are presented later in this document. While there is not a direct correlation between national GDP and the health of the Tollway system, growth on a national scale does imply a continued and possibly accelerating recovery. Though Chicago region forecasts are not as readily available, the sources that are available are unanimous in predicting continued growth in Gross Regional Product (GRP), a falling unemployment rate, and regional population growth going into and through 2014.

Tollway performance will also be affected—positively and negatively—by construction and completion of major projects. The conclusion of the first stage of construction on the Jane Addams Memorial Tollway (I-90) is expected to have a positive effect. While the second phase of construction to widen the facility will also result in reduced capacity when compared to pre-construction conditions, the less restrictive maintenance of traffic (MOT) plans should allow for greater throughput than experienced in 2013. Additional positive impacts are expected as the system recovers from construction on the Veterans Memorial Tollway (I-355), and from the completion of access improvements and new toll revenue generated at the IL 47 interchange with I-90.

Based on recent trends and a review of economic forecasts, CDM Smith's outlook for the Tollway in 2014 is generally positive, though expected to proceed at a slower pace than observed in the decades leading up to the 2008 economic recession.

This document presents a comprehensive and thorough review of recent economic performance at a national, regional, and local level; an overview of the Tollway's performance to date, and trends observed in 2013; and a description of CDM Smith's forecasting methodology and findings.

### Recent Transaction Trends

On January 1, 2012 a rate increase went into effect on the Illinois Tollway that raised both I-PASS and cash passenger car toll rates by 87.5 percent. While 2012 revenues exceeded 2011 by 42.5 percent, transactions were negatively affected and declined by approximately 3.5 percent. The temporary decline in transactions should not be construed as a reflection of changes in regional travel demand or the size of the potential Tollway market. The rate increase does, however, make

<sup>1</sup> YTD revenues are for January through August 2013 and reflect Adjusted Expected Revenues. Year-end audited results may differ.





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it very difficult to define true growth in travel demand in 2012. In 2013, however, transactions are all predicated on the same toll rate structure as 2012 and, as such, 2013 offers a better recent look at growth in travel demand on the Tollway unaffected by the rate adjustments.

As shown in Table 1, total systemwide transactions through August of 2013 have exceeded 2012 levels in all but three of eight months. February 2012, a leap year, added an extra calendar day, benefitted from unseasonably warm conditions, and a lack of any substantial, disruptive snow storm. In contrast, both February and March 2013 experienced major snow events. February 2013 snowfall topped 16 inches—ten inches more than experienced in February 2012. March 2013 recorded 10 inches of snowfall, pushing the average snowfall for those two months well above the 30-year monthly average.

**Table 1 – Total Transactions by Month (Millions)**

	2008	% Chng	2009	% Chng	2010	% Chng	2011	% Chng	2012	% Chng	2013
January	62.1	-6.8%	57.9	3.6%	60.1	4.7%	62.9	-4.6%	60.0	3.2%	61.9
February	58.4	-3.6%	56.3	2.8%	57.9	-2.0%	56.7	5.9%	60.1	-5.0%	57.1
March	65.5	-2.5%	63.9	6.5%	68.0	2.2%	69.5	-4.2%	66.6	-1.3%	65.7
April	65.2	-1.8%	64.1	5.9%	67.9	0.0%	67.8	-3.1%	65.8	1.4%	66.7
May	68.3	-1.8%	67.1	4.5%	70.2	1.5%	71.2	-0.3%	71.0	1.7%	72.2
June	66.9	0.9%	67.6	5.4%	71.3	3.0%	73.4	-3.2%	71.0	-1.0%	70.3
July	69.6	0.9%	70.2	4.5%	73.4	1.7%	74.7	-4.3%	71.5	3.0%	73.6
August	69.9	-1.0%	69.2	7.7%	74.5	2.4%	76.3	-4.4%	72.9	3.6%	75.5
September	63.3	3.7%	65.6	5.8%	69.4	2.1%	70.9	-6.5%	66.3		
October	67.4	-0.3%	67.2	6.2%	71.4	2.3%	73.0	-4.6%	69.7		
November	61.5	3.0%	63.4	6.3%	67.3	1.6%	68.4	-4.4%	65.4		
December	59.7	5.3%	62.9	4.7%	65.8	3.2%	67.9	-6.5%	63.5		
<b>Total</b>	<b>777.9</b>	<b>-0.3%</b>	<b>775.4</b>	<b>5.4%</b>	<b>817.1</b>	<b>1.9%</b>	<b>832.8</b>	<b>-3.5%</b>	<b>803.8</b>		
<b>Total (Jan-Aug)</b>									<b>538.8</b>	<b>0.8%</b>	<b>543.1</b>

June 2013 also experienced more severe weather than normal. Chicago-area roads received 6.2-inches of rain in June 2013, compared to just 1.0-inches of rain in 2012. The June 2013 total was 2.8-inches above the 30-year average for the month and included two mid-week severe storm events that resulted in wide-spread flooding and road closures. Both of these events appear to be partly responsible for suppressing demand when compared to historical averages.

Much of 2013 has also been affected by construction on the Jane Addams Memorial Tollway between I-39 and Elgin as it is rebuilt and widened. As of August 2013, transactions and revenue on the Jane Addams are down by 2.4 and 4.4 percent, respectively.

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While some of this traffic has diverted to I-88, traffic has also diverted to local roads depressing systemwide revenues. Construction in 2013 has also affected I-355, where intermittent lane closures and the presence of traffic control devices have had some negative impact. Traffic remains positive, however, on I-355 in spite of construction. Positive effects have also been observed on the Tri-State and I-88, both of which are recovering after construction in 2012 and serve as alternative routes for some trips that would otherwise use I-355 and I-90.

Overall growth in passenger car (PC) transactions has been somewhat flat, as shown in Table 2. As of August 2013, however, PC transactions are trending upward and are currently outpacing 2012 levels by approximately 0.8 percent. The slow rate of PC transaction growth may reflect employment numbers that continue to lag growth in commercial production as employers remain hesitant to add jobs. Recent trends suggest that the region may now be experiencing job growth, however, PC transactions will not likely see a strong recovery and growth until employment numbers improve more significantly. These and other central economic indicators will be explored in greater detail on Page 5 of this document.

**Table 2 – Passenger Car Transactions by Month (Millions)**

	2008	% Chng	2009	% Chng	2010	% Chng	2011	% Chng	2012	% Chng	2013
January	54.8	-5.6%	51.7	4.4%	54.0	4.2%	56.3	-5.8%	53.0	3.0%	54.6
February	51.5	-1.9%	50.5	2.9%	52.0	-2.6%	50.6	5.2%	53.2	-5.4%	50.3
March	58.3	-1.5%	57.4	6.2%	60.9	1.7%	62.0	-5.0%	58.9	-1.1%	58.3
April	57.5	-0.1%	57.5	5.5%	60.7	0.0%	60.7	-4.0%	58.2	1.0%	58.8
May	60.4	0.0%	60.4	4.1%	62.9	1.1%	63.6	-1.3%	62.7	1.5%	63.7
June	59.1	2.5%	60.5	4.8%	63.4	3.0%	65.3	-3.6%	62.9	-1.1%	62.3
July	61.6	2.4%	63.0	4.6%	65.9	1.7%	67.0	-5.2%	63.6	2.6%	65.2
August	62.0	0.1%	62.1	7.2%	66.5	2.1%	67.9	-5.1%	64.4	3.7%	66.8
September	55.7	4.9%	58.5	5.4%	61.7	2.2%	63.0	-6.8%	58.7		
October	59.5	0.9%	60.0	6.1%	63.7	2.1%	65.0	-5.7%	61.3		
November	54.9	3.5%	56.9	5.8%	60.2	1.2%	60.9	-5.1%	57.8		
December	53.3	5.8%	56.4	4.5%	58.9	3.2%	60.8	-6.7%	56.8		
<b>Total</b>	<b>688.5</b>	<b>0.9%</b>	<b>694.8</b>	<b>5.2%</b>	<b>730.8</b>	<b>1.7%</b>	<b>743.2</b>	<b>-4.2%</b>	<b>711.7</b>		
<b>Total (Jan-Aug)</b>									<b>477.1</b>	<b>0.6%</b>	<b>479.9</b>

Table 3, which presents commercial vehicle (CV) transactions for 2008 through August 2013, shows that during the recession, CV transactions experienced a greater decline than passenger cars. In 2009, CV transactions declined by 9.9 percent while PC transactions actually grew by 0.9 percent. However, by 2010 commercial vehicle transactions began to rebound, growing by approximately 7.2 percent over 2009 volume. CV growth has remained steady since then, increasing by 3.9 percent in 2011 and 2.8 percent in 2012.





