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**

<table>
<thead>
<tr>
<th>Source of Revenues</th>
<th>FY 2019 Budget ($ millions)</th>
<th>FY 2019 Estimates ($ millions)</th>
<th>FY 2020 Projections ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toll Revenues and Evasion Recovery</td>
<td>$1,470</td>
<td>$1,450</td>
<td>$1,495</td>
</tr>
<tr>
<td>Investment Income</td>
<td>30</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td>Concessions and Miscellaneous Revenues</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Revenues Total</strong></td>
<td><strong>$1,510</strong></td>
<td><strong>$1,495</strong></td>
<td><strong>$1,535</strong></td>
</tr>
</tbody>
</table>

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.
# 2020 Revenue Allocations

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

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>FY 2019 Budget</th>
<th>FY 2019 Estimates</th>
<th>FY 2020 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance and Operations</td>
<td>$365</td>
<td>$349</td>
<td>$380</td>
</tr>
<tr>
<td>Debt Service and Reserve</td>
<td>441</td>
<td>414</td>
<td>450</td>
</tr>
<tr>
<td>Deposits to Renewal and Replacement and Improvement</td>
<td>704</td>
<td>732</td>
<td>705</td>
</tr>
<tr>
<td><strong>Allocations Total</strong></td>
<td><strong>$1,510</strong></td>
<td><strong>$1,495</strong></td>
<td><strong>$1,535</strong></td>
</tr>
</tbody>
</table>

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

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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

Note: Numbers may not add to totals due to rounding.
## 2020 Maintenance and Operations by Category

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

**INCREASE IN OPERATING COSTS – 4 PERCENT FROM 2019 BUDGET**
Tollway Headcount – As of 12/31 annually

![Chart showing headcount trends from 2002 to 2020. The chart indicates a general decrease in headcount over the years, with specific annual headcount numbers provided.]

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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

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# Capital Program Summary

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

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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

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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