



TENTATIVE 2020 BUDGET

October 17, 2019

Mike Colsch



2020 Budget Schedule

October

- ✓ Tentative 2020 Budget presented to Board

November

- ✓ Public review/comment on Tentative 2020 Budget
- ✓ Public comments provided to Board
- ✓ Incorporate changes arising from review process

December

- ✓ Board votes on Final 2020 Budget

2020 Budget Public Hearings

Three public hearings scheduled to present the Tentative 2020 Budget and accept public comments

- ✓ Tuesday, November 12 – 3 p.m. at Illinois Tollway headquarters
- ✓ Wednesday, November 13 – 6 p.m. at the Burr Ridge Police Department
- ✓ Thursday, November 14 – 6 p.m. at the Village of Schaumburg Prairie Center for the Arts

Public comments may be mailed or submitted online via the Tollway's website illinoistollway.com through November 18



2020 Budget Highlights

Revenue

- ✓ Steady growth year-over-year

Maintenance and Operations

- ✓ Increase in credit card usage and equipment maintenance to support electronic toll collection and customer service activities
- ✓ Operating costs consistent with financial plan

Capital Program

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

2020 Revenue Sources

Sources of Revenues FY 2019 - FY 2020

(\$ millions)

	FY 2019 Budget	FY 2019 Estimates	FY 2020 Projections
Toll Revenues and Evasion Recovery	\$1,470	\$1,450	\$1,495
Investment Income	30	35	30
Concessions and Miscellaneous Revenues	10	10	10
Revenues Total	\$1,510	\$1,495	\$1,535

CDM Smith's expected toll revenue estimate for fiscal year 2020 totals \$1,515.8 million. Tollway makes adjustments to reflect evaded tolls and underpayments.

Note: Numbers may not add to totals due to rounding

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2020 Revenue Allocations

MORE THAN 75 PERCENT OF REVENUES ALLOCATED TO SUPPORT INFRASTRUCTURE

(\$ millions)	FY 2019 Budget	FY 2019 Estimates	FY 2020 Projections
Maintenance and Operations	\$365	\$349	\$380
Debt Service and Reserve	441	414	450
Deposits to Renewal and Replacement and Improvement	704	732	705
Allocations Total	\$1,510	\$1,495	\$1,535

The M&O estimate for fiscal year 2019 does not include \$16 million allocated from the prior year.

Note: Numbers may not add to totals due to rounding

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2020 Maintenance and Operations

KEY DRIVERS OF OPERATING BUDGET

- ✓ Increase in total payroll due to salary and wage adjustments and an increase in estimated retirement contributions
- ✓ Increase in credit card usage associated with higher toll revenue
- ✓ Increase in equipment maintenance for toll collection equipment and new back-office software
- ✓ Increase in operational materials based on increased pricing for winter materials
- ✓ Decrease in employee group insurance due to decreased employee enrollment and lower coverage cost for employees that changed plans
- ✓ Decrease in customer service cost due to a reduction in violations related to increased transponder use



Focus on Customers

The Illinois Tollway serves

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

2020 Operating Budget includes

- ✓ \$98.8 million in Business Systems to support and tolling and customer service
- ✓ \$34.8 million in State Police for safety services
- ✓ \$78.5 million in Engineering to support roadway maintenance and traffic operations
- ✓ \$24.1 million in Information Technology