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The improving economy is reflected in CV transactions in 2013, growing by 2.3 percent year-to-date. As of August 2013, five of eight months in 2013 have reached seven-year highs for CV transactions. The only months not reaching seven-year highs—February, March, and June—still each outperformed their six-year monthly averages.

**Table 3 – Commercial Vehicle Transactions by Month (Millions)**

	2008	% Chng	2009	% Chng	2010	% Chng	2011	% Chng	2012	% Chng	2013
January	7.3	-15.3%	6.2	-2.9%	6.0	9.5%	6.6	5.4%	7.0	5.1%	7.3
February	6.9	-16.1%	5.8	2.1%	5.9	4.0%	6.2	11.7%	6.9	-1.6%	6.8
March	7.2	-10.3%	6.5	8.8%	7.1	5.8%	7.5	2.6%	7.7	-2.7%	7.5
April	7.7	-14.5%	6.6	9.5%	7.2	-0.7%	7.2	5.3%	7.5	5.0%	7.9
May	8.0	-15.3%	6.7	7.6%	7.3	4.8%	7.6	8.0%	8.2	3.1%	8.5
June	7.9	-10.3%	7.1	10.4%	7.8	3.5%	8.1	0.0%	8.1	-0.3%	8.1
July	8.0	-10.0%	7.2	3.7%	7.5	2.3%	7.7	3.1%	7.9	6.9%	8.4
August	7.9	-9.9%	7.1	12.5%	8.0	5.0%	8.4	1.5%	8.5	2.9%	8.7
September	7.5	-5.8%	7.1	9.2%	7.7	1.5%	7.8	-3.7%	7.6		
October	8.0	-9.2%	7.2	6.8%	7.7	3.7%	8.0	4.9%	8.4		
November	6.6	-0.9%	6.5	10.5%	7.2	4.8%	7.5	1.2%	7.6		
December	6.4	1.3%	6.5	6.2%	6.9	3.3%	7.1	-4.9%	6.8		
<b>Total</b>	<b>89.4</b>	<b>-9.9%</b>	<b>80.5</b>	<b>7.2%</b>	<b>86.3</b>	<b>3.9%</b>	89.6	<b>2.8%</b>	<b>92.1</b>		
<b>Total (Jan-Aug)</b>									<b>61.8</b>	<b>2.3%</b>	<b>63.2</b>

## National and Regional Economic Indicators

Having emerged from the recent recession in late 2009<sup>2</sup> there has generally been positive real GDP growth and, for the most part, positive trade and employment trends. However, the momentum has still been moderate, particularly regarding labor markets. Recent economic recovery is evidenced in indicators including a strengthening housing market (growing volume and price levels of both new and previously owned homes)<sup>3</sup> as well as auto manufacturing and sales<sup>4</sup>. U.S. unemployment, however, remains elevated at approximately 7.4 percent with millions underemployed or out of the labor market. Unemployment in the Chicago MSA remains higher than the state, region, and nation as a whole.

Additional sources were consulted for specific insight into the Chicago Metropolitan Statistical Area (MSA) and the Midwest region as a whole. Historical data series and commentary from the Chicago Federal Reserve Bank, the Illinois Governor's Office of Management and Budget, the

<sup>2</sup> National Bureau of Economic Research's announcement, September 2010.

<sup>3</sup> e.g., data from the S&P/Case-Shiller Home Price Indices, and the National Association of Realtors

<sup>4</sup> U.S. Census Bureau. (2013). Retail trade data.





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Illinois State Budget, and University of Illinois' Institute of Government and Public Affairs Regional Economics Applications Laboratory (REAL) were reviewed. In general, the Chicago MSA has seen recovery trends lag behind the national and regional (Midwest) pace. The local economy, however, is anticipated to improve through the fourth quarter of 2013 and into 2014.

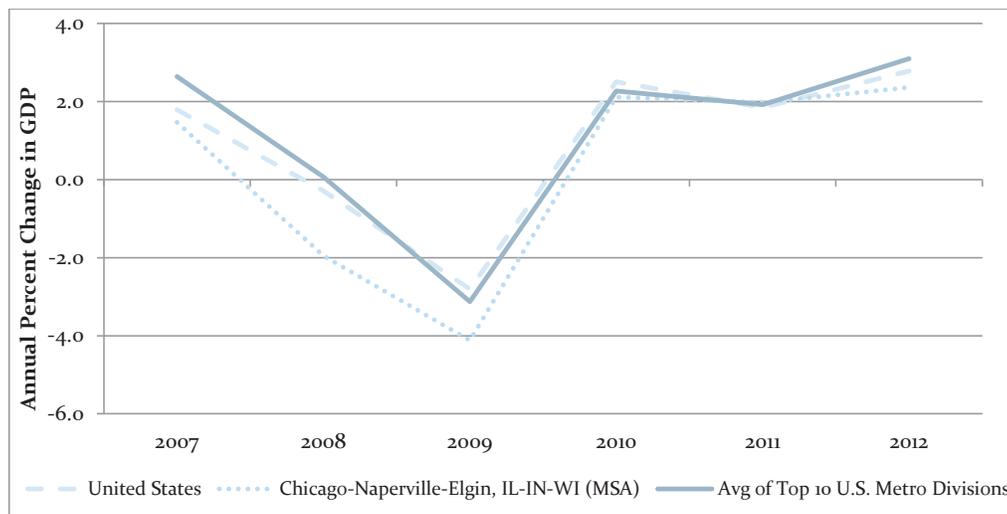
**Regional Population Trends and Short-Term Forecasts**

According to the U.S. Census, population growth rates in the areas pertinent to the Illinois Tollway have been lower, recently, than on the national level. Since 2011, the total population of Chicago MSA grew at only 0.4 percent per year – about half the national pace. The population growth of Illinois, statewide, was even slower; only about a quarter of that of the U.S. local and regional population. Statistics for the first two quarters of 2013 are not available, but the numbers are expected to increase through 2013, resulting in the Chicago population growth outpacing Illinois and Midwest region rates. Projected 2013 and 2014 values will be discussed in the forecasting section of this document.

**Gross Domestic Product**

At the macroeconomic level, real (inflation-adjusted), Gross Domestic Product (GDP) in the U.S. grew at a rate of 2.8 percent in 2012, which followed an increase of 1.8 percent in 2011, for a two-year average rate of 2.3 percent. As illustrated in Figure 1, at the regional level, 2012 data on Gross Regional Product (GRP) for Chicago and other Metropolitan Statistical Areas (MSAs) reveal that the nation's largest economies are continuing to rebound.

**Figure 1 – Historical GDP Growth**



Source: Bureau of Economic Analysis





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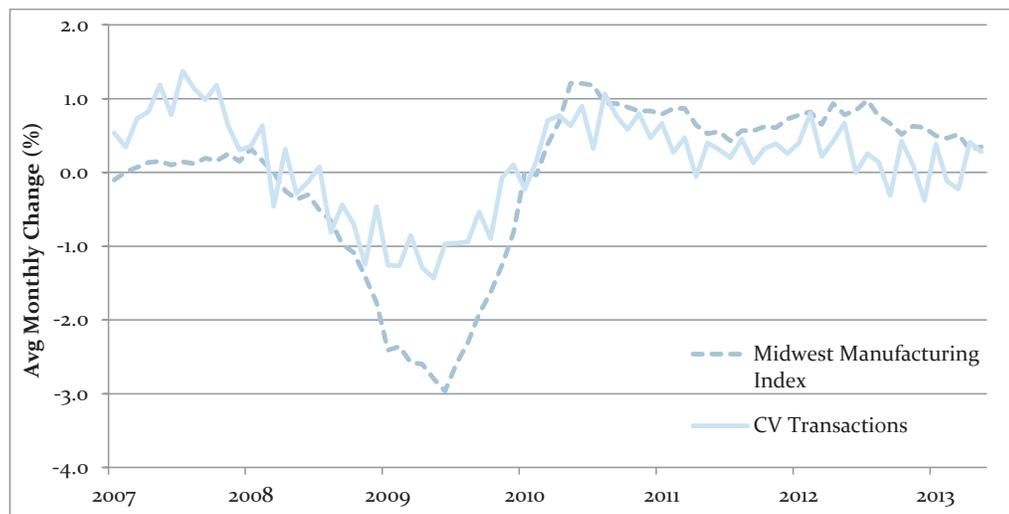
Chicago, the nation’s third-largest economy, grew by 2.0 percent in 2011, and 2.4 percent in 2012. With a two-year increase in GDP of 2.2 percent, Chicago outpaced both New York and Los Angeles, the nation’s two largest economies. Amongst the top 10 fastest growing economies, Chicago fell directly in the middle, demonstrating strong, but not exceptional growth.

