

# 2008 Budget

Published: December 20th, 2007

**Governor Rod R. Blagojevich  
Chairman John Mitola  
Executive Director Brian McPartlin**

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**Rod Blagojevich, Governor**  
Ex-Officio-Member

**John Mitola, Chairman**  
Term expires May 1, 2011

**Brian McPartlin, Executive Director**

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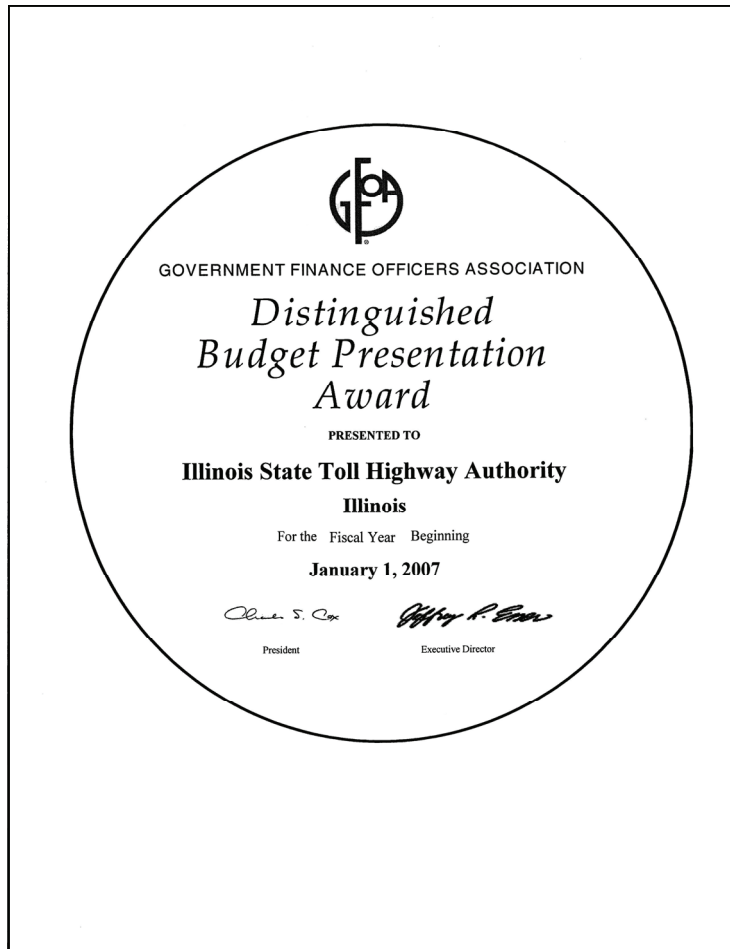
**Board of Directors**

*Top row from left:* James M. Roolf, Betty-Ann Moore, Chairman John Mitola, James J. Banks, Steven Harris

*Bottom row from left:*

Carl O. Towns, George Pradel, David R. Andalcio

*Not pictured:* Governor Rod R. Blagojevich, Ex-officio; Secretary Milton R. Sees, IDOT, Ex-officio; Director Thomas Canham



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 01, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.



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# Executive Letter

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December 20th, 2007

To the Honorable Chairman and Board of Directors:

The Illinois Tollway's commitment to alleviating traffic congestion remains our foremost priority, as we enter our fourth year of Governor Rod R. Blagojevich's \$6.3 billion Congestion-Relief Program – *Open Roads for a Faster Future*.

Our plans for 2008 are to maintain the aggressive timeline we established to enhance existing infrastructure, implement new cutting-edge technologies, and continue efforts to provide a level of service that exceeds customers' expectations. Drivers, businesses, and local communities served by the Illinois Tollway will greatly benefit from both new and ongoing projects, as well as other roadway improvements scheduled for 2008.

### **Congestion-Relief Program**

Completed ahead of schedule and within budget, opening the I-355 South Extension - now the Veterans Memorial Tollway - highlighted our dedication to meeting the needs of growing communities while reducing traffic congestion throughout the south suburban region. The 12.5-mile South Extension connects I-55 to I-80 and serves one of the fastest-growing regions of the state, where it has sparked widespread economic growth and development.

The successful completion in 2007 of the \$730 million I-355 South Extension project, as well as the \$708.8 million conversion to Open Road Tolling at all 20 mainline plazas in 2006, allows us to focus our energies and resources on other aspects of the Congestion-Relief Program – chiefly, rebuilding and widening many miles of major roadways.

Thus far, the Illinois Tollway has awarded \$2.74 billion in construction contracts related to the Congestion-Relief Program. In addition, we have awarded approximately \$622.5 million in contracts for design, inspection, and other engineering services, and contracts totaling about \$115.8 million for utilities, right-of-way, and other miscellaneous expenses. As a result, the Tollway has stimulated billions of dollars of economic growth in the local communities and provided thousands of good-paying jobs for men and women in the construction trades.

In 2008, funding dedicated toward the myriad of construction employment opportunities will continue to ensure sustained progress in reaching objectives outlined in the Governor's Congestion-Relief Program.

In the past four years, we have awarded more than \$1 billion in contracts toward the design-and-construction phase of the Tri-State Tollway (I-94/I-294/I-80) rebuild & widen project. That amount represents approximately half of the total \$2.3 billion budget to reconstruct and widen the vast majority of the 78.5-mile Tri-State Tollway.

Phase II of the South Tri-State rebuild & widen (I-294/I-80) project from 159<sup>th</sup> Street to 95<sup>th</sup> Street began in 2007 and will continue in 2008. Completion is scheduled in 2010. Also expected to be

completed in 2010 is the rebuild and widening work that continues on the Central Tri-State Tollway (I-294) from Balmoral Avenue to Lake-Cook Road.

On the Reagan Memorial Tollway (I-88), rebuild and widening is underway from York Road in Oak Brook to Washington Street in Naperville and from the Aurora Toll Plaza to Deerpath Road in Sugar Grove. Work on I-88 will continue in 2008 and is expected to be completed in 2009.

Renamed in 2007, the Jane Addams Memorial Tollway (I-90) rebuild & widening project is ongoing, and we expect to be finished with the master-planning and design phase in 2008. Completion of work between I-39 and Rockton Road is expected in 2009. The program budget for the I-90 Corridor is \$773 million.

The 2008 budget is comprised almost in its entirety with initiatives designed to yield the required construction support of the Congestion-Relief Program. That includes a key component to easing toll-road congestion: service and support of the more than 3.2 million I-PASS transponders utilized by our customers. But, also, the Illinois Tollway has adopted programs designed to improve agency operations in compliance with the Governor's Tollway reform agenda.

### **Customer Service**

In 2008, the Illinois Tollway will continue efforts to improve efficiencies, provide greater benefits for customers, and become more accountable to the public through enhanced customer-service offerings.

In order to achieve the highest levels of customer satisfaction, the Tollway is consolidating its I-PASS, Violation Enforcement System, Business System Integration, and Open Road Tolling unit under the new Department of Electronic Tolling. This consolidation will help to meet the Tollway's goals of improving business efficiencies through performance measurements, monitor and enhance electronic tolling, and assure vendor compliance with contract standards and expectations.

Building upon the 2007 introduction of a consolidated Customer Call Center, which was created to handle all customer phone calls regarding I-PASS, violations, and missed tolls, the Tollway will continue to invest in Internet and E-commerce solutions to improve capacity of the Tollway's web site, [www.illinoistollway.com](http://www.illinoistollway.com).

### **Public Safety**

The Tollway's ability to identify, monitor, and respond to incidents is crucial to public safety. It is with that in mind that we will invest in upgrading Intelligent Transportation System technologies, including installation of new closed-circuit TVs, better Dynamic Message Signs, and vehicle sensors near interchanges on the North Tri-State Tollway, among other new technologies.

In addition, the State Police has trained 30 new District 15 Troopers, which will increase police presence on the Tollway and provide customers a higher level of safety. The additional Troopers will patrol a new zone that includes the recently opened South Extension of Veterans Memorial Tollway.

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District 15 will continue to invest in replacing analog in-car cameras with digital units and replacing outdated radar detectors in order to improve Tollway safety, as well as present more reliable evidence in courtroom activities.

### **Supporting the Congestion-Relief Program**

Several initiatives that will be implemented in 2008 are geared toward improving the Tollway's technological infrastructure and overall operations. The Tollway will utilize carryover funds to continue the development of an integrated Enterprise Resource Planning computer system to manage budgeting, accounting, purchasing, human resources, fleet and roadway maintenance and payroll functions.

To improve Information Technology systems and facilities, the Tollway plans to upgrade its radio towers and maintenance radios, plaza computer infrastructure and intercoms, disaster-recovery systems, and the Tollway website.

### **Business Efficiencies**

Open Road Tolling, in its first full year of operation at all 20 mainline plazas, helped raise average daily I-PASS usage to more than 80 percent. There are currently more than 3.2 million active transponders on over 2.5 million accounts. Transponders are purchased primarily through the Tollway's Oasis-based Customer Service Centers or via our private-public partnership with Jewel-Osco, which makes transponders available for sale at more than 150 store locations. Transponders are also available through 1-800-UCI-PASS and via the Internet at [www.getipass.com](http://www.getipass.com).

The increase in customers utilizing the Tollway Web site to manage their I-PASS accounts and gather information on road construction or Tollway programs necessitates continued investment in 2008 in adding capacity to the Tollway Web site. This investment benefits customers and the Tollway, as the Internet proves to be the most cost-effective means of account management and customer communication.

The attached Fiscal Year 2008 budget clearly demonstrates that the Illinois Tollway's utmost priority is the continued investment in necessary improvements that provide congestion relief to the millions of drivers on the Tollway's 286-mile system. It also demonstrates the Illinois Tollway's unwavering commitment to reform initiatives and transforming the agency into an industry leader of Tollway management, design, and construction for the 21<sup>st</sup> century.

Sincerely,



Brian McPartlin  
Executive Director

# Executive Summary



The Illinois Tollway's 2008 Budget reflects the goals of accountability, efficiency and dedication to serving our customers. During 2008, the Tollway will continue to devote resources to provide all the necessary support for our customers and our employees—whether they are rebuilding roads to reduce congestion, providing the most up-to-date construction-related traffic information, helping stranded motorists, or assisting I-PASS customers.