Goal: Enhance the customer driving experience



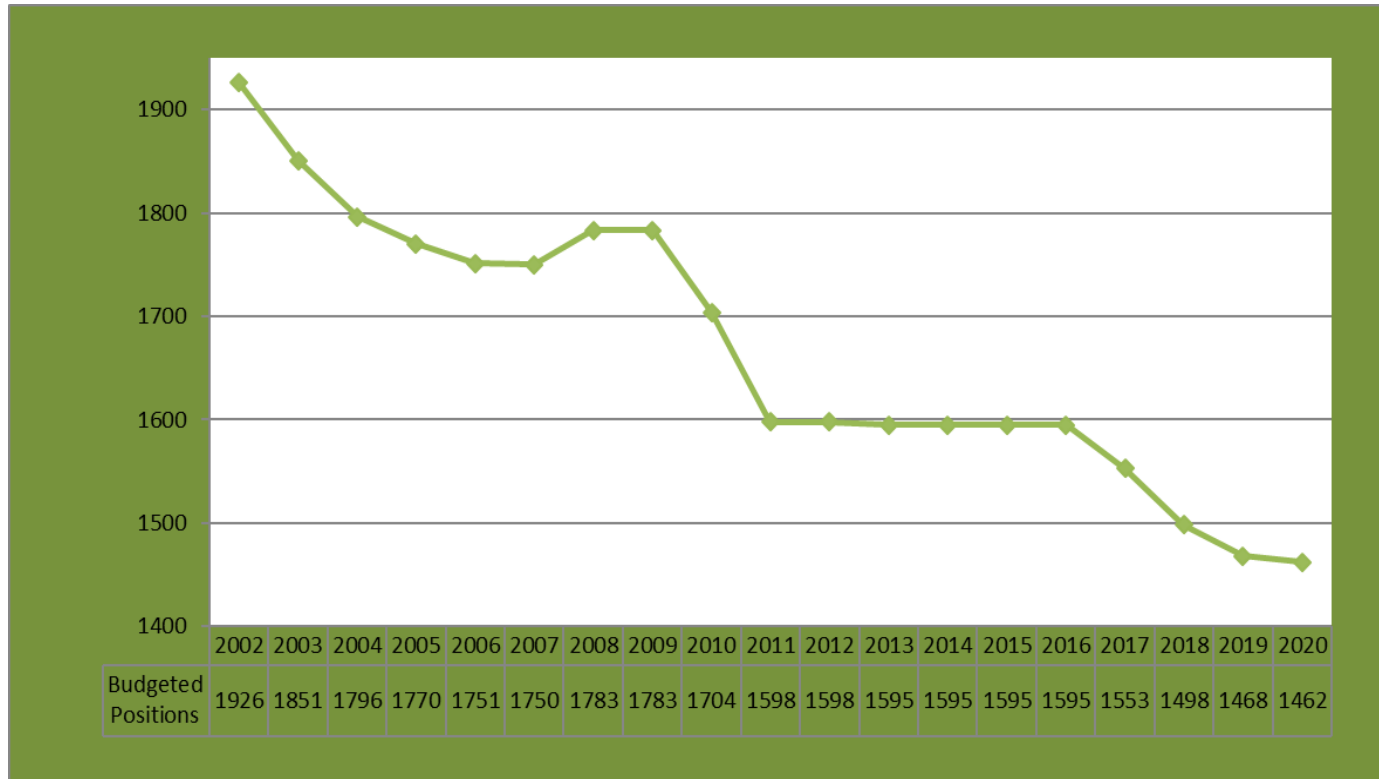
2020 Maintenance and Operations by Category

Category	2018	2019	2020	\$ Change	% Change
(\$ millions)	Actual	Budget	Budget	from	from
	Expenditures	Expenditures	Request	2019 Budget	2019 Budget
Salary and Wages	\$105.5	\$105.7	\$109.2	\$3.5	3.3%
FICA and Retirement	58.9	62.6	66.4	3.8	6.1%
Group Insurance	36.5	39.4	35.8	(3.6)	(9.2%)
All Other Insurance	7.3	11.6	11.6	(0.0)	(0.3%)
Credit Card Fees and Bank Charges	27.5	30.3	33.1	2.7	9.0%
All Other Contractual Services	56.1	66.7	68.2	1.4	2.1%
Equipment/ Office Rental/ Maintenance	24.7	27.2	31.2	4.0	14.5%
Parts and Fuels	7.2	6.8	6.7	(0.1)	(1.8%)
Utilities	7.9	8.5	8.7	0.1	1.5%
Operational Materials and Supplies	6.2	7.6	10.2	2.5	33.4%
Other Miscellaneous Expenses	0.8	1.1	1.7	0.7	61.8%
Recovery of Expenses	(2.5)	(2.3)	(2.3)	(0.1)	2.4%
Total M and O Expenditures	\$336.4	\$365.4	\$380.2	\$14.9	4.1%