**Manufacturing**

The Midwest Manufacturing Index (MMI) is a monthly estimate of industrial manufacturing output published by the Federal Reserve Bank of Chicago. It covers several major manufacturing sectors operating in the Seventh Federal Reserve District States of Illinois, Indiana, Iowa, Michigan and Wisconsin. The most recent release of the MMI from July 2013 places its current value at 95.8 percent of the value of the MMI in 2007, the year prior to the recession. This represents a 1.5 percent increase from July 2012, and a 40.8 percent increase from June 2009, the height of the recession.

Midwest auto, steel, and machinery sectors have all nearly recovered to their pre-recession, 2007 levels. As illustrated in Figure 2, fluctuation in the MMI and CV transactions on the Illinois Tollway track closely. This is presented for illustrative purposes, only, and is not meant to imply statistical correlation between the two variables. However, it would appear that the generally-improving health of the Midwest economy, as expressed by the MMI, points to a similar trend in CV transactions.

**Figure 2 – Midwest Manufacturing Index (12-Month Rolling Average)**



Source: Federal Reserve Bank of Chicago





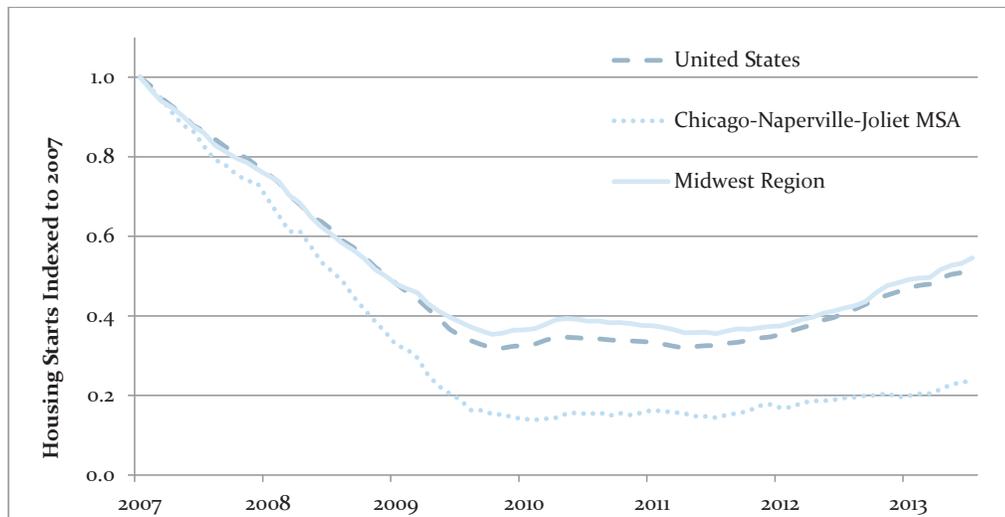
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**Housing**

In addition to manufacturing, the Chicago housing market has also recently begun to show signs of a sustained recovery. In the Chicago MSA, there have been approximately 900 housing starts per month as of September 2013. This represents the highest monthly average since 2008. The overall housing market has been recovering slowly each year since the recession; the Chicago market trails both the Midwest region and the nation as a whole in terms of recovery speed.

Indexed to 2007, Figure 3 illustrates that the Midwest region and U.S. housing starts have recovered to above 50 percent of their pre-recession levels. Though also trending upward, the Chicago housing market remains at only 25 percent of its 2007 level. However, new housing starts is simply one metric of the health of the housing market. A sign of a market gaining momentum, the June Case Shiller U.S. National Home Price Index shows that Chicago housing process hit a 32-month high posting greater gains in sale prices in all but one of the 20 largest U.S. urban markets. The Case Shiller Index through June 2013 is illustrated in Figure 4.

**Figure 3 – New Housing Starts**



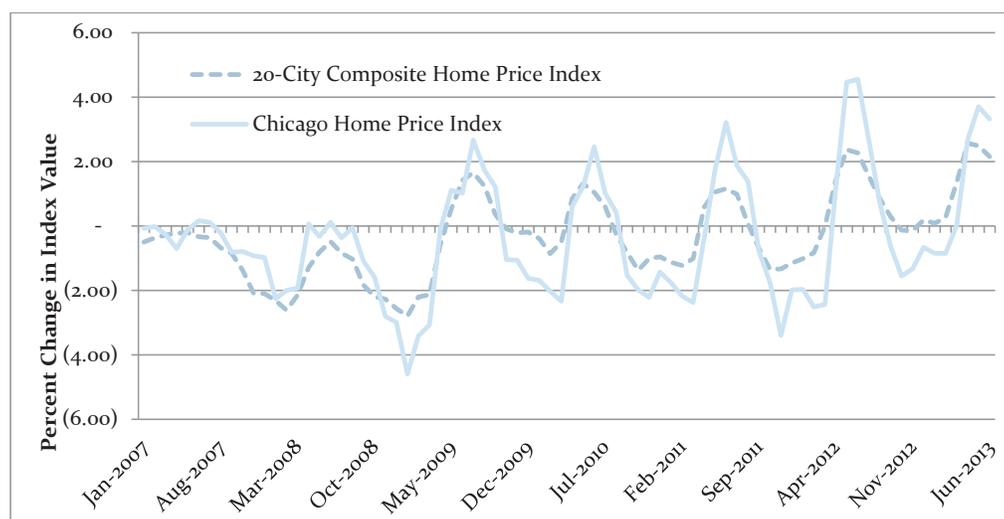
Source: U.S. Census Bureau





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Figure 4 – Case Shiller Index



Source: S&P Dow Jones Indices LLC. Updated August 27, 2013

### ***Employment and Unemployment***

The unemployment rate provides a snapshot of the health of the regional labor market. During the recession, unemployment rates rose dramatically. While unemployment rates have since declined, they have done so at a slow pace. National employment levels may have been further suppressed by the automatic spending cuts triggered by the March 1, 2013 sequester. After reaching a four-year low of 7.8 percent at the end of 2012, national unemployment rose to 7.9 percent in January 2013, before falling again to a low of 7.6 percent in June 2013.

Adding to the uncertain employment picture is a declining labor force participation rate. After averaging 66.1 percent from 2003 to 2008, labor force participation has dropped 2.9 percentage points in the past four-and-one-half years to a recent low of 63.2 percent in August 2013. The Congressional Budget Office (CBO) attributes the majority of this loss in the workforce to the retirement of baby-boomers<sup>5</sup>. The remainder of the reduced workforce is due to structural changes that took place in the labor market during the recession, with employers seeking highly skilled workers with very specific skillsets.

Despondency regarding job prospects among some workers is reflected in the share of the unemployed that have been seeking work for greater than 26 consecutive weeks, otherwise known as the long-term unemployed. The share of long-term unemployed recently reached a historically

<sup>5</sup> Congressional Budget Office (2013). The Budget and Economic Outlook: FY 2013 to 2013. February 2013.





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high level, with the end of 2012 marking the third consecutive year with the share above 40 percent, after averaging just over 18 percent between 2003 and 2008.

Unemployment has been consistently higher in the Chicago MSA than the nation as a whole, both during and after the recession. In September 2012, the unemployment rate fell to 8.3 percent, the lowest in nearly four years. Since then the unemployment rate has topped 10 percent twice, most recently at 10.3 percent in June 2013. Forecasts, however, show the unemployment rate in the Chicago MSA falling faster in 2014 than the region and nation as a whole, as will be discussed later in this document.

#### ***Consumer Confidence and Household Income***

In June 2013, the U.S. Consumer Confidence Index surpassed 80 for the first time since the beginning of 2008. Before the recession, this measure of consumer optimism indexed to 1985 had been consistently above 80, and well above 100 since 2005. In the Chicago Metro Area, increased consumer confidence was reflected in the strength of automobile sales and new residential real estate construction. The Federal Reserve Beige Book, more formally known as the Summary of Commentary on Current Economic Conditions, is a report published by the U.S. Federal Reserve Board eight times a year. In its August publication, it reported modest economic activity in the Chicago Metro area for the first two quarters of 2013, based on the strength of the automobile and real estate sectors.