### **2007 Accomplishments**

The Illinois Tollway is continuing efforts to be accountable to its customers and fulfill the pledge to act as a trustworthy steward of toll revenues.

For the fourth consecutive year, the Government Finance Officers Association (GFOA) awarded the Illinois Tollway with its GFOA Distinguished Budget Presentation Award for the 2007 Budget submitted to and approved by the Board, made available to the public through public meetings, and posted on the Internet.

2007 marked the first full year of Open Road Tolling on the 286-mile Illinois Tollway System; accolades were received from leaders in government, business and most importantly customers. A critical component of the Illinois Tollway's Congestion-Relief Program - *Open Roads for a Faster Future* - the availability of non-stop tolling raised average daily I-PASS usage to more than 80 percent. As a result of increasing participation, the number of active I-PASS transponders grew to more than 3.2 million and customers began reporting time savings of 10 minutes each way on their daily commutes.

### **Working More Efficiently**

Transitioning to Open Road Tolling in 2006, including the installation of new violation enforcement equipment, provided the Tollway the opportunity in 2007 to continue the transition to barrier free customer service. The Tollway began enhancing the Host computer system, and integrating the Violation Processing System (VPS), Customer Service Centers (CSC), Maintenance On-line Management System (MOMS), Revenue Collection System, and Revenue Collection Maintenance System. The new integrated system is revolutionizing the way the Tollway operates and will enable the agency as a whole to operate more efficiently as well as provide greater benefits and accountability to customers.

In addition, in 2007, a new “one stop shop” Customer Call Center (CCC) was created consolidating all customer phone calls that relate to I-PASS, violations, and missed tolls under one roof, a single operational center. Consolidated call centers are considered best practice throughout the industry. The CCC, operated through a vendor partner, offers the highest quality, multi-channel (phone, Internet and mail) call center and order fulfillment functions. Current and prospective I-PASS customers are able to open and manage their accounts as well as order, purchase and activate their transponders. Tollway customers are also able to pay and manage violation notices and missed tolls via the CCC.

## **Providing Better Service to More Customers**

As part of ongoing efforts to improve customer service and to meet the needs of a growing I-PASS customer base, the Illinois Tollway introduced a number of new initiatives in 2007.

A public search was conducted to continue retail sales, the most successful marketing technique for I-PASS transponder sales. Jewel-Osco was selected to continue I-PASS sales at more than 150 Jewel-Osco stores in the Chicago metropolitan area.

To further extend the availability of I-PASS sales beyond Jewel-Osco's retail base and address the needs of occasional and out-of-state users interested in purchasing an active I-PASS transponder while on the road, the Illinois Tollway opened five Customer Service Centers (CSC) at Tollway Oases in spring 2007. The CSC's are staffed by full-time Tollway personnel who facilitate sales and offer complete I-PASS and missed toll payment services for traveling customers preferring face-to-face service closer to work or home.

Transponders are also available at the Tollway's Customer Service Center in Downers Grove, through the new Consolidated Call Center at 1-800-UCI-PASS, or online at [www.getipass.com](http://www.getipass.com).

During 2007, the Tollway continued to enhance its E-Commerce services by offering I-PASS customers the ability to manage their account on-line, building on its current capabilities of purchasing and activating transponders. Currently more than 50 percent of the 2.5 million I-PASS account holders manage their accounts online at [www.getipass.com](http://www.getipass.com), 24 hours a day, 7 days a week. The Illinois Tollway's E-Commerce service, and its private partner Unisys, were recognized by Forbes magazine and the Everest Group with a 2007 Outsourcing Excellence Award. The award – for “Best IT Application” – recognizes the E-commerce benefits the partners are delivering to Illinois state government and users of the Illinois' I-PASS electronic toll collection system.

In 2007 Illinois Tollway leaders took a firm stance on behalf of I-PASS and E-ZPass users and convinced the State of Indiana and the Indiana Toll Road to rescind a plan to limit electronic toll collection discounts to Indiana I-Zoom transponder holders, keeping with the Interagency Group principles of simplicity, reciprocity and interoperability. The Tollway convinced Indiana to provide not only I-PASS users, but all E-ZPass users the same 40 percent discount promised to I-Zoom subscribers and ensured that no additional steps be required on the part of the customer to participate in the discount.

## **Know Before You Go**

With major construction projects underway systemwide, the Tollway invested resources in 2007 to inform customers about upcoming roadwork and minimize the inconveniences that often accompany major road projects. The Illinois Tollway launched a public awareness campaign designed to educate daily as well as occasional users on how to make their trips faster, easier and more convenient. “Know Before You Go” prompts customers to go to the Tollway's Web site, register for E-newsletters and E-alerts, sign up for travel reports and look for information on roadway signage and message boards. In 2007 the Illinois Tollway's E-alerts provided nearly 900,000 customers with immediate notice of I-PASS system enhancements, roadway improvements, and construction information.

To improve on-the-road customer communications during the busy summer travel season, the Tollway continued to update the technology on our toll roads providing high-quality information to the public creating a safer and more efficient roadway network. Closed Circuit TV cameras were deployed along portions of the system to monitor traffic flow and provide delay and routing information to customers.

### **Congestion-Relief Program—Year Three**

#### **Open Road Tolling (ORT)**

By the end of 2007, the Tollway is estimated to have expended more than \$708.8 million over a three-year period to deliver Open Road Tolling at the 20 mainline plazas systemwide and reconstruct or rehabilitate the existing plaza cash lanes and facilities. This includes reconstruction of the pavement through the plazas to accommodate the new roadway geometry necessary to implement Open Road Tolling. Work Continued through 2007 reconstructing the cash-side of the mainline plazas including adding new I-PASS Only lanes and rebuilding or rehabilitating the existing toll collection booths and the toll plaza support buildings.

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

In 2007, the Tollway opened the long-awaited South Extension of I-355 and at the request of the Illinois Legislature, dedicated the entire roadway as the Veterans Memorial Tollway. With the completion of the 12.5 mile, six-lane extension of the existing tollway, the Veterans Memorial Tollway is now 30 miles in length and extends from Army Trail Road in DuPage County on the north end through to I-80 in Will County. This extension will bring needed congestion relief, reduced travel times and jobs for residents of Will County, one of the fastest growing counties in Illinois. In early 2007, the remaining construction contracts were awarded and by mid-year work continued on 15 construction contracts throughout the corridor, the last of which was completed in early November 2007. By year-end it is estimated that \$705.1 million of the project's \$729.2 million budget will be earned.

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

Within the initial 5 years of the Congestion-Relief Program (CRP), the Tollway is planning to invest nearly \$2.2 billion to reconstruct and widen the majority of the Tri-State Tollway. By mid-2010, 76 miles of the 78.5 mile I-94/I-294/I-80 Tollway will have a minimum of 4 lanes in each direction. By the end of 2007, a majority of the contracts required to complete this work will have been obligated and \$663.6 million is estimated to have been earned.

Phase II of the South Tri-State Rebuild & Widen Project, to reconstruct and widen from 159<sup>th</sup> Street to 95<sup>th</sup> Street, began in early 2007 with work on retaining walls and bridge widening contracts. This work sets up the corridor for the mainline reconstruction and widening contracts scheduled for 2008 and 2009. By late 2007, five contracts to reconstruct and widen the southbound shall be awarded.

In 2007, the central section of the Tri-State from Balmoral Avenue to Lake-Cook Road remained under construction with 3 northbound reconstruction and widening contracts and 2 bridge reconstruction contracts underway. By years end, 3 additional contracts to reconstruct and widen the southbound lanes will be awarded along with an additional bridge reconstruction contract. The southbound reconstruction and widening of the north section of the Tri-State from Grand

Avenue to IL 173 and reconstruction from IL 173 to the Wisconsin State Line began in early 2007. By the end of 2007, the balance of the southbound contracts to reconstruct and widen the north Tri-State will be awarded along with two northbound contracts.

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

In 2007, construction work continued along I-88 between I-290 and west of the Fox River with approximately 50 percent of the contracts required to complete this work obligated and \$265.9 million estimated to be earned by year end. Two retaining wall and bridge widening contracts and two eastbound reconstruction and widening contracts are scheduled to be completed during 2007 between Finley Road and Washington Street. Other significant work underway along I-88 during 2007 includes: replacement of the east-west connector bridge connecting I-294 northbound with I-88 westbound, reconstruction and widening the mainline between IL 83 and York Road, reconstruction of the westbound York Road toll plaza, construction of a new mainline bridge over the Fox River and reconstruction and widening in the eastbound direction between IL 31 and the Aurora Toll Plaza.

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

In 2007 at the direction of the Illinois Legislature, the Northwest Tollway was renamed the Jane Addams Memorial Tollway. In 2007, work began on the reconstruction and widening for the section of I-90 between Cherry Valley and Rockton Road with shoulder resurfacing and construction of mainline crossovers. This project sets up the corridor for the mainline reconstruction and widening contracts scheduled for 2008 and 2009. Master planning and design work continued for the future reconstruction and widening for the balance of the corridor.

## **Fiscal Year 2008 Budget**

In 2008, the rebuilding of the Illinois Tollway continues as we enter the fourth year of Governor Rod R. Blagojevich's Congestion-Relief Program - *Open Roads for a Faster Future*. The Tollway continues its pursuit towards the five major objectives outlined in the program:

*Fix It:* Fix the existing infrastructure by reconstructing and widening most of the roads system-wide; over 90 percent will be rebuilt or rehabilitated.

*Congestion Relief:* Reduce travel times by converting the entire mainline system to Open Road Tolling to allow I-PASS users to pay tolls electronically at highway speeds (*Completed*)

*Meet Needs of Growing Communities:* Extend I-355 south to accommodate the needs of growing communities.

*Enhance Local Economies:* Establish corridor planning councils to strengthen the partnership between the Tollway and communities it serves.

*Cutting-Edge Initiatives:* Implement Intelligent Transportation System (ITS) technology and congestion pricing to better manage congestion and serve Tollway customers.

Starting the fourth year, the Tollway is on schedule and well on its way to make the system-wide improvements initiated during the first three years of the Congestion-Relief Program (CRP). While designers, engineers, construction crews and support staff work together on multiple road projects, the Tollway is committed to following the principles of the Governor's reform agenda launched four years ago. The 2008 Budget reflects the priorities of the CRP and the need to maintain operations in support of this extensive program, as well as daily toll operations.