**INCREASE IN
OPERATING
COSTS –
4 PERCENT
FROM 2019
BUDGET**



Tollway Headcount – As of 12/31 annually



2020 Debt Service

- ✓ **Assumes issuance of \$500 million of new bonds in 2020**
- ✓ **Outstanding debt at 1/1/2020 is \$6.1 billion**
- ✓ **Transfers for debt service estimated at \$450 million**
 - Interest \$324 million
 - Principal \$136 million
 - Other \$ 3 million (bond-related costs)
 - Offset by \$ (13) million federal Build America Bonds subsidy
- ✓ **Estimated debt service coverage of 2.6x in 2019 and 2.5x in 2020**

Capital Program Summary

(\$ millions)	2019 Budget	2019 Estimated Expenditures	2020 Request	\$ Change from 2019 Estimate
Existing System Needs	\$945.2	\$867.2	\$826.5	(\$40.8)
Jane Addams Memorial Tollway (I-90)	12.6	6.7	12.2	5.5
Tri-State Tollway (I-94/ I-294/ I-80)	444.7	381.3	446.9	65.6
Veterans Memorial Tollway (I-355)	23.7	27.8	10.8	(17.0)
Reagan Memorial Tollway (I-88)	66.6	74.4	27.9	(46.5)
Systemwide Improvements	397.6	377.1	328.7	(48.4)
System Expansion	\$462.0	\$215.5	\$635.1	\$419.5
Tri-State (I-294)/I-57 Interchange	28.0	16.8	71.6	54.7
Elgin O'Hare Western Access	423.3	189.8	559.6	369.8
Other Emerging Projects	10.7	8.9	3.9	(5.0)
Capital Program Total	\$1,407.2	\$1,082.8	\$1,461.5	\$378.8



Capital Program

KEY 2020 CAPITAL PROGRAM HIGHLIGHTS

Elgin O'Hare Western Access Project \$559.6 million

- ✓ Construction of new I-490 Tollway
- ✓ Construction of I-490 Interchange and connection to Illinois Route 390 Tollway
- ✓ Construction work at I-490/I-294 Interchange and I-490/I-90 Interchange
- ✓ Right-of-way acquisition and utility relocation

Central Tri-State Tollway (I-294) Project \$446.9 million

- ✓ Continued design and construction between 95th Street and Balmoral Avenue
- ✓ Construction continuing on Mile Long Bridge and BNSF Railway Bridge
- ✓ Right-of-way acquisition and utility relocation

Tri-State Tollway (I-294)/I-57 Interchange Project \$71.6 million

- ✓ Phase II ramp construction to continue



Capital Program

KEY 2020 CAPITAL PROGRAM HIGHLIGHTS

Systemwide Projects \$328.7 million

- ✓ Bridge, pavement and interchange improvements
- ✓ Toll collection and information technology improvements
- ✓ Facility upgrades, Job Order Contracting and program support

Reagan Memorial Tollway (I-88) \$27.9 million

- ✓ Roadway and bridge rehabilitation between Aurora Toll Plaza and Illinois Route 59
- ✓ Closeout of roadway and bridge improvements between York Road and I-290

Veterans Memorial Tollway (I-355) \$10.8 million

- ✓ Closeout of Butterfield Road to Army Trail Road improvements



Tentative 2020 Budget Summary

CONSISTENT WITH THE LONG-TERM FINANCIAL PLAN

- ✓ **Ninth year of *Move Illinois* – 2020 Capital Program projected to be \$1.5 billion**
 - 56 percent of the spending, or \$7.9 billion, will be spent on *Move Illinois* Program by 2020
- ✓ **Revenue - 2.7 percent above 2019 estimate**
- ✓ **Operating costs - 4.1 percent increase over 2019**
- ✓ **Debt service coverage projected at 2.5x in 2020**



THANK YOU