Even with this recent increase, consumer confidence has still been muted by Federal fiscal policy and general economic uncertainty. The expiration of the payroll tax cut at the end of 2012, as well as uncertainty about the impacts of automatic spending cuts (the sequester), caused consumer confidence to dip to 58.4 in January 2013. Some uncertainty about the Federal fiscal situation will continue in 2013 and 2014, though many economists and forecasters expect that the severe cuts of the sequester will be revised or scaled back in 2014<sup>5</sup>.

With respect to household income, real (inflation-adjusted) growth of labor compensation grew by only 0.2 percent per worker in 2012, according to CBO estimates<sup>5</sup>. A weak demand for labor since the recession has kept wage pressures low and real labor compensation remains below its value in late 2007. As a result, households now have less discretionary income relative to pre-recessionary levels, which may affect travel choice and demand for Tollway facilities.

Lastly, according to projections from the U.S. Energy Information Administration (EIA), the national average of regular grade gas prices are expected to drop by an estimated \$0.22 per gallon by the end of 2013. This is down from \$3.60 per gallon in Q3 2013. Prices are expected to continue to decrease in 2014, as the EIA projects an average gas price of \$3.37 per gallon for the year. Gas prices in the Chicago Metro area, however, have been historically higher and more volatile than the U.S. average. In 2012, the after-tax price for regular grade retail gasoline was 7.8 percent higher than the national average. As of September 2013, prices have been 10.2 percent higher. Gas prices in Chicago are among the highest in the country. As illustrated in Figure 5, gas prices in the

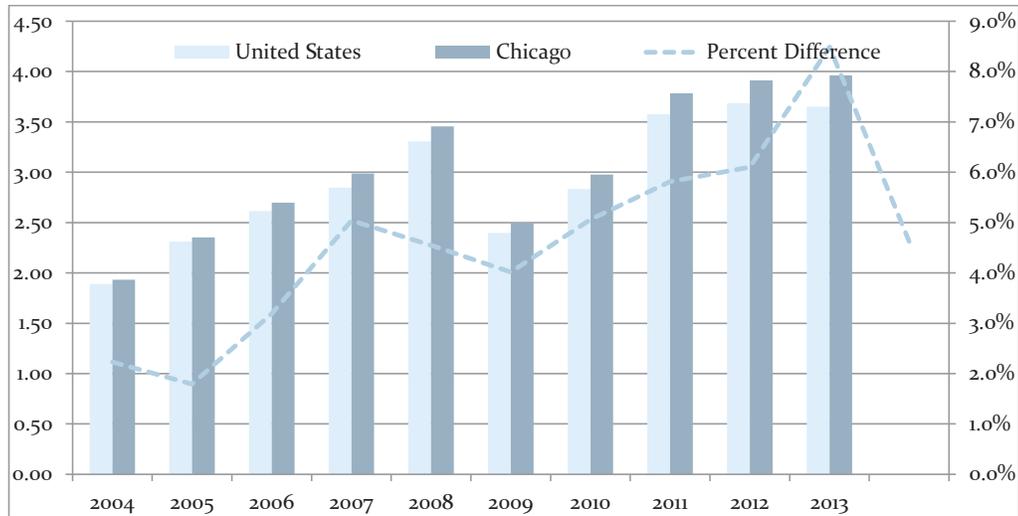




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Chicago Metro area have been higher than the nationwide average by approximately 4.6 percent over the last 10 years.

Figure 5 – Historical Gasoline Prices



This disparity has been increasing, reaching a 10-year high of 8.5 percent in excess of the national average in 2013 (YTD as of August 21). While gas prices are forecast to decline through the end of 2014, the disparity between national and local prices should continue to be monitored for any impact on travel demand.

**Forecast of Economic Indicators**

CDM Smith released our long-term, 40-years forecast of traffic and gross toll revenue in the April 2013 Comprehensive Traffic and Toll Revenue Study report. However, forecasting on a monthly basis over the course of sixteen months requires additional refinement and greater reliance on external forecasting bodies. In developing a near-term outlook, CDM Smith referred to multiple sources of economic forecasting at national and regional level. GDP and unemployment are the most commonly and consistently forecast economic indicators.

**National GDP Forecasts**

As shown in Table 4, the national GDP forecast released by the Congressional Budget Office (CBO) in February of 2013 is amongst the most conservative, forecasting annual GDP growth of just 1.4 percent for 2013. According to advance estimates from the Bureau of Economic Analysis (BEA), real GDP has increased at adjusted annual rates of 1.1 and 1.7 percent in the first two





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quarters of 2013<sup>6</sup>, respectively, placing YTD GDP growth very close to its 1.4 percent estimate. On the opposite end of the spectrum, Woods & Poole Economics is forecasting GDP growth of 3.0 percent by the end of 2013, which would be extremely difficult to reach at this point in the year.

Forecasts made in the third quarter of 2013 indicate less robust growth, averaging approximately 1.7 percent GDP growth through the end of 2013. The average projected GDP growth rate for 2013 is 2.0 percent. These values closely match CDM Smith's own assumption regarding economic growth and, on their own, do not warrant any alternation to the magnitude of traffic growth forecast for the remainder of 2013.

**Table 4 – Forecast Growth in Real GDP**

Source	Release Date	2013	2014
Congressional Budget Office (CBO)	Feb 2013	1.4%	2.6%
Federal Reserve Federal Open Market Committee (FOMC)*	Jun 2013	2.5%	3.3%
Office of Management and Budget (OMB)	Jul 2013	2.0%	3.1%
International Monetary Fund (IMF)	Jul 2013	1.7%	2.7%
World Bank	Jun 2013	2.0%	2.8%
Organization for Economic Co-operation and Development	May, 2013	1.9%	2.8%
Federal Reserve Bank of Philadelphia**	May, 2013	1.5%	2.6%
Economist Intelligence Unit	Jun 2013	2.1%	2.5%
Conference Board	Jul 2013	1.6%	2.7%
National Association of Realtors	Aug 2013	1.6%	2.6%
National Association for Business Economics (NABE)	Feb 2013	2.4%	3.0%
University of Michigan	Jun 2013	1.9%	2.7%
J.P. Morgan Chase	Feb 2013	3.2%	4.0%
Wells Fargo	May, 2013	1.8%	2.1%
Woods & Poole Economics	Feb 2013	3.0%	2.3%
Moody's Analytics	Mar 2013	2.0%	3.8%
<b>Average</b>		<b>2.0%</b>	<b>2.8%</b>

\* Federal Open Market Committee, avg. of the upper and lower bound; \*\* Survey of Professional Forecasters

With respect to 2014, all but one forecaster, Woods & Poole Economics Inc., is indicating accelerated GDP growth of between 2.1 percent and 4.0 percent. Forecasts updated as recently as the fourth quarter tend to be more aggressive than those made in the beginning of the year, possibly indicating improving prospects for growth. The average projected GDP growth rate for 2014 is 2.8 percent. Again, these values closely match or exceed CDM Smith's outlook for 2014 and do not, in and of themselves, warrant an adjustment to the forecast.

<sup>6</sup> Bureau of Economic Analysis. GDP and the Economy: Advance Estimates for the Second Quarter of 2013. August 2013.





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### ***National Employment Forecasts***

Table 5 presents forecasts for unemployment at the national level. As indicated, unemployment rates are expected to continue to decline through the end of 2013. The forecast average for unemployment is approximately 7.6 percent through the end of the year. Forecasts of unemployment through 2014 all indicate continued decline in unemployment with rates falling by an average of 0.5 percentage points to 7.1 percent.