Additional organizational changes include the consolidation of I-PASS, Violation Enforcement System (VES), Business Systems Integration (BSI) and Open Road Tolling (ORT) units under the new Department of Electronic Tolling. These units have always been interdependent upon each other helping the Illinois Tollway become the model for the toll industry. The consolidation meets the goals of this organization to achieve the highest level of customer service, improve business efficiencies through performance measurement, monitor and enhance electronic tolling, and assure vendor compliance with contract standards and expectations.

To support the CRP, including the new I-355 South Extension, this budget proposes the addition of seventeen new positions in the Maintenance and Traffic Division of Engineering, five in the Facility Services Division of Administration, six in Toll Collection under Operational Services, two in Electronic Tolling, two in Communications and one in Procurement.

Other initiatives included in the 2008 Budget are:

***Enterprise Resource Planning***

**\$11.0 million (capital)**

The Tollway has allocated \$11 million to continue implementation of an Enterprise Resource Planning system to more efficiently manage multiple business activities including: the purchasing of equipment and supplies, I-PASS sales, finance management, accounting, inventory management, and human resources management.

***Information Technology Systems***

**\$10.9 million (capital)**

To improve and maintain the Tollway's Information Technology systems and facilities, the Tollway has included the following projects in the 2008 Budget: radio upgrade and replacement; system-wide tower preservation and M-4 tower replacement; upgrade of plaza computer infrastructure and intercom replacement; I-PASS storage and expansion; disaster recovery system; computer systems replacement and upgrade; and Tollway website maintenance and upgrade.

***Next Generation Network (NGN)***

**\$2.0 million (capital)**

The Tollway continues to advance the on-going Next Generation Network (NGN) project, including overhauling the Tollway's Wide Area Network infrastructure.

***Web and E-Commerce***

**\$700 thousand (operations)**

With the implementation of ORT and the CRP, the volume of customers seeking information about construction or Tollway programs, or using the website for I-PASS online account management will continue to increase. These funds will be deployed to improve capacity of the Tollway's Web site, [www.illinoistollway.com](http://www.illinoistollway.com). Using the website is the most cost-efficient way to communicate with our customers.

***Intelligent Transportation Systems (ITS)***

**\$15.5 million (capital)**

The Tollway will continue its charge to upgrade the technology along the system to improve incident response time and monitor and detect traffic incidents. More than \$15.5 million is allocated to improve the Tollway's Intelligent Transportation System (ITS), including: installing new and relocating existing wireless closed circuit TVs; converting CCTV cameras from analog to digital technology; installing 30 Remote Traffic Microwave Sensor vehicle detectors near interchanges on the North Tri-State Tollway; implementing a Video Incident Detection System; installing new and replacing existing Dynamic Message Signs located at major arterial points of the Tollway; and expanding and maintaining the Tollway's fiber optics operations.

***Signage***

**\$4.5 million (capital)**

To help manage traffic through the extensive construction zones throughout the system widespread signage is used to ease congestion by communicating changes in traffic patterns, night-time and off-peak lane closures and identify alternate routes. The 2008 budget allocates funding to provide additional signage and perform an overall upgrade to existing signs.

***Disparity Study***

**\$500 thousand (capital)**

This project will study the current contracting/subcontracting conditions for certified Disadvantage Business Enterprises (DBE's) who are expressing an interest in providing construction related services to the CRP. The study will determine whether passive or active discrimination exists at the Tollway or within the industry that precludes DBE's from freely participating in contracting opportunities.

***Illinois State Police District 15***

**\$4.1 million (capital and operations)**

The State Police have trained 30 additional Troopers that will allow District 15 to increase its presence while improving roadway safety for Tollway customers. This additional headcount will be used to patrol a new zone that includes the Veterans Memorial Tollway (I-355) South Extension which opened in November 2007.

District 15 will continue to replace its analog in-car cameras with digital units as well as continue to

replace outdated radar detectors. These purchases will enable District 15 to help improve Tollway safety conditions and provide more reliable evidence in courtroom activities. Finally, the continuation of Photo Radar Enforcement will allow District 15 to enforce construction site speed limit zones more efficiently.

The Illinois State Police will be equipped with automatic external defibrillators to increase the chance of survival for patrons in the unfortunate event of a sudden cardiac arrest. The Officers will also install digital cameras in their patrol vehicles to review and recreate incidents which will ultimately educate, give public awareness and influence motorists to drive more carefully and avoid convictions thus making roads safer.

### **Budget Summary**

#### **Revenue Estimates for 2008**

The Tollway's Operating Revenues for Fiscal Year 2008 ("FY2008") are estimated to total \$670 million. This is an increase of 5.3 percent over the Fiscal Year 2007 ("FY2007") Operating Revenue estimate of \$636 million.

The principal source of revenue for the Tollway comes from the collection of tolls and recoveries from the Violation Enforcement Program. The Tollway's Traffic Engineers, Wilbur Smith Associates, estimate Expected Toll Revenue from toll transactions, indicating Toll Revenue that would be collected if all transactions were collected at the appropriate toll. The Tollway adjusts the estimates to reflect the anticipated loss of non-payment or under-payment of tolls and then adds revenues collected through its Violation Enforcement System.

For FY2008, Toll Revenues and Evasion Recovery are estimated to total \$636 million. Other FY2008 Operating Revenues include \$30 million from Investment Income and \$4 million from Concessions and Miscellaneous sources.

#### **Revenue Revisions for 2007**

The current make up of the FY2007 Revenue Estimates was revised slightly but remains at \$636 million as presented in the 2007 Budget Book. Toll Revenue and Evasion Recovery estimates were revised downward by approximately \$15 million. This reduction is offset by higher than expected revenues from Investment Income.

#### **Allocation of 2008 Revenues**

The Tollway's proposed budget allocates revenue to four major accounts. These accounts include Maintenance and Operations (M&O), Debt Service, Renewal and Replacement, and Improvements. Renewal and Replacement and Improvements comprise current resources allocated to fund the Tollway capital program.

The FY2008 Budget allocates \$670 million of revenue as follows:

The M&O budget is \$236.3 million, an increase of \$11.7 million or 5.2 percent over FY2007 operating expenses of \$224.6 million.

The Debt Service budget is \$204.0 million, consisting of \$195.5 million for outstanding debt and



\$8.5 million for interest on new bonds assumed to be issued in the third quarter of 2008 in the amount of \$500 million at a 5 percent estimated interest rate. The 2008 Debt Service budget is an increase of \$31.9 million over 2007 Debt Service. This increase consists of:

- (i) the aforementioned \$8.5 million interest expense for the assumed Series 2008; and
- (ii) an additional \$23.2 million interest expense for the \$700 million Series 2007 Bonds which closed on November 1, 2007 (i.e. 12 months of interest in 2008 versus 2 months in 2007).

Remaining revenues of \$229.7 million are allocated to the Renewal and Replacement and Improvement Accounts, providing a significant source of funding for the Congestion-Relief Program and other non-roadway capital investments.

### **Maintenance & Operations Budget**

The M&O Budget will fund the ongoing operating costs of the Illinois Tollway. The Tollway is requesting a 2008 budget of \$236.3 million, which is an increase of \$11.7 million or 5.2 percent over the 2007 revised budget.

### **Category Highlights**

The Tollway's Personal Services total \$134.9 million including Salaries, Wages, Social Security and Retirement. This category increased \$12.4 million or 10.1 percent over the 2007 Maintenance and Operations Budget. Salaries and Wages increased \$6.1 million or 6.1 percent, while Social Security and Retirement contributions increased \$6.2 million or 29 percent. The Personal Services category accounts for 57.1 percent of total operating expenditures.

The Tollway's insurance costs total \$33.2 million or 14.1 percent of the 2008 M&O Budget. The Tollway pays for Group Health Insurance, Property Insurance, Worker's Compensation Insurance as well as the Illinois State Police District 15 Group Health Insurance. The Tollway's insurance overall, will increase by \$1.5 million or 4.5 percent.

As a result of the Tollway's expansion, Contracted Outside Services combined with Consulting Services increased by \$1.8 million to cover the maintenance and support contract for DMS, CCTV, and Queue detection equipment along with the Starcom Statewide Public Safety Radio System, E-Commerce and Unisys Disaster Recovery. Merchant Card fees, Telephone charges, Uniforms and Accessories, and Other Expenses combined for an increase of \$1.4 million.

Equipment Maintenance decreased by \$2.4 million in areas such as electronic tolling and hardware/software maintenance. Other Outside Services decreased by \$1.1 million in electronic tolling as well as collection agency fees. Operational Materials/Supplies, Equipment Rentals, Postage, Employee Training/Travel, M&O Equipment, and Expense Recovery have a combined decrease of \$1.6 million.

### **Capital Program**

During Fiscal Year 2008, the Tollway's Capital Program reflects \$1.4 billion for the Renewal/Replacement and Improvement Program, commonly referred to as the Capital Program. The Tollway's Capital Program is divided into two parts: the Congestion-Relief Program and other capital needs that support the Tollway such as roadway equipment and vehicles, building repair and improvements, and current technologies. In Fiscal Year 2008, the Capital Program will be funded from current revenue and funds derived from the issuance of bonds and deposited into the Con-

struction Fund. The Capital Budget allocates \$1.279 billion for new construction projects that are part of the CRP and nearly \$109 million other capital needs including non-roadway system-wide maintenance and updated technologies.

More details on the Capital Program can be reviewed on pages 91-106.

### **Bonded Indebtedness**

The Tollway has budgeted \$204.0 million for debt service in FY2008, which consists of the following: (i) \$195.5 million of debt service on \$3.0 billion of bonds outstanding as of January 1, 2008; and (ii) \$8.5 million for interest on \$500 million Series 2008 Bonds expected to be issued in the third quarter of 2008.

Net revenues available to pay debt service are estimated to total \$433.7 million in FY2008, providing a debt service coverage ratio of 2.13 times.

