



TENTATIVE 2021 BUDGET

October 15, 2020

Cathy Williams



2021 Budget Schedule

October

- Tentative 2021 Budget presented to Board

November

- Public review/comment on Tentative 2021 Budget
- Public comments provided to Board
- Incorporate changes arising from review process

December

- Board votes on Final 2021 Budget

2021 Budget Public Hearings

Two public hearings scheduled for the Tentative 2021 Budget

- Wednesday, November 4 – noon
- Wednesday, November 4 – 6 p.m.

Public comments may be shared during the public hearings, mailed or submitted online via the Tollway's website illinoistollway.com through November 13

2021 Budget Highlights

Revenue

- 2021 budgeted revenue is 11 percent* above 2020 estimate but 7.8 percent below the 2020 budget
- Continued anticipated impacts of pandemic and economic recovery

Maintenance and Operations

- Remains flat from the 2020 Budget
- Organizational realignments

Capital Program

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

* Expected revenue projections from CDM Smith



2021 Revenue Sources

Sources of Revenues FY 2019 - FY 2021

(\$ Millions)	2019 Actual	2020 Budget	2020 Estimates	2021 Projections	Percent Change	
					2021 Proj./ 2020 Est.	2021 Proj./ 2020 Budget
CDM Smith Revenue Estimate	\$1,465	\$1,516	\$1,304	\$1,469	12.7%	(3.1%)
Evaded Tolls Net of Evasion Recovery	(2)	(21)	(64)	(74)		
Toll Revenues and Net Evaded Tolls	\$1,463	\$1,495	\$1,240	\$1,395	12.5%	(6.7%)
Investment Income, Concessions and Miscellaneous Revenues	47	40	30	20		
Revenues Total	\$1,510	\$1,535	\$1,270	\$1,415	11.4%	(7.8%)

Potential factors considered by Traffic Engineers' revenue estimates

- Traffic trends
- COVID-19 recovery
- Construction and related lane closures
- Socioeconomic trends
- CPI-based commercial toll rate increases
- Weather-related events
- Weekday/weekend/holiday travel
- Gas prices (if elevated)



2021 Revenue Allocations

MORE THAN 73 PERCENT OF REVENUES ALLOCATED TO SUPPORT INFRASTRUCTURE

Allocation of Revenues FY 2020 - FY 2021

(\$ millions)

(\$ millions)	FY 2020 Budget	FY 2020 Estimates	FY 2021 Projections
Maintenance and Operations	\$380	\$365	\$380
Debt Service and Reserve	450	426	468
Deposits to Renewal and Replacement and Improvement	705	479	567
Allocations Total	\$1,535	\$1,270	\$1,415

The M&O estimate for fiscal year 2020 does not include \$15 million available from the prior year.

Note: Numbers may not add to totals due to rounding

Presented by Cathy Williams on October 15, 2020



2021 Budget – Focus on Customers

The Illinois Tollway serves 1.6 million daily drivers

91 percent of all transactions are I-PASS transactions

2021 Operating Budget includes:

- \$104.0 million in Business Systems and Toll Operations to support tolling and customer service
- \$103.1 million in Engineering and Facilities and Fleet to support roadway maintenance and traffic operations
- \$35.6 million in State Police for safety services
- \$26.8 million in Information Technology

Goal: Enhance the customer driving experience



2021 Maintenance and Operations

KEY DRIVERS OF OPERATING BUDGET

- Increase in total payroll due to increase in salaried positions and wage adjustments
- Increase in equipment maintenance for new and renewed support and software maintenance
- Increase in customer service cost due to increased image reviews and I-PASS communications
- Decrease in credit card usage associated with lower toll revenue
- Decrease in operational materials based on better pricing for winter materials
- Decrease in employee group insurance due to lower headcount and lower administrative costs