**Table 5 – Forecast Change in Unemployment**

Source	Release Date	2013	2014
Congressional Budget Office (CBO)	Feb 2013	7.9%	7.8%
Federal Reserve Federal Open Market Committee (FOMC)*	Jun 2013	7.3%	6.7%
Office of Management and Budget (OMB)	Jul 2013	7.5%	7.0%
Organization for Economic Co-operation and Development	May, 2013	7.5%	7.0%
Federal Reserve Bank of Philadelphia**	May, 2013	7.6%	7.1%
National Association of Realtors	Aug 2013	7.6%	7.1%
University of Michigan	Jun 2013	7.5%	7.0%
Wells Fargo	May, 2013	7.6%	7.3%
Moody's Analytics	Mar 2013	7.7%	7.0%
<b>Average</b>		<b>7.6%</b>	<b>7.1%</b>

\* Federal Open Market Committee, avg. of the upper and lower bound; \*\* Survey of Professional Forecasters

### ***Regional and Local Forecasts***

There are fewer forecasting bodies offering short-term forecasts for the subnational geographies (i.e., Chicago MSA, Illinois, and Midwest) compared to the U.S. as a whole. Sources including the Chicago Federal Reserve Bank, the Illinois Governor's Office of Management and Budget, the Illinois State Budget, University of Illinois' Institute of Government and Public Affairs Regional Economics Applications Laboratory (REAL) were reviewed for their historical data series and commentaries. However, the majority of these specialized sources has developed either unique performance measures, or is presented as descriptive rather than quantitative statistics. As such, there is no one, consistent metric that can be presented for each of these sources. For purposes of this document, recent forecasts from private sources such as Moody's Analytics and Woods & Poole Economics, Inc. will be presented to represent the range of local growth forecast.

Population forecasts by Woods & Poole Economics, Inc. for 2013 and 2014 are presented in Table 6. As shown, the population of the Chicago MSA is projected to increase by 0.7 percent in 2013 and 2014, while the State and the Midwest region are expected to grow by 0.5 percent per year through 2014. All three geographies are expected to experience population growth slower than the U.S. as a whole, which is anticipated to grow at 1.0 percent in both years.





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**Table 6 – Short-Term Population Growth Forecasts**

Geography	2013	2014
Chicago MSA	0.7%	0.7%
Illinois	0.5%	0.5%
Midwest Region	0.5%	0.5%
U.S.	1.0%	1.0%

Source: Woods & Poole Economics, Inc.

#### **Gross Product**

Another fundamental economic indicator that has bearing on both passenger and commercial traffic demand is gross product. Depending on the geography in question, this may be presented as a Gross Regional Product (GRP), Gross State Product (GSP), or Gross Domestic Product (GDP). Table 7 presents the near-term gross product forecasts for 2013 and 2014, also forecasted by Woods & Poole Economics, Inc.

**Table 7 – Short-Term Gross Product Forecasts**

Geography	2013	2014
Chicago MSA	2.0%	2.0%
Illinois	2.1%	1.9%
Midwest	2.1%	1.9%
U.S.	2.1%	2.9%

Source: Woods & Poole Economics, Inc.

According to the BEA, the Chicago MSA real GRP increased by an annual average of 2.2% between 2010 and 2012. This rate was above the Illinois Statewide rate of 2.0% for the same period, but below those of the Great Lakes Region and U.S., both of which grew at approximately 2.3%. Through 2014 Chicago MSA real GRP is projected to maintain a steady rate of about 2.0% annually. This is comparable to the broad measures of economic growth for Illinois and the Great Lakes Region. Growth in Chicago is still projected below the national rate, however, which Woods & Poole Economics, Inc. expects this will average about 2.5% annually for the same time period.

#### **Unemployment**

Table 8 presents short-term forecasts for unemployment at national and regional levels produced by Moody's Analytics. Unemployment rates are expected to continue to decline through 2014, though expectations are based on assumptions of an easing of federal fiscal tightening. Moody's projects that unemployment will be reduced by greater than one percentage point in both the Chicago MSA and the State of Illinois by the end of 2014. The rates in Chicago and Illinois will still be elevated relative to those of the Midwest region and the U.S. on average, but reducing the gap between those rates should result in increased PC performance on the Tollway.





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**Table 8 – Short-Term Unemployment Forecasts**

Geography	2013	2014
Chicago MSA	9.5%	8.4%
Illinois	8.8%	7.5%
Midwest	7.1%	6.5%
U.S.	7.7%	7.0%

Source: Moody's Analytics

### Construction Projects

Under the Congestion-Relief Program, all major capacity expansion projects on the Tri-State Tollway, Reagan Memorial Tollway, Veterans Memorial Tollway, and Jane Addams Memorial Tollway were completed by the end of 2010. In 2011, the Tollway adopted the 15-year \$12 billion capital program, "Move Illinois: The Illinois Tollway Driving the Future", to improve regional mobility for the next generation.

In 2013, the Illinois Tollway began reconstruction and widening of approximately 35 miles of the Jane Addams Memorial Tollway from Mill Road to Randall Road, as well as widening the Kishwaukee River Bridge. All traffic along this section is currently traveling on the westbound side of the road with narrowed lanes and no shoulders as crews work through fourth quarter of 2013 to rebuild the eastbound lanes. In addition, the Illinois Tollway has rehabilitated pavement for approximately three miles of the Veterans Memorial Tollway between I-55 and 75th Street and a one-mile stretch from Fullerton to Army Trail Rd. In June, interchange reconstruction on the Tri-State Tollway near O'Hare at I-90 and I-190 was completed. A full-access interchange between I-90 and Illinois Route 47 is anticipated to open to traffic and begin collecting tolls by the end of 2013. Currently, there is no toll collection on the existing ramps to and from the west. Upon completion of the full interchange, tolls will be assessed in all directions adding to systemwide transactions and revenue.

Table 9 identifies the major scheduled construction projects for 2014. The Jane Addams Memorial Tollway Rebuilding and Widening Project will continue in 2014, when work will switch to the westbound side and all traffic will be running on widened, reconstructed eastbound lanes. CDM Smith expects this to alleviate some of the construction-related congestion and result in increased traffic volumes exceeding 2013 levels. However, some construction impacts will continue to depress traffic volumes, though to a lesser degree. The larger Jane Addams Memorial Tollway Rebuilding and Widening Project comprises several smaller projects as well, including the reconstruction and widening of bridges at US 20 and Mosquito Creek, and over the C&NW Railroad.





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**Table 9 – 2014 Construction Projects**

Location	Description of Work
<b>Tri-State Tollway</b>	
I-294 / I-57 Interchange	Ramp Construction
I-294 / I-57 Interchange	Toll Plaza Construction
<b>Jane Addams Memorial Tollway</b>	
Elgin Plaza (9) to IL Route 47	Reconstruction and Widening
C&NW Railroad Bridge	Bridge Reconstruction
IL Route 47 to I-39	Reconstruction and Widening
Mosquito Creek Bridge	Bridge Reconstruction
US 20 Bridge	Bridge Reconstruction

#### ***Methodology and Assumptions***

CDM Smith has refined the approach to short-term forecasting for 2014. Previously, annual transaction forecasts for passenger cars and commercial vehicles were first developed and then broken down into individual months using monthly factors. The monthly factors were calculated based on historical data. However, this process did not control for or allow for close incorporation of exogenous factors, such as removing weather-related impacts, traffic suppression on days surrounding holidays, and construction activity. Construction activity in particular has been found to significantly impact transactions during the peak months of the construction (generally April to November) while leaving other months unaffected. Toll-rate adjustments, volatile fuel prices, and rapidly changing economic conditions have also affected the efficacy of this approach.

To address these limitations, the 2014 Certificate was developed using monthly (rather than annual) transaction forecasts as a base. For example, July 2014 transactions were forecasted directly using July data from recent years. This methodology allowed for construction impacts to be isolated and analyzed more effectively across different years, and to account for anomalies occurring as a result of the day of the week on which a holiday falls (e.g. the disparate impacts of the 4<sup>th</sup> of July holiday when it falls on a Tuesday versus a Monday).

When developing the 2014 Certificate estimates it was assumed that the 2013 and 2014 annual systemwide passenger car I-PASS rates would be 86.5 and 86.7 percent, respectively. These rates were slight increases from the 2012 passenger car I-PASS rate of 86.3 percent. The weighted average commercial vehicle toll rate was assumed to be unchanged for the remainder of 2013 and 2014 compared to past 2012 and 2013 trends. These assumptions, in addition to passenger car cash toll rates, passenger car I-PASS toll rates, and forecasted passenger car and commercial vehicle transactions, were used to calculate the forecasted adjusted expected revenue for the 2014 Certificate. An adjustment process was also applied to forecasted transactions and revenue to account for variations in the monthly weekday/weekend distribution and holiday impacts across different years.





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### **Findings**

Total gross toll revenue<sup>7</sup> for 2013 is estimated to be \$992.8 million. Factors affecting 2013 revenue include recovery from past construction on the Tri-State Tollway and Reagan Memorial Tollway in 2012 and impacts due to current construction on the Jane Addams Memorial Tollway and Veterans Memorial Tollway in 2013. While both passenger car and commercial vehicle revenue is forecasted to increase in 2013, 75 percent of the total revenue increase is expected to be from commercial vehicles.