# Tollway Organization and Background



## **The Tollway System**

The Tollway system currently consists of the Tri-State, Jane Addams Memorial, Reagan Memorial, and Veterans Memorial Tollways. They form approximately 286 miles of limited-access highways, in 12 counties. All four roads are designated as part of the 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 functioned as a bypass around Chicago and permitted rapid interstate travel between northern Illinois, Indiana, and Wisconsin. As the suburban area surrounding Chicago expanded throughout the 1960's and 1970's, the Tollway evolved into primarily a commuter travel system, serving suburban Chicago and O'Hare International Airport.

### **Toll Transaction / Revenues**

The Tollway system has experienced a steady increase in toll transactions and revenues since its first full year of operation in 1959. In 1959, the Tollway system processed 43 million transactions. The latest complete figures show the Tollway processed 764 million toll transactions in 2006.

In September 2004, the Illinois Tollway Board approved a \$5.3 billion Congestion-Relief Plan (CRP) to reduce traffic congestion and rebuild the system. In conjunction with the CRP, the Tollway also authorized a toll increase. Major elements of the CRP are:

- Rebuilding/restoring the system
- Adding lanes
- Converting 20 mainline toll plazas to Open Road Tolling
- Building the I-355 South Extension

In 2007, the Tollway updated the Congestion-Relief Program. The updated program extends through 2016 and is budgeted at \$6.3 billion.

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

The Reagan Memorial Tollway (I-88), formerly named the East-West Tollway, begins just east of the junction of the Tri-State Tollway (I-294) and the Eisenhower Expressway (I-290) and runs west to U.S. Route 30 in the Sterling/Rock Falls area.

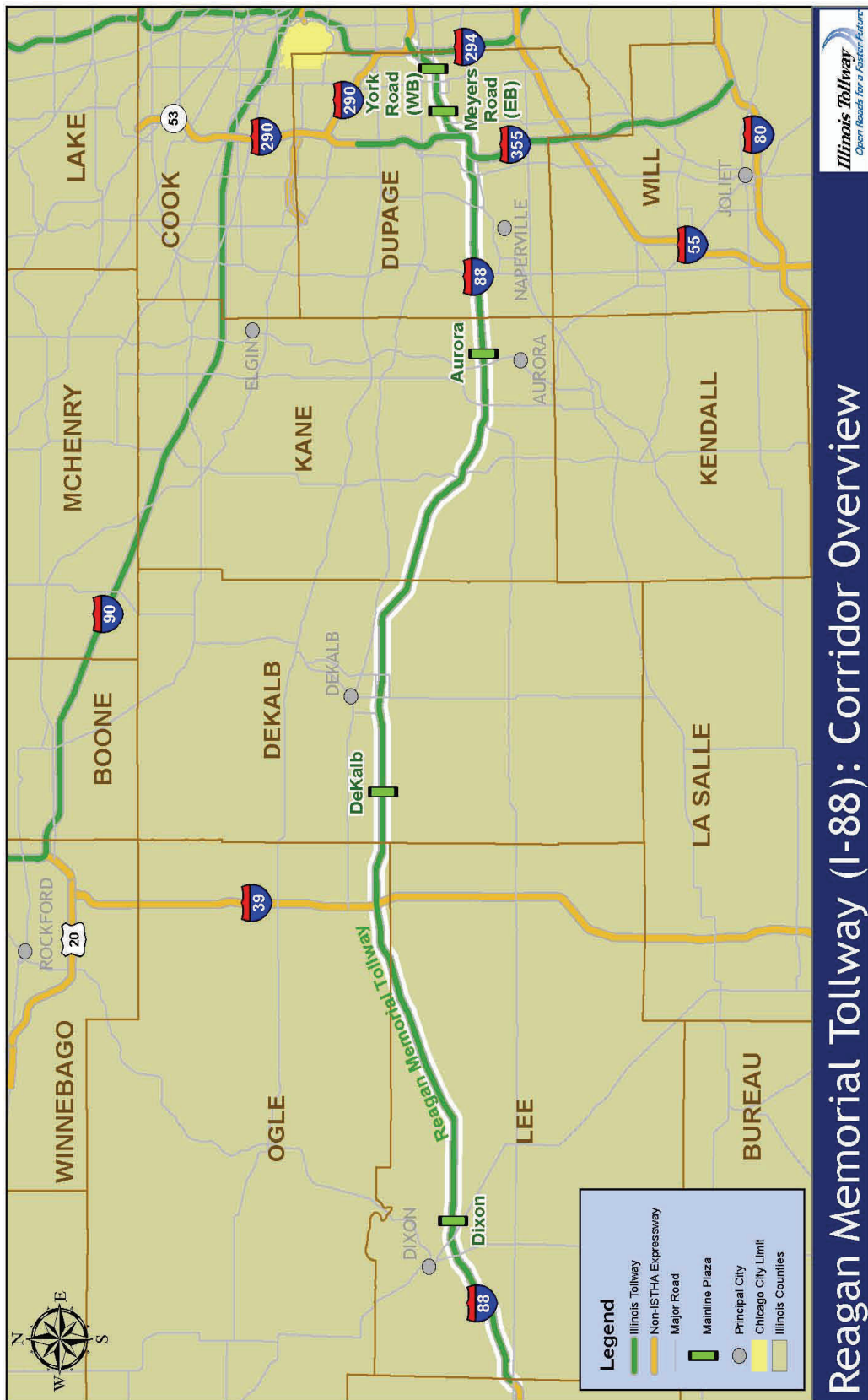
The Tollway constructed the Reagan in two segments. The first segment, from the Eisenhower Expressway to the Aurora Toll Plaza was completed in 1957. The second segment from the Aurora Toll Plaza to U.S. 30 was completed in 1974.

### **Roadway Characteristics**

- ◆ 96 Mile Roadway
- ◆ Currently, the Reagan Memorial includes 22 interchanges, 17 toll plazas and 1 oasis.
- ◆ When the Congestion-Relief Program is complete, the roadway capacity will be:
  - 8 lanes from York Road to IL 59
  - 6 lanes from Aurora to IL 56
  - 4 lanes from IL 56 to the western end of the system

### **Transportation Network**

- ◆ The Reagan connects the City of Chicago to Chicago's western suburbs.
- ◆ It also connects Chicago and its suburbs to western Illinois and the broader Tri-State region.





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

The Veterans Memorial Tollway (I-355) formerly the North-South Tollway, is a 30-mile-long toll highway running from Army Trail Road in DuPage County and extending south to Interstate 80 in Will County.

The Tollway constructed I-355 in two parts. The first segment from Army Trail Road to Interstate 55 was completed in 1989 and cost approximately \$523 million. The second segment from Interstate 55 to Interstate 80 opened in November 2007 at an estimated construction cost of \$730 million. Frequently referred to as the I-355 South Extension, this 12.5 mile Tollway will improve regional mobility and access for residents of Will County.

### **Roadway Characteristics**

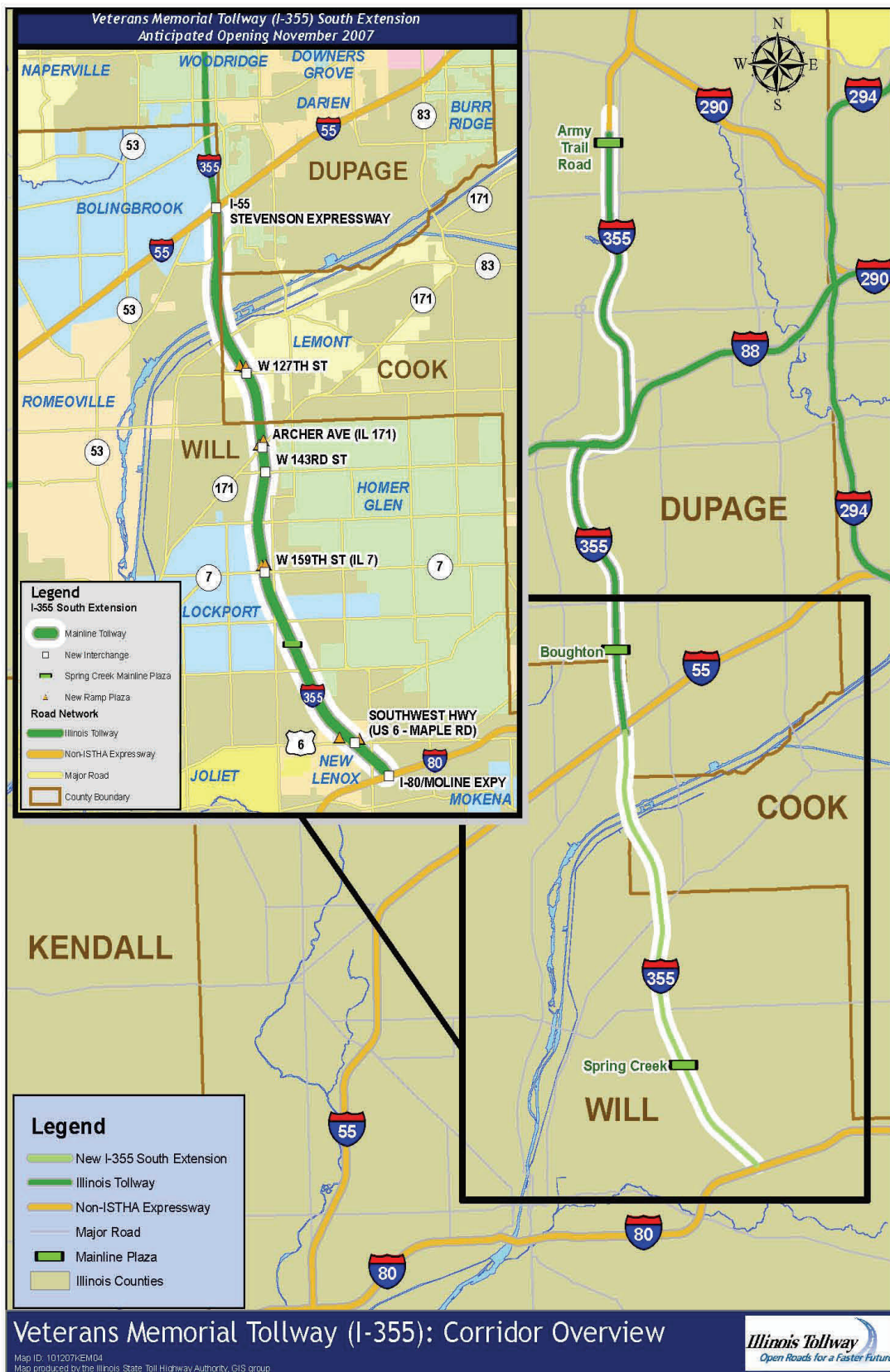
- ◆ 30-mile roadway
- ◆ The Veterans Memorial Tollway includes 16 interchanges and 15 toll plazas.
- ◆ When the Congestion-Relief Program is complete, the roadway capacity will be:
  - 6 lanes for most of the corridor with additional auxiliary lanes at various interchanges
  - 8 lanes from 75<sup>th</sup> Street to the Reagan (I-88) per the updated program

### **Transportation Network**

- ◆ The Veterans Memorial connects the northwest suburbs to the southwest suburbs, including connections between Will County and northwest Cook County.
- ◆ The South Extension extended I-355 by 12.5 miles to serve the growing Will County area and will provide a regional connection that improves access and mobility between Interstate 55 and Interstate 80.