2021 Maintenance and Operations By Category

Category (\$ millions)	2019 Actual Expenditures	2020 Budget Expenditures	2021 Budget Request	\$ Change from 2020 Budget	% Change from 2020 Budget
Salary and Wages	\$106,715	\$109,182	\$112,869	\$3,686	3.4%
FICA and Retirement	63,011	66,377	68,984	2,607	3.9%
Group Insurance	31,522	35,800	32,800	(3,000)	-8.4%
All Other Insurance	10,712	11,587	11,099	(488)	-4.2%
Credit Card Fees and Bank Charges	31,408	33,050	30,200	(2,850)	-8.6%
All Other Contractual Services	55,873	66,481	69,776	3,295	5.0%
Equipment/ Office Rental/ Maintenance	24,278	32,372	32,895	523	1.6%
Parts and Fuels	9,154	6,569	5,940	(629)	-9.6%
Utilities	8,437	8,658	8,093	(565)	-6.5%
Operational Materials and Supplies	9,953	10,743	7,606	(3,137)	-29.2%
Other Miscellaneous Expenses	1,091.1	1,733.6	1,449.4	(284)	-16.4%
Recovery of Expenses	(1,947)	(2,305)	(2,194)	111	-4.8%
Total M and O Expenditures	\$350,207	\$380,248	\$379,516	(\$731.1)	-0.2%



2021 Debt Service

Outstanding debt at 1/1/2021 is \$6.4 billion

Assumes issuance of \$600 million of new bonds in 2021

Transfers for debt service estimated at \$468 million

- Principal \$141 million
- Interest \$341 million
- Offset by \$(14) million federal Build America Bonds subsidies

Estimated debt service coverage

- 2.0x in 2020
- 2.1x in 2021

Current Long Term Credit Ratings: Fitch AA- and Moody's A1



2021 Capital Program Summary

(\$ millions)	2012-2019 Expenditures	2020 Estimated Expenditures	2021 Request	Remaining 2022-2027	Move Illinois Program 2012 -2027
Existing System Needs	\$4,657.6	\$775.1	\$1,002.5	\$4,107.0	\$10,542.3
Jane Addams Memorial Tollway (I-90)	2,326.5	5.4	0.7	26.6	2,359.2
Tri-State Tollway (I-94/ I-294/ I-80)	720.7	485.0	690.4	2,423.2	4,319.4
Veterans Memorial Tollway (I-355)	142.0	19.3	1.3	102.7	265.3
Reagan Memorial Tollway (I-88)	244.3	27.3	24.9	69.5	366.0
Systemwide Improvements	1,224.1	238.1	285.3	1,485.0	3,232.5
System Expansion	\$1,745.9	\$386.3	\$531.5	\$1,049.0	\$3,712.8
Tri-State (I-294)/I-57 Interchange	129.6	45.4	78.0	72.3	325.3
Elgin O'Hare Western Access	1,597.1	338.8 *	451.4 **	879.1	3,266.4
Other Emerging Projects	19.3	2.1	2.2	97.6	121.1
Move Illinois Program Total	\$6,403.5	\$1,161.4	\$1,534.1	\$5,156.0	\$14,255.0
Agreement Reimbursements and Other Adjustments	(\$80.6)	(\$67.0)	\$0.0	\$0.0	(\$147.6)
Capital Program Total	\$6,322.9	\$1,094.4	\$1,534.1	\$5,156.0	\$14,107.4

*2020 estimated expenditures include \$176.5 million of ROW payments to UP/CP and CDA.

**2021 Budget includes scheduled payments of \$174 million for UP/CP and CDA.



Capital Program

KEY 2021 CAPITAL PROGRAM HIGHLIGHTS

Elgin O'Hare Western Access Project – \$451.4 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 – \$690.4 million

- Continued design and construction between 95th Street and Balmoral Avenue
- Construction continuing on Mile Long Bridge and BNSF Railway Bridge
- Widening and reconstruction of two mainline segments

Tri-State Tollway (I-294)/I-57 Interchange Project – \$78.0 million

- Phase II ramp construction to continue



Capital Program

KEY 2021 CAPITAL PROGRAM HIGHLIGHTS

Systemwide Projects \$285.3 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) \$24.9 million

- Roadway and bridge rehabilitation between Aurora Toll Plaza and Illinois Route 59
- Deerpath Road Bridge reconstruction and Windsor Road Bridge widening

Veterans Memorial Tollway (I-355) \$1.3 million

- Closeout of Butterfield Road to Army Trail Road improvements



Tentative 2021 Budget Summary

CONSISTENT WITH LONG-TERM FINANCIAL PLAN

Tenth year of *Move Illinois* Capital Program projected to be \$1.5 billion

- 63 percent of the spending, or \$9.0 billion, will be spent on *Move Illinois* Program by end of 2021

2021 budgeted revenue is 11 percent* above 2020 estimate but 7.8 percent below the 2020 budget

Operating costs – remain flat

Debt service coverage projected at 2.1x in 2021





THANK YOU