The 2014 Certificate revenue estimate accounts for several projected impacts, most notably continuing widening on the Jane Addams Tollway, continued construction on the new interchange between the Tri-State Tollway and I-57, and the opening of the new tolled IL-47 interchange on the Jane Addams Tollway. Performance in 2014 is forecasted to have a 2.3 percent revenue increase over 2013, bringing annual gross toll revenue to \$1,015.4 million. Higher revenue growth in 2014 compared to 2013 (2.3 percent compared to 1.6 percent) is based on several factors, including current projections of improving national and regional economic performance for 2014. Commercial vehicle growth is forecasted to comprise 42 percent of the overall revenue growth in 2014; less than in 2013. While CV revenue is still expected to grow at a moderate pace, growth will be muted in proportion to passenger car revenue growth. This is the result of several conditions observed in 2013 that are not likely to recur in 2014. First, CV revenue growth in 2013 was exaggerated as a result of commercial traffic returning to routes previously under construction. This affects CVs disproportionality as they have been observed to reroute to avoid construction-related delay more readily than passenger cars. Moreover, passenger car growth, which was very modest in 2013, is expected to accelerate in 2014 and account for a greater proportion of revenue growth. Results for the remainder of 2013 and all of 2014 are presented in Tables 10 and 11.

CDM Smith will continue to monitor economic activity, traffic growth and the impacts of construction on the Illinois Tollway. We trust the information herein meets your needs. Please let us know if you have questions or need additional information.

Sincerely,

CDM Smith Inc.

A handwritten signature in black ink, appearing to read 'J Hart' with a long horizontal flourish extending to the right.

Jonathon D. Hart, AICP  
Senior Project Manager

---

<sup>7</sup> Adjusted expected revenue





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December 9, 2013  
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Table 10 – 2013 Gross Toll Revenues

Month	Revenue (in thousands)	
January <sup>(1)</sup>	\$	74,847
February <sup>(1)</sup>	\$	69,317
March <sup>(1)</sup>	\$	79,690
April <sup>(1)</sup>	\$	81,112
May <sup>(1)</sup>	\$	87,958
June <sup>(1)</sup>	\$	85,847
July <sup>(1)</sup>	\$	90,526
August <sup>(1)</sup>	\$	92,930
September <sup>(1)</sup>	\$	84,048
October	\$	88,596
November	\$	79,928
December	\$	77,961
<b>Total <sup>(2)</sup></b>	<b>\$</b>	<b>992,762</b>

<sup>(1)</sup> Adjusted expected toll revenue as provided by the Illinois Tollway.

<sup>(2)</sup> Values may not sum due to rounding.

Table 11 – 2014 Gross Toll Revenues

Month	Revenue (in thousands)	
January	\$	76,230
February	\$	71,099
March	\$	82,341
April	\$	83,230
May	\$	89,175
June	\$	88,618
July	\$	93,099
August	\$	93,294
September	\$	87,102
October	\$	90,623
November	\$	79,993
December	\$	80,554
<b>Total <sup>(1)</sup></b>	<b>\$</b>	<b>1,015,359</b>

<sup>(1)</sup> Values may not sum due to rounding.





AECOM  
303 East Wacker Drive  
Suite 1400  
Chicago, IL 60601  
www.aecom.com

312 373 7700 tel  
312 373 6800 fax

October 9, 2013

Mr. Michael Colsch  
Chief of Finance  
Illinois State Toll Highway Authority  
2700 Ogden Avenue  
Downers Grove, IL 60515

**Subject: 2014 Renewal and Replacement Deposit**

Dear Mr. Colsch,

We have reviewed the renewal and replacement needs of the Tollway system in order to develop our recommendation for the deposit to be made to the Renewal and Replacement (R&R) Account in 2014. In addition to the maintenance and rehabilitation needs of the system, the Amended and Restated Trust Indenture, dated March 31, 1999 also permits the purchase of capital equipment under the R&R Account.

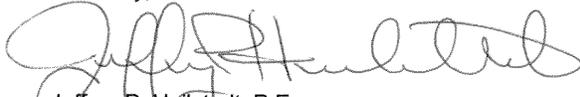
On September 30, 2013, the Tollway provided AECOM projected annual capital expenditures for the R&R Account for the years 2013 through 2026. These projected expenditures were developed by the Program Management Office (PMO) based upon methods understood by AECOM to be consistent with sound engineering practice. Based on our review of information provided, it is projected that the ending year balance for the R&R Account for 2013 will be approximately \$331 million.

Total expenditures for the R&R Program in 2014 are estimated to be approximately \$333 million. Based on our review of this and other information we recommend depositing \$200 million to the R&R Account for 2014 in order to fund the projects in the Tollway's Capital Program including roadway, bridge, and facility repair, rehabilitation and reconstruction as well as other non-roadway capital investments.

This recommendation is made pursuant to the requirements of Section 710.1 of the Trust Indenture, and based on AECOM's independent review of the information available at the time this letter was signed.

If you have any questions or need additional information, please contact the undersigned.

Sincerely,



Jeffrey P. Heilstedt, P.E.  
Vice President

cc: Kristi Lafleur, Tollway  
Rocco Zuccherro, Tollway  
Cathy Williams, Tollway  
Peter Foernsler, Tollway

Paul Kovacs, Tollway  
Linda Collins, Tollway  
Sam Samra, Tollway  
File 60190965 / 205.4

Greg Stukel, Tollway  
Maria Molliconi, Tollway  
Clarita Lao, Tollway

Exhibit 109

**2014 BUDGET**  
**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY**  
**CERTIFICATE OF AUTHORIZED OFFICER**

Set forth below is a statement showing actual and estimated Revenues (including estimates of Toll Revenues prepared by the Traffic Engineer, CDM Smith), Operating Expenses, Aggregate Debt Service and Renewal and Replacement Deposits (prepared by the Consulting Engineer, AECOM) for the years 2013 and 2014. This statement is prepared for the purpose of determining whether the Net Revenues, as projected, will be sufficient to at least equal the Net Revenue Requirements for such years, in accordance with the requirements of Section 713 of the Trust Indenture.

		(\$ Millions)	
		FY 2013	FY 2014
Net Revenues :			
<b>Actual Revenues - First Eight Months :</b>			
	Toll Revenue *	\$627.2	
	Evasion Recovery	35.6	
	Investment Income	0.7	
	Concession and Miscellaneous	4.2	
	<b>First Eight Months Revenues</b>	<b>\$667.7</b>	
<b>Estimated Revenues - Last Four Months :</b>			
	Toll Revenue *	\$309.8	
	Evasion Recovery	14.4	
	Investment Income	0.3	
	Concession and Miscellaneous	5.8	
	<b>Last Four Months Revenues</b>	<b>\$330.3</b>	
<b>Estimated Revenues :</b>			
	Toll Revenue *	\$937.0	\$959.0
	Evasion Recovery	50.0	46.0
	Investment Income	1.0	2.0
	Concession and Miscellaneous	10.0	8.0
	<b>Total Estimated Revenues</b>	<b>\$998.0</b>	<b>\$1,015.0</b>
	Less: Total Budgeted Operating Expenses	\$283.4	\$295.5
	Less: Deposit to Operating Reserve Sub-Account	\$0.0	0.0
	<b>Estimated Net Revenues</b>	<b>\$714.6</b>	<b>\$719.5</b>
Net Revenue Requirement			
	Aggregate Debt Service **	\$297.8	\$339.0
	Renewal and Replacement Account (RR) Deposit per AECOM	200.0	200.0
	<b>Net Revenue Requirement (Aggregate Debt Service + Renewal Replacement Deposit)</b>	<b>\$497.8</b>	<b>\$539.0</b>
	Alternative Net Revenue Requirement (1.3 X Aggregate Debt Service)	\$387.1	\$440.7
	<b>Revenues in Excess of Net Revenue Requirement</b>	<b>\$216.8</b>	<b>\$180.5</b>
	Build America Bond subsidy reduces transfers required for Debt Service	\$15.5	\$15.1
	Other Adjustments to Transfers from Revenue Fund to Operating and Debt Service Accounts	2.2	(9.9)
	<b>Additional deposit to Renewal and Replacement Account and Improvement Account</b>	<b>\$234.5</b>	<b>\$185.7</b>

\* CDM Smith has estimated expected toll revenues to total \$992,761,844 in 2013 and \$1,015,358,669 in 2014.