### **Traffic Patterns**

- ◆ Strong suburban population growth is driving demand for travel in the western and southwestern region. In particular, Will County is one of the fastest growing Counties in the U.S.
- ◆ Strong suburban employment numbers continue to drive the demand for this roadway, as many drivers commute from lower cost housing areas in Will County to employment centers in northwest Cook County such as Schaumburg and O'Hare International Airport.



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

The Jane Addams Memorial Tollway (I-90), formerly named the Northwest Tollway, begins at the intersection of the Kennedy Expressway (I-90) and Interstate I-90. From this location near O'Hare International Airport, the Jane Addams runs west to Rockford and then north to just south of the Wisconsin state line.

Completed in 1958, total construction costs were slightly more than \$100 million.

### **Roadway Characteristics**

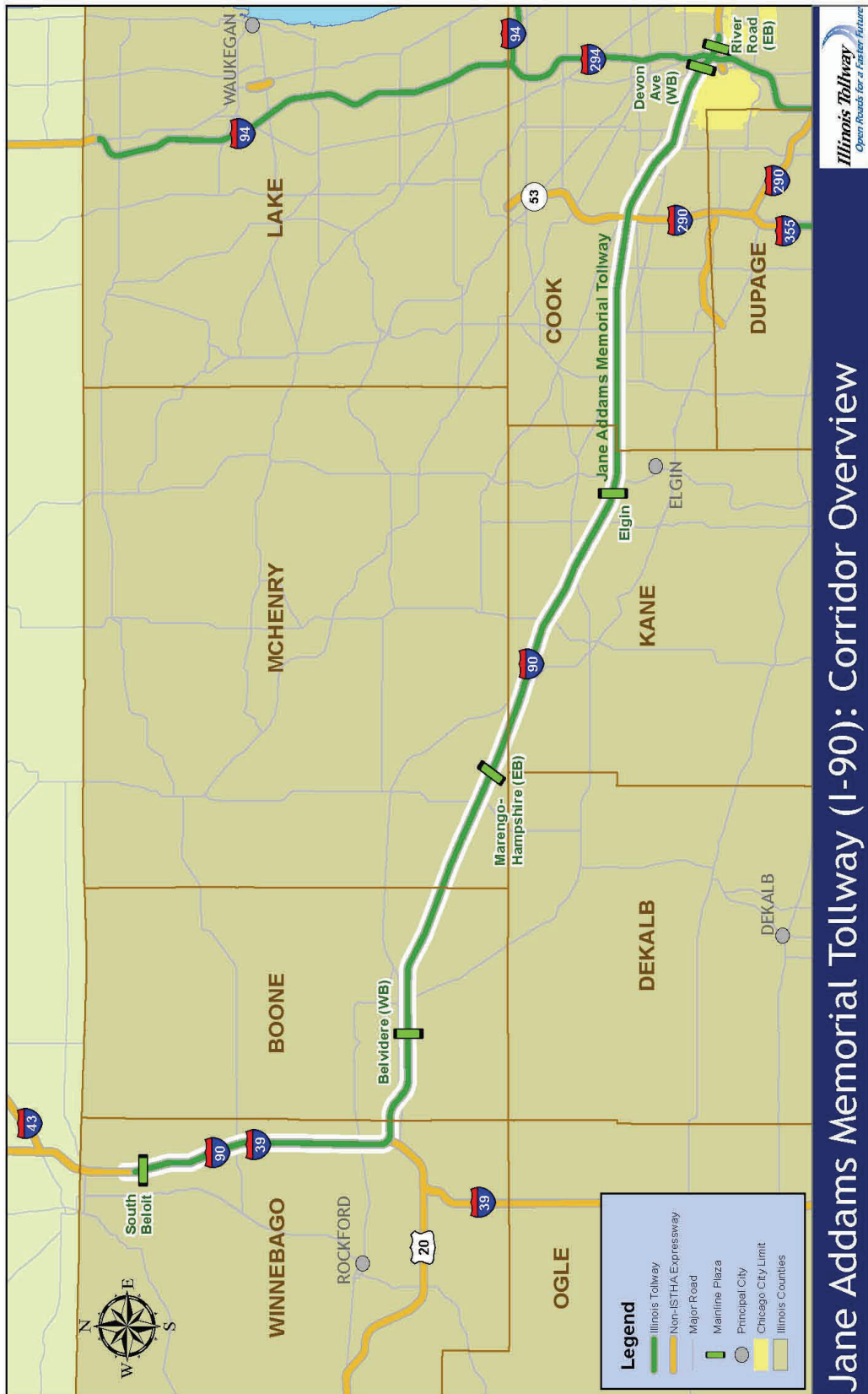
- ◆ 76-mile roadway
- ◆ Currently, the Jane Addams includes 20 interchanges, 17 toll plazas, and 2 oases.
- ◆ When the Congestion-Relief Program construction is complete, the roadway capacity will be:
  - 8 lanes from the Kennedy Expressway to Elgin
  - 4 lanes from Elgin to Interstate I-39
  - 6 lanes from Interstate I-39 to near the Wisconsin state line

### **Transportation Network**

- ◆ The Jane Addams connects the City of Chicago to the northwest suburbs.
- ◆ It also provides a major interstate travel route for drivers traveling from Indiana to Wisconsin.

### **Traffic Patterns**

- ◆ Population growth and lower cost housing opportunities in ex-urban areas such as Kane and McHenry County foster demand in further west locations.
- ◆ Both the Chicago-Rockford International Airport and O'Hare International Airport are located along the Jane Addams. O'Hare is one of the busiest airports in the world and generates significant travel demand for air travelers and for airport employees.
- ◆ The high tech corridor along the Tollway in northwest Cook County makes this area a significant employment center and drives the demand for this roadway.



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

The Tri-State Tollway (I-94, I-294, I-80/I-94) and Edens Spur (I-94), is an 84-mile beltway around the Chicago metropolitan area. It extends from west of the Indiana state line at the Bishop Ford Expressway (I-94/IL 394) to South of the Wisconsin state line.

Completed in 1958, the Tri-State cost approximately \$242 million to build.

### **Roadway Characteristics**

- ◆ 81-mile roadway
- ◆ Currently, it includes 41 interchanges, 23 toll plazas, and 4 oases.
- ◆ When the Congestion Relief Program is complete, the roadway capacity will be:
  - 8 lanes from the south end of the system near the Indiana state line to
  - the north end of the system at IL 173 near the Wisconsin state line

### **Transportation Network**

- ◆ The Tri-State functions as major bypass around the City of Chicago; thus facilitating interstate travel between Indiana and Wisconsin.
- ◆ It also provides access to O'Hare International Airport from northern and southern suburbs.
- ◆ With the completion of major widening projects on IDOT, INDOT and Tollway roadways, interstate travelers can now travel on I-80 from the Indiana state line to approximately 163rd Street with significantly more roadway capacity.

### **Traffic Patterns**

- ◆ Covering relatively mature urban areas, the Tri-State is the most heavily traveled leg of the system.
- ◆ Its high traffic volumes and high truck proportions make it the Tollway's highest revenue generating segment.





## **Authorization**

The Illinois General Assembly created the Illinois State Toll Highway Commission as an instrumentality and administrative agency of the State of Illinois in 1953. The Commission provided for the construction, operation, regulation, and maintenance of a system of toll highways within the State of Illinois. The Commission officially became The Illinois State Toll Highway Authority (“The Tollway”) in March 1969 when the Illinois Supreme Court upheld the constitutionality of a new toll road act that had been passed by the General Assembly on August 8, 1967, effective April 1, 1968. The Tollway assumed all the obligations, powers, duties, functions, and assets of the Commission. The Act authorizes the issuance of revenue bonds for the purpose, among others, of financing expansions of the Tollway system.

The Tollway is also empowered to enter into contracts; acquire, own, use, lease, operate, and dispose of personal and real property, including rights of way, franchises, and easements; to establish and amend resolutions, by-laws, rules, regulations, and toll rates; to acquire; construct, relocate, operate, regulate, and maintain the Tollway system; to exercise powers of eminent domain and condemnation; to raise or lower toll rates; and to contract for services and supplies, including services and supplies for the various patron service areas on the Tollway system.

## **Board of Directors**

The Tollway is governed by an eleven-member Board of Directors that includes the Governor of Illinois and the Secretary of the Illinois Department of Transportation, ex-officio, and nine directors appointed by the Governor with the advice and consent of the Illinois Senate. Directors are appointed for 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 as Chairperson of the Tollway.

## **Organizational Structure**

The Governor appoints an Executive Director and employs certain other personnel to administer the Tollway system and implement the policies of the Board of Directors. The Tollway’s organizational structure consists of 12 primary functions including the Executive Office, Chief Counsel, Engineering, Operational Services, Finance, Administration, Communications & Marketing, Information Technology, Inspector General, Procurement, Electronic Tolling and State Police District 15.



# Financial Policies and Practices

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 toll schedule, which became effective January 1, 2005. The toll rates were passed coinciding with approval of the Congestion-Relief Program on September 30, 2004.