The amounts included in this certificate are adjusted to reflect the Tollway's estimate of overpayments, underpayments, and evaded tolls. These adjustments reduce toll revenues by \$55,761,844 for 2013 and \$56,358,669 for 2014.

\*\* Debt Service for 2014 includes \$26.3 million interest expenses for new debt and \$5 million for potential increased debt service from refunding/ restructuring synthetic fixed rate bonds.

*Totals may not add due to rounding.*

**Acronyms**

<b>AA</b>	Affirmative Action
<b>ACEC</b>	American Council of Engineering Companies
<b>ACM</b>	Automatic Coin Machine
<b>ADA</b>	Americans with Disabilities Act
<b>AFSCME</b>	American Federation of State, County and Municipal Employees
<b>ALI</b>	Automatic Location Identification
<b>ANI</b>	Automatic Number Identification
<b>ATIS</b>	Advanced Traveler Information System
<b>BEP</b>	Business Enterprise Program
<b>C5</b>	Contract Cost Change Controls Committee
<b>CA</b>	Central Administration for the Illinois Tollway
<b>CAD</b>	Computer Aided Dispatch
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>CCC</b>	Customer Call Center
<b>CCI</b>	Construction Communication Initiative
<b>CCTV</b>	Closed Circuit Television
<b>CIS</b>	Central Information Services
<b>CMAP</b>	Chicago Metropolitan Agency for Planning
<b>CMAQ</b>	Congestion Mitigation Air Quality
<b>CMS</b>	Central Management System
<b>CRM</b>	Customer Relationship Management
<b>CRP</b>	Congestion-Relief Program
<b>CW</b>	Central Warehouse
<b>DBA</b>	Database Administrator
<b>DBE</b>	Disadvantaged Business Enterprise
<b>D/M/WBE</b>	Disadvantaged, Minority- and Women-Owned Business Enterprises
<b>DC</b>	Direct Current
<b>DDR</b>	Data Disaster Recovery
<b>DMS</b>	Dynamic Message Signs
<b>DUI</b>	Driving Under the Influence
<b>DVD</b>	Digital Video Disc
<b>DVR</b>	Digital Video Recorder
<b>ECP</b>	Earned Credit Program
<b>EEC</b>	Executive Ethics Commission
<b>EEO</b>	Equal Employment Opportunity
<b>EMS</b>	Emergency Medical Services

**Acronyms (continued)**

<b>EOWA</b>	Elgin O’Hare Western Access
<b>ERP</b>	Enterprise Resource Planning
<b>ETCC</b>	Electronic Transaction Consultants Corporation
<b>FCIAA</b>	Fiscal Control and Internal Auditing Act
<b>FICA</b>	Federal Insurance Contributions Act
<b>FMLA</b>	Family Medical Leave Act
<b>FOIA</b>	Freedom of Information Act
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GAAS</b>	Generally Accepted Auditing Standards
<b>GASB</b>	Governmental Accounting Standards Board
<b>GFOA</b>	Government Finance Officers Association
<b>GIS</b>	Geographic Information System
<b>HACIA</b>	Hispanic American Construction Industry Association
<b>HVAC</b>	Heating, Ventilation and Cooling
<b>ICCB</b>	Illinois Community College Board
<b>IDCEO</b>	Illinois Department of Commerce and Economic Opportunity
<b>IDOT</b>	Illinois Department of Transportation
<b>IEPA</b>	Institute of Experimental and Applied Physics
<b>IGA</b>	Intergovernmental Agreement
<b>IHDA</b>	Illinois Housing Development Authority
<b>IRTBA</b>	Illinois Road and Transportation Builders Association
<b>ISA</b>	International Standards Audit
<b>ISO</b>	International Organization for Standardization
<b>ISP</b>	Illinois State Police
<b>IT</b>	Information Technology
<b>ITS</b>	Intelligent Transportation Systems
<b>IWIN</b>	Illinois Wireless Information Network
<b>JOC</b>	Job Order Contracting
<b>K.I.S.S.</b>	Kids Identification and Safety Seat
<b>LAC</b>	Local Advisory Committee
<b>LED</b>	Light Emitting Diode
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>LIBOR</b>	London Inter-Bank Offering Rate
<b>LIDAR</b>	Light Detection and Ranging
<b>M and O</b>	Maintenance and Operations
<b>MADS</b>	Maximum Annual Debt Service
<b>MAP</b>	Metropolitan Alliance of Police

**Acronyms (continued)**

<b>MBE</b>	Minority Business Enterprise
<b>MP</b>	Mile Post
<b>M/P</b>	Mentor/Protégé Program
<b>MPS</b>	Master Program Schedule
<b>M-Site</b>	Maintenance Site
<b>NVR</b>	Network Video Recorder
<b>ORT</b>	Open Road Tolling
<b>PBT</b>	Portable Breathalyzers
<b>PBX</b>	Private Branch Exchange Telephone System
<b>PCI</b>	Payment Card Industry
<b>PCIDS</b>	Payment Card Industry Data Security
<b>PCMS</b>	Portable Changeable Message Signs
<b>PMO</b>	Program Management Office
<b>PSAP</b>	Public Safety Answering Point
<b>PSB</b>	Professional Service Bulletin
<b>R and R</b>	Renewal and Replacement
<b>RFP</b>	Request for Proposal
<b>RMAP</b>	Rockford Metropolitan Agency for Planning
<b>RTA</b>	Regional Transportation Authority
<b>RWIS</b>	Road Weather Information System
<b>SAT</b>	Strategic Advisory Team
<b>SBP</b>	Small Business Program
<b>SDI</b>	System Development Integration
<b>SEIU</b>	Service Employees International Union
<b>SERS</b>	State Employees Retirement System
<b>SIFMA</b>	Securities Industry and Financial Markets Association
<b>SQL</b>	Structured Query Language
<b>TA</b>	Technical Assistance
<b>TIMS</b>	Traffic Incident Management System
<b>TRMMP</b>	Toll Revenue Management and Maintenance Program
<b>UPS</b>	Uninterruptible Power Supply
<b>USACE</b>	U.S. Army Corps of Engineers
<b>USDOT</b>	U.S. Department of Transportation
<b>USGBC</b>	U.S. Green Building Council
<b>VASCAR</b>	Visual Average Speed Computer and Recorder
<b>VBP</b>	Veterans Business Program
<b>VES</b>	Violation Enforcement System
<b>VMI</b>	Vendor Managed Inventory

**Acronyms (continued)**

<b>WBE</b>	Women Business Enterprise
<b>WBPM</b>	Web Based Program Management
<b>WIM</b>	Weigh-in-Motion

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## Glossary

APPROPRIATION – Spending authority from a specific fund for a specific amount, purpose and time period.

AVAILABLE FUND BALANCE – The total money in a fund at a particular point in time, typically at the beginning of a month or year end.

BASIS OF ACCOUNTING – The method of accounting used to track and report revenues and expenditures, for example, cash, budgetary or accrual.

BEST PRACTICES - Best practices are the processes, practices and systems identified in public and private organizations that performed exceptionally well and are recognized as improving an organization's performance and efficiency in specific areas. Successfully identifying and applying best practices can reduce business expenses and improve organizational efficiency.

BOND FUND - A fund that receives proceeds from the sale of bonds to be used for capital projects.

BOND RATING - An assessment of the credit risk with respect to a specific bond issue.

BOND RETIREMENT AND INTEREST - A fund used to repay principal and interest on bonds or other debt obligations, typically spent pursuant to a continuing and irrevocable appropriation.

BUDGET REQUEST - Represents the budget office's recommended budget to be presented to the Board for final approval.

CAPITAL EXPENDITURE - Non-recurring expenditures for the preservation, replacement, repair, renewal, reconstruction, modification or expansion of the Tollway.

CONSTRUCTION SECTION - Any one of the numerous divisions into which construction of the roadway, facilities and appurtenances of the Tollway may be divided for the purpose of awarding contracts.

CONSTRUCTION SECTION ENGINEER (CSE) - The Engineer or firm of engineers and their duly authorized employees, agents and representatives engaged by the Tollway to observe the work to determine whether or not it is being performed and constructed in compliance with the contract.

CONSULTING ENGINEER - The Engineer or firm of Engineers retained by the Tollway for the purpose of carrying out the duties imposed on the Consulting Engineer by the Trust Indenture and such other duties as assigned.

**Glossary** (continued)

DEPARTMENT - A major administrative division of the Tollway that has overall management responsibility for an operation or group of related operations within a functional area.

DEPARTMENTAL REQUEST – This request represents the various departmental budgets to be presented to the budget office.

DEBT SERVICE - Payment of principal, interest and other obligations associated with the retirement of debt.

DYNAMIC MESSAGE SIGN (DMS) - Dynamic Message Signs are the over-the-road message signs that TIMS uses to communicate with customers.

ELECTRONIC TOLL COLLECTION - An electronic means for motorists to pay toll charges without using coins or currency. Motorists attach an electronic signal device, known as a transponder, on their windshield to automatically deduct the toll charge as they drive through a toll plaza. Electronic toll collection is used by many toll highway systems, including the Illinois Tollway, which calls it I-PASS.

EMPLOYEE RETIREMENT CONTRIBUTIONS - Line item for payment of an employee's required contribution to the State Employee's Retirement System (SERS), which an agency has chosen or contracted to make on behalf of the employee.

ENVIRONMENTAL IMPACT STATEMENT - A document that describes the impacts on the environment as a result of a proposed action. The environment includes land, water, air, structures, living organisms, environmental values at the site and the social, cultural and economic aspects. An impact is a change in consequence that results from an activity.

E-ZPASS – Program that allows Illinois Tollway customers with an I-PASS to use their transponders to pay tolls in all states that accept E-ZPass.

FISCAL YEAR - The Tollway's fiscal year is January 1 through December 31. This is the period in which obligations are incurred, encumbrances are made and appropriations are expended. The State of Illinois' fiscal year is July 1 through June 30.

FULL-TIME EMPLOYEE - A full-time employee's work is based on a 40-hour work week for 52 weeks or 2,080 hours per year.

FUND - An account established by the bond indenture to hold money for specific programs, activities or objectives.

**Glossary** (continued)

**FUND BALANCE** - The difference between fund assets and fund liabilities remaining at year-end. For budgetary purposes, this represents the sum of over-realized or unanticipated revenues and unspent reserves at the end of each fiscal year.

**GROUP INSURANCE** - Line item for life and health insurance program for all Tollway employees, retirees and their dependents.

**HEADCOUNT** - A statement or description of the number of employees for a specific time period, usually the actual number or the calculated full-time equivalent.

**H.E.L.P. TRUCKS** - Highway Emergency Lane Patrol trucks are designed to enhance roadside assistance given to Tollway customers.

**IMPROVEMENT** - Any system expansion project or any acquisition, installation, construction, reconstruction, modification or enhancement of or to any real or personal property (other than Operating Expenses) for which a currently effective resolution of the Tollway has been adopted authorizing the deposit of revenues to the credit of the improvement account for such system expansion project or acquisition, installation, construction, reconstruction, modification or enhancement including, without limitation, the cost of related feasibility studies, plans, designs or other related expenditures.

**I-PASS** - The Illinois Tollway's electronic toll collection system.

**LIMITED ACCESS TOLL HIGHWAY** - A toll highway system (e.g., Illinois Tollway) in which the user pays tolls at plazas along the toll road.

**MAINLINE PLAZAS** - The type of toll collection plazas that span the roadways and are located throughout the system. These plazas may have manual, automatic and I-PASS lanes.

**MAINTENANCE AND OPERATIONS (M AND O)** - Maintenance and Operations covers the day-to-day operating cost of the Illinois Tollway.

**MONEY ROOM** - The Tollway's centralized cash and coin counting operation.

**MOVE ILLINOIS: THE ILLINOIS TOLLWAY DRIVING THE FUTURE** - Program approved by the Illinois Tollway Board of Directors on August 25, 2011, maps out the Illinois Tollway's capital needs for 2012 – 2026 and creates the infrastructure necessary for the 21st century.

**Glossary** (continued)

PART-TIME EMPLOYEE - An employee who performs less than 2,080 hours of work in one fiscal year.

PERSONAL SERVICES - Line item for salaries and wages to be paid to employees.

PORTABLE CHANGEABLE MESSAGE SIGN (PCMS) - Signs located throughout the system that the Tollway uses to communicate to customers regarding traffic flow or, more specifically, traffic incidents.

PROFESSIONAL SERVICE BULLETIN (PSB) - Contains information pertaining to the advertisement for Statements of Interest and Requests for Proposals for professional services for the Illinois Tollway.

PROJECT - Any Improvement or Renewal and Replacement.

RECORD OF DECISION (ROD) - This is issued by the Federal Highway Administration (FHWA) to signal formal federal approval of an Environmental Impact Statement (EIS) or Environmental Assessment (EA) concerning a proposed highway project. The ROD authorizes the respective state transportation agency to proceed with design, land acquisition and construction based on the availability of funds.

RECOVERY OF EXPENSES - This process claims and recovers damages caused to Tollway property or fixtures such as light poles, guard rails, toll gates, etc. Charges for emergency vehicles such as ambulances and fire equipment are also recovered.

RENEWAL AND REPLACEMENT - Preservation, replacement, repairs, renewals and reconstruction or modification of the Tollway system or any part of it constituting real or personal property, whether leased or purchased, but does not include system expansion projects.

RESERVE - Portion of appropriation intentionally set aside and not spent either to increase lapse or as a contingency for increased liabilities in other line items.

RETIREMENT PICK-UP - Line item for employer's share of contributions to the state retirement system.

**Glossary** (continued)

REVENUES - (i) All tolls, fees, charges, rents and other income and receipts derived from the operations of the Tollway system, (ii) the proceeds of any use and occupancy insurance relating to the Tollway system and of any other insurance that insures against loss of revenues, (iii) investment income from any monies or securities held in Funds, Accounts or Sub-Accounts established under the Amended and Restated Trust Indenture, other than the Construction Fund and (iv) amounts transferred from the Construction Fund to the Revenue Fund and transfers to the Trustee by the Authority from the System Reserve Account pursuant to subsection 1 of Section 512 of the Amended and Restated Trust Indenture. Revenues excludes federal or state grants and appropriations, loan proceeds, gifts or donations of any kind, transfers, if any, to the Authority as permitted under any Escrow Agreement and receipts not related to the Authority's performance of its obligations under the Amended and Restated Trust Indenture or to the operations of the Tollway system.

RIGHT-OF-WAY - A general term denoting land, property or interests therein acquired for or devoted to a highway.

SPECIFICATIONS - The general term comprising the direction, provision, instruction and requirement.

SYSTEM - The 286-miles that makes up the Tollway System.

SYSTEM EXPANSION PROJECT - Any acquisition, improvement, betterment, enlargement or capital addition that extends the Tollway system.

TOLL - A fee for usage or passage such as over a highway.

TOLL BOOTH - A booth on a highway where tolls are taken.

TOLL COLLECTOR - A Tollway employee hired to take tolls manually from customers.

TOLL HIGHWAY OR TOLLWAY - The limited-access highway built or proposed to be built by the Authority, including all facilities and appurtenances thereto.

TOLLWAY SYSTEM - Collectively the toll highways operated and maintained by the Tollway projects, properties, equipment and facilities to the extent used in connection with the operation and maintenance of the facilities.

TRANSPONDER - The device that communicates through radio signals with the toll plaza as the vehicle it is attached to passes through the lane, making a record of a paid toll.

**Glossary** (continued)

TRANSPORTATION INCIDENT MANAGEMENT SYSTEM (TIMS) - System that allows the Tollway to monitor weather, traffic incidents and construction areas that may affect the flow of traffic. This system can also alert customers by communicating to them specific areas of interests or concern by using the message signs along the system. The system also generates travel times that are available to motorists via the Travel Midwest website - [www.travelmidwest.com](http://www.travelmidwest.com).

TRUST INDENTURE - (THE AMENDED AND RESTATED TRUST INDENTURE) - A contract between the Tollway and its bondholders that establishes the rights and obligations of both parties (e.g., it creates a pledge of toll revenue to the bondholders).

UNMANNED PLAZA - Points of toll collection where toll collectors are not present. Customers who do not have I-PASS accounts drop toll payments in coin baskets.

VIOLATION ENFORCEMENT SYSTEM (VES) - A system that has been developed for the Tollway to collect unpaid tolls from violators. The system takes photographs of license plates of the vehicle and a fine notice is mailed to toll violators.