### **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 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. The Tollway will follow a policy of full disclosure in financial reporting.
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 set aside sufficient current revenues 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 economic life of the improvement that it finances and, where feasible, should be shorter than the projected economic life. 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 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 patrons.
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. This budget will maintain a balance of \$17 million in 2008. The Board 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 revisions in revenues
  - b) Provide a sufficient cash flow for daily financial needs at all times
  - c) Offset unexpected increases in expenditures

### **Cash Management**

1. The Illinois State Toll Highway'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 Indenture governing the investment of Tollway funds.

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.

2. The cash management system 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.
3. 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.
4. 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 compartmental 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 is established to account for operations that are financed and operated 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 usercharges.
- 4. The Tollway will establish and maintain a high standard of accounting practices in conformance with Generally Accepted Accounting Principals for governmental entities as promulgated by the Governmental Accounting Standards Board.
- 5. The accounting system will maintain records on a basis consistent with accepted standards for governmental accounting.
- 6. An independent firm of certified public accountants will perform an annual financial and compliance audit in accordance with Generally Accepted Auditing Standards (GAAS) and will publicly issue an opinion, which will be incorporated in the Comprehensive Annual Financial Report (CAFR).
- 7. The Tollway will annually seek the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program.

8. The Tollway will use accrual basis 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 they are incurred.
9. The Tollway will promote full disclosure in its annual financial statements and its bond presentations.
10. For purposes of the Statement of Cash Flows, the Tollway considers all highly liquid investments including restricted assets with a maturity of three months or less when purchased and all investments held by the Illinois State Treasurer's office to be cash equivalents, as these investments are available upon demand.
11. 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

# Fund Structure

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**Fund and Account Description:**

The Amended and Restated Trust Indenture, effective March 31, 1999, outlines an agreement, or contracts between the Tollway, the Trustee, and the Holders which pledges the Tollway's revenues, moneys, securities in all funds and accounts to secure payment on the bonds. The Trust Indenture defines the following funds, accounts and transfers:

**The Revenue Fund**

All revenues received by the Tollway shall be delivered by the Tollway to the Treasurer, within five business days after receipt, for deposit in the Revenue Fund. On or before the 20<sup>th</sup> day of each month the Treasurer, 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:

- A. To the Operating Sub-Account of the Maintenance and Operation Account, one-twelfth of the budget for operating expenses.
- B. To the Operating Reserve Sub-Account of the Maintenance and Operation Account, an amount specified by the Tollway, but not to exceed thirty percent of the amount budgeted for operating expenses.
- C. To the Interest Sub-Account of the Debt Service Account, an amount equal to any interest due, plus one-sixth of the interest due within the next six months.
- D. To the Principal Sub-Account of the Debt Service Account, an amount equal to any principal due plus one-twelfth of any principal due within the next twelve months.
- E. To the Redemption Sub-Account of the Debt Service Account, an amount equal to any Sinking Fund Installment payable plus one-twelfth of any Sinking Fund Installment payable within the next twelve months.
- F. To the Provider Payment Sub-Account of the Debt Service Account, amounts as provided in any Supplemental Indenture for paying Costs of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds or for making reimbursements to Providers of Credit Enhancement or Qualified Hedge Agreements for Senior Bonds or for paying any termination payments due on any Credit Enhancement or Qualified Hedge Agreements executed before June 22, 2005.
- G. To the Debt Reserve Account, an amount sufficient to cause the balance in it to equal the Debt Reserve Requirement and to make reimbursement to Providers of Debt Reserve Account Credit Facilities.
- H. To the Junior Bond Debt Service or Junior Bond Debt Reserve Account, any amounts required by Supplemental Indentures.
- I. To the Termination Payment Account, any termination payments due on any Credit Enhancement and Qualified Hedge Agreements executed on or after June 22, 2005.
- J. To the Renewal and Replacement Account, one-twelfth of the annual budget for Renewal and Replacement.



K. The balance of such amounts in the Revenue Funds are to be applied as follows:

- (1) To the credit of the Improvement Account for allocation to projects as determined by the Tollway in its sole discretion, until the balance in the Account is equal to the Improvement Requirement or a lesser amount as the Tollway may from time to time determine.
- (2) To the credit of the System Reserve Account, the entire amount remaining in the Revenue Fund after depositing or allocating all amounts required to be deposited to the credit of the above Accounts and Sub-Accounts.

### **Maintenance and Operation Account**

The Maintenance and Operation Account consists of the Operating Sub-Account and the Operating Reserve Sub-Account. Moneys 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 from 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. By resolution, the Board originally voted to maintain a \$25 million fund balance in this account and subsequently authorized a fund balance of \$17 million.

### **Debt Service Account**

The Debt Service Account consists of the Interest Sub-Account, the Principal Sub-Account, the Redemption Sub-Account, 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, 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 and to make any required reimbursement to Providers of Debt Reserve Account Credit Facilities.

### **Termination Payment Account**

This 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, but once deposited herein such funds can only be used on Renewal and Replacement projects.

### **Improvement Account**

At the direction of the Tollway, amounts are then applied to the Improvement Account, for allocation to projects determined by the Tollway, until the balance in the Account is equal to the Improvement Requirement.

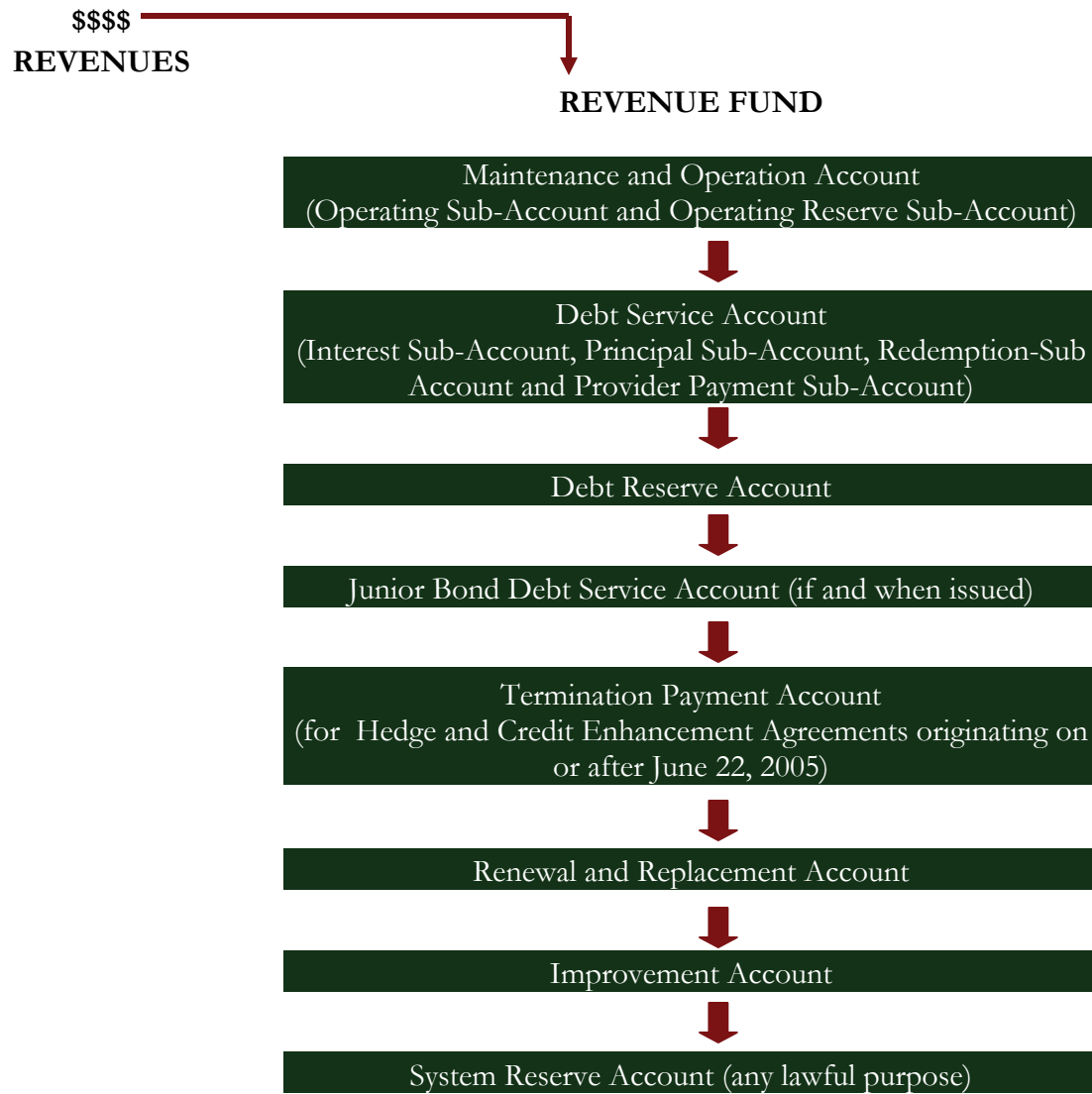
### **System Reserve Account**

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 pay for any other lawful Tollway purpose.

### **The 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.

# Overview of Flow of Funds



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## Revenue Sources and Underlying Assumptions

## **Toll Revenues & Evasion Recovery**

For budgetary purposes, the revenues generated from toll collection and evasion recovery have been combined to correctly associate revenues from evasion recovery programs with toll revenues. In 2008, the Tollway estimates that it will collect \$636 million in toll revenue and evasion recovery.

### **Toll Revenues**

In October of each year, the Tollway's independent Traffic Engineer, Wilbur Smith Associates, provides toll revenue estimates for the budget process. They provide an estimate for the current year by using actual data for the first eight months and estimates for the last four months of the year. They also provide a month by month estimate of toll revenue for the following year. 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 Area Transportation Study in the Rockford area. The modeling process takes into account current and future socioeconomic conditions and the characteristics of the transportation network. 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 trip maker 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 trip maker trading off the time savings in using the Tollway verses the additional cost of the tolls. The simulation process uses value of time considerations in modeling path selections.

In addition to travel times and toll costs, the modeling process takes into account the physical characteristics of the roadway system, which can change over time. In particular, the Tollway has been ambitiously implementing its capital program in the last few years. For example, add lane construction activities temporarily change network characteristics which impact traveler route choices during the time of construction. The construction activity generally reduces the capacity and speed through the construction zone, thus decreasing the desirability of using that section of the Tollway for certain trips resulting in reducing usage levels on the Tollway. After construction is completed the additional lanes add capacity reducing congestion and add to usage of the Tollway. Both the usage levels during construction and the resulting benefits of the additional lanes are accounted for by the travel demand modeling process.

The general methodology for developing estimates for the following year is as follows. Prior year transactions by month by vehicle class for each toll plaza are entered into a database. Recent trend data coupled with a short term estimate of economic conditions are used to develop base transactions by plaza by vehicle type. The base case situation represents what would happen if there were to be no changes to the highway network in general and specifically the Tollway network in the next year. These base estimates are then adjusted for Tollway construction projects (both off and on the Tollway) and roadway changes caused by the completion of construction activity. These adjustments are made by using the travel demand modeling process previously described.

Once the monthly transaction estimates are finalized, they are converted into 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 system revenues are simply the sum of all the revenues by plaza.

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

The revenue estimates set forth in the Traffic Engineer's estimates are based on "Expected Revenues." This revenue is based on the assumption that each vehicle passing through a toll plaza would pay the correct and exact toll published for the vehicle's classification, time of day traveled, and method of payment. This assumption does not take into consideration the presence of toll evaders on the system. The Tollway has adjusted this revenue estimate to reflect an estimate of unpaid toll amounts and revenues recovered through the Violation Enforcement System.

### **Evasion Recovery**

Public Act 94-0636 allows the Tollway to implement an aggressive 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 for every vehicle that violates.

For toll scofflaws who choose not to pay their fair share, \$20 violation notices are issued for every 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.

From July 2006 through August 2007, the Tollway suspended the issuance of violation notices as it transitioned to new systems for toll collection and violation enforcement. During this time, the Tollway also moved to a new vendor/system integrator for the provision of these services. The temporary suspension of violation notices resulted in short term increases in evaded tolls. However, the system improvements will improve the Tollway's ability to enforce violations collections over the long term.

### **Investment Income**

Income from investments is expected to generate \$40 million and \$30 million for the Revenue Fund in FY2007 and FY2008, respectively. This estimate is based on an average interest rate of 5% and average cash balances of approximately \$800 million in FY 2007, and an average interest rate of 4% and average cash balances of \$750 million in FY 2008.

## **Concessions and Miscellaneous Revenues**

Concessions account for \$2 million or nearly half of the \$4 million in miscellaneous revenues expected to be received in FY2007 and FY2008. The Illinois Tollway has seven oases located throughout the system. These oases offer food, fuel, and other services to the traveling public. Historically, these services have been provided directly by restaurant and fuel providers with the Tollway receiving rental payments in return.

Other miscellaneous revenues are derived from the following sources:

- Rentals & Easements
- License Fees
- Transponder Fees
- Insufficient I-PASS Fees
- Overweight Vehicles Fines
- Scrap Material Sales
- Finance Charges
- Lease of Fiber Optics
- Other minor sources



# Budget Summaries

Fiscal Year 2006 - 2008			
Statement of Revenues/Expenditures/Transfers and Changes in Fund Balances			
(Millions)			
	2006	2007	2008
<b>Maintenance &amp; Operations Account</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
Beginning Fund Balance	\$24.2	\$25.0	\$18.7
Transfer from Revenue Account	214.3	218.3	236.3
Expenditures	(213.5)	(224.6)	(236.3)
Ending Balance	\$25.0	\$18.7	\$18.7
	2006	2007	2008
<b>Debt Service</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
Beginning Fund Balance	\$46.0	\$48.3	\$47.1
Transfer from Revenue Account *	146.7	168.4	204.0
Bonds Retired	(45.0)	(47.4)	(50.0)
Interest Payments	(99.4)	(122.2)	(150.9)
Ending Balance	\$48.3	\$47.1	\$50.2
	2006	2007	2008
<b>Renewal &amp; Replacement Account</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
Beginning Fund Balance	\$103.7	\$224.4	\$324.4
Transfer from Revenue Account *	186.5	175.0	100.0
Expenditures	(65.8)	(75.0)	(232.2)
Ending Balance	\$224.4	\$324.4	\$192.2
	2006	2007	2008
<b>Improvement Account</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
Beginning Fund Balance	\$156.0	\$160.5	\$138.1
Transfer from Revenue Account *	117.9	74.6	129.7
Expenditures	(113.4)	(97.0)	(234.6)
Ending Balance	\$160.5	\$138.1	\$33.2
	2006	2007	2008
<b>Construction Fund</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
Beginning Fund Balance	\$497.4	\$659.5	\$460.7
Bond Proceeds	974.6	659.0	500.0
Investment Income	38.7	35.0	30.0
Expenditures	(851.2)	(892.8)	(912.6)
Ending Balance	\$659.5	\$460.7	\$78.1
<b>TOTAL FUNDS</b>	<b>\$1,117.7</b>	<b>\$989.0</b>	<b>\$372.4</b>

\* Includes Interest Income

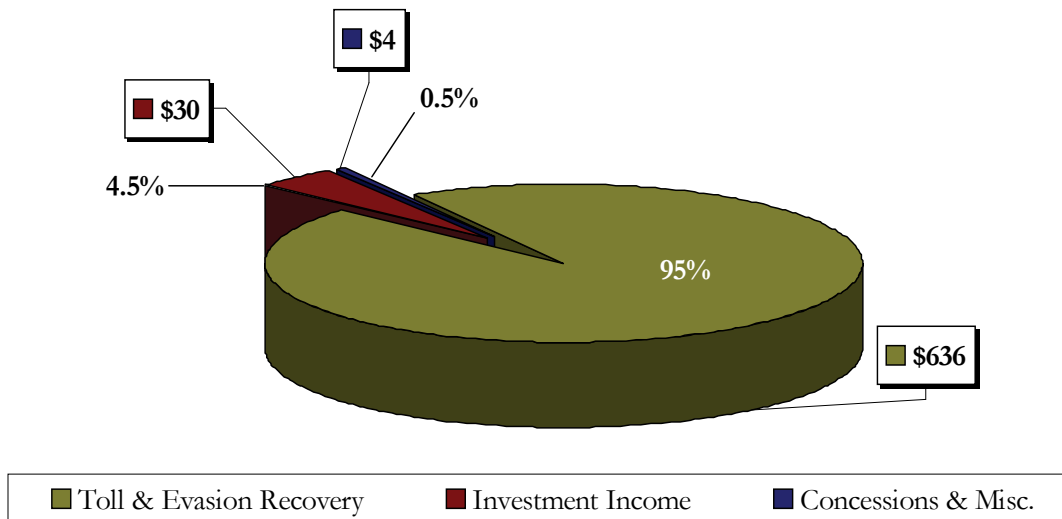
## Sources of Revenues

### Fiscal Year 2008

(Millions)

	FY 2007 <u>Budget</u>	FY 2007 <u>Estimates</u>	FY 2008 <u>Projections</u>
<b>Toll &amp; Evasion Recovery</b>	\$607	\$592	\$636
<b>Investment Income</b>	25	40	30
<b>Concessions &amp; Misc.</b>	4	4	4
<b><i>Total</i></b>	<b>\$636</b>	<b>\$636</b>	<b>\$670</b>

### 2008 Revenue Projections \$670 Million



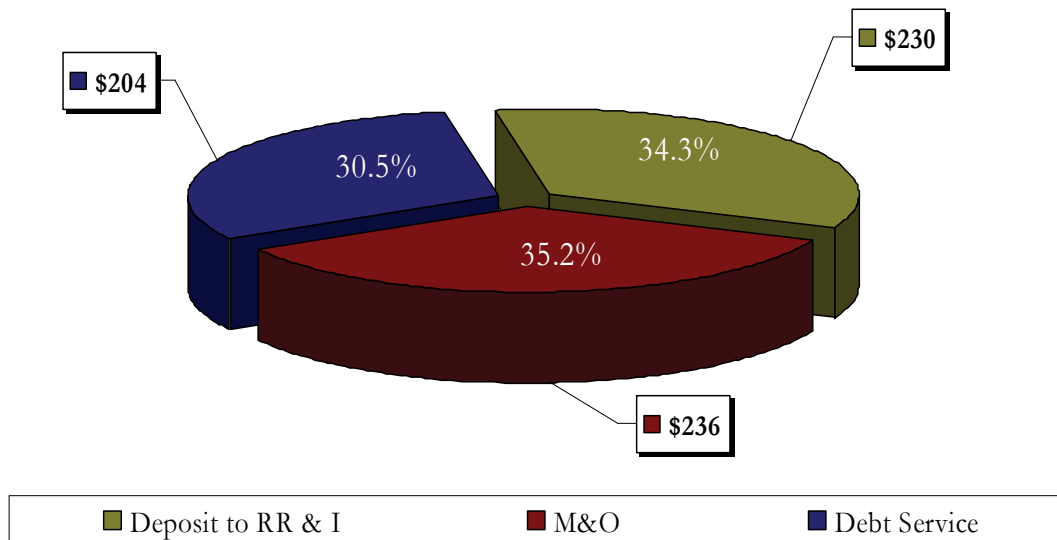
## Allocation of Revenue

### Fiscal Year 2008

(Millions)

Allocations	FY 2007 <u>Budget</u>	FY 2007 <u>Estimates</u>	FY 2008 <u>Projections</u>
M&O	\$225	\$218	\$236
Debt Service	182	168	204
Deposit to RR & I	229	250	230
<b>Total</b>	<b>\$636</b>	<b>\$636</b>	<b>\$670</b>

### 2008 Projected Allocation of Revenue \$670 Million

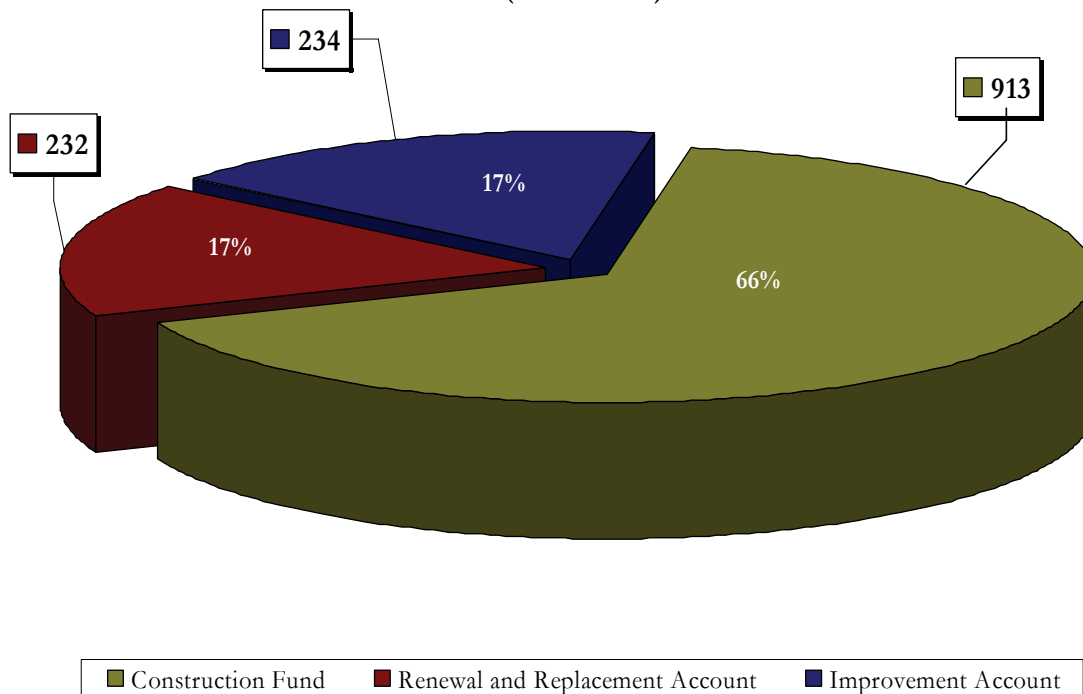


## Capital Program Projections

### Fiscal Year 2008 (Millions)

	FY 2007 <u>Budget</u>	FY 2007 <u>Estimates</u>	FY 2008 <u>Projections</u>
<b>Beginning Balance</b>	\$1,022	\$1,044	\$923
<b>Deposit to RRI</b>	229	250	230
<b>Bond Proceeds</b>	700	659	500
<b>Construction Fund</b>			
<b>Interest</b>	30	35	30
<b>Expenditures</b>	(1,143)	(1,065)	(1,379)
<b>Total</b>	<b>\$838</b>	<b>\$923</b>	<b>\$304</b>

### 2008 Projected Capital Expenditures \$1,379 Million (\$ in Millions)



## 2008 Requested Headcount

Department	2005 Budget	2006 Budget	2007 Budget	2008 Budget	Change From 2007 Budget
Administration	88	88	163	168	5
Communications	8	8	10	12	2
Electronic Tolling (ORT)	10	12	56	58	2
Engineering/Planning	567	571	577	594	17
Executive Office	9	6	6	6	-
Finance	54	57	57	57	-
Information Technology	72	77	75	75	-
Inspector General	13	12	15	15	-
Legal	13	12	12	12	-
Operational Services	920	889	705	711	6
Procurement			55	56	1
State Police	17	19	19	19	-
<b>Total Headcount</b>	<b>1,771</b>	<b>1,751</b>	<b>1,750</b>	<b>1,783</b>	<b>33</b>

**Note:**

In 2007, the Tollway changed the name of the Open Road Tolling department (ORT) to Electronic Tolling and added the I-PASS and Performance Management departments from Operational services. The Engineering Department added 17 positions, Operations added 6 and Administration added 5 in connection with the I-355 Extension.

**2008 Maintenance and Operational Budget**

**By Category**

(\$ in Millions)

<b>Category</b>	<b>2006 Actual Expenditures</b>	<b>2007 Revised Budget</b>	<b>2008 Budget Request \$ Change</b>	
<b>Salary &amp; Wages</b>	\$93.6	\$101.0	\$107.1	\$6.1
<b>FICA &amp; Retirement</b>	17.9	21.5	27.7	6.2
<b>Group Insurance</b>	23.1	25.9	26.7	0.8
<b>Contractual Services</b>	29.8	27.3	28.4	1.1
<b>Employee Development</b>	1.0	1.2	1.1	(0.1)
<b>Utilities</b>	5.8	6.0	6.5	0.5
<b>Operational Materials &amp; Supplies</b>	15.4	17.8	17.0	(0.8)
<b>Parts &amp; Fuels</b>	5.0	5.4	5.2	(0.2)
<b>Equipment / Office Rental / Maintenance</b>	13.6	14.8	12.3	(2.5)
<b>All Other Insurance</b>	10.5	5.8	6.5	0.7
<b>Recovery of Expenses</b>	(2.2)	(2.1)	(2.2)	(0.1)
<b>Total</b>	<b>\$213.5</b>	<b>\$224.6</b>	<b>\$236.3</b>	<b>\$11.7</b>

**2008 Maintenance & Operations Budget**

**By Major Account**

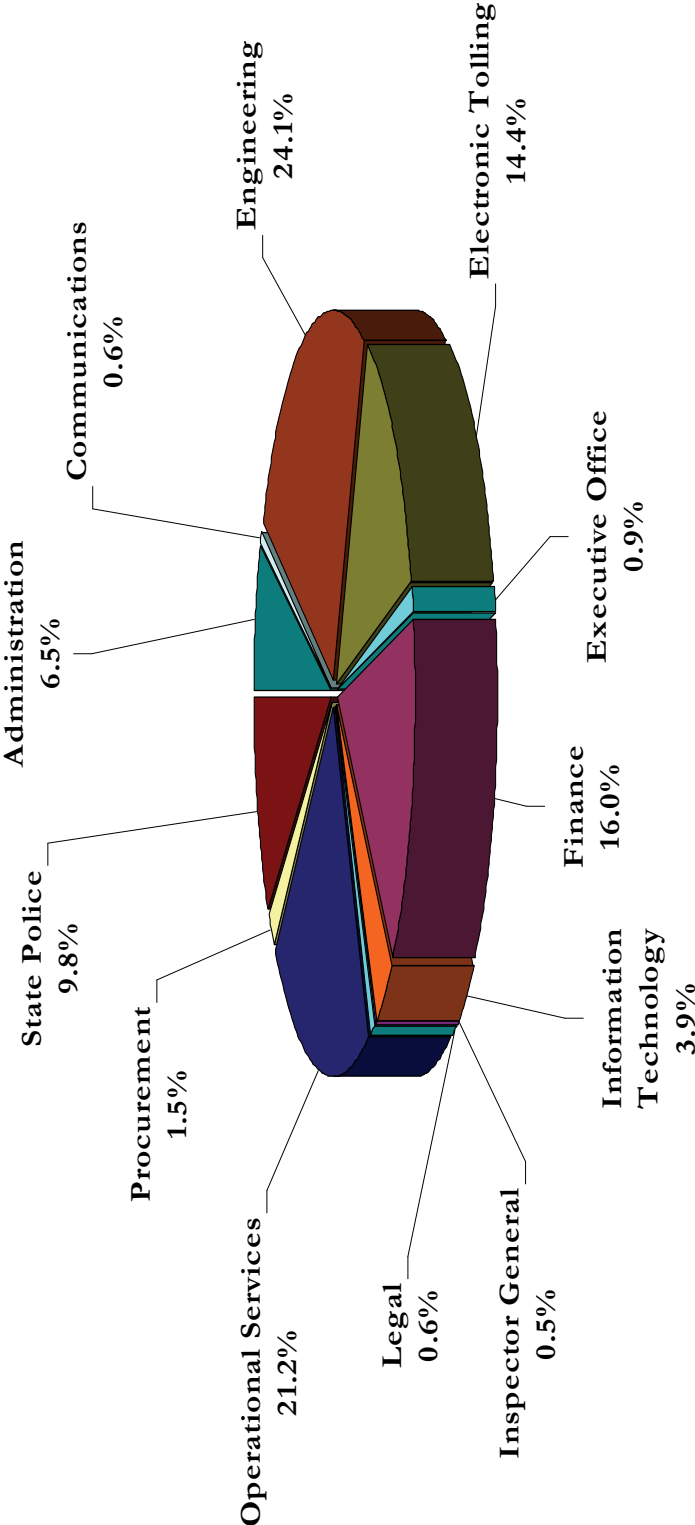
<b>Account Description</b>	<b>2006 Actual</b>	<b>2007 Revised Budget</b>	<b>2008 Budget Request</b>	<b>\$ Change</b>
SALARY & WAGES	\$ 93,582,816	\$ 101,018,702	\$ 107,132,827	\$ 6,114,125
FICA	\$ 6,282,381	\$ 6,915,592	\$ 7,265,347	\$ 349,754
RETIREMENT	\$ 11,615,576	\$ 14,582,112	\$ 20,476,297	\$ 5,894,185
<b>PAYROLL SUB-TOTAL</b>	<b>\$ 111,480,773</b>	<b>\$ 122,516,406</b>	<b>\$ 134,874,471</b>	<b>\$ 12,358,064</b>
GROUP INSURANCE	\$ 23,125,375	\$ 25,878,400	\$ 26,700,000	\$ 821,600
OTHER OUTSIDE SERVICES	\$ 20,183,070	\$ 16,312,331	\$ 15,185,555	\$ (1,126,776)
EQUIPMENT MAINTENANCE	\$ 9,734,431	\$ 14,086,380	\$ 11,667,040	\$ (2,419,340)
OTHER EXPENSES	\$ 10,627,671	\$ 10,919,340	\$ 11,356,500	\$ 437,160
BANK CHARGES	\$ 7,975,627	\$ 7,808,000	\$ 8,220,000	\$ 412,000
UTILITIES	\$ 4,327,723	\$ 4,770,100	\$ 4,770,100	\$ -
WORKER'S COMP. INSURANCE	\$ 8,582,846	\$ 3,411,000	\$ 4,100,000	\$ 689,000
MATERIALS - OPERATIONAL	\$ 2,590,572	\$ 4,185,717	\$ 3,189,305	\$ (996,412)
FUELS AND OILS	\$ 3,048,102	\$ 3,228,205	\$ 3,110,600	\$ (117,605)
PROPERTY INSURANCE	\$ 1,956,252	\$ 2,415,000	\$ 2,415,000	\$ -
CONTRACTED OUTSIDE SERVICE	\$ 542,988	\$ 885,909	\$ 2,338,986	\$ 1,453,077
CONSULTING SERVICES	\$ 787,232	\$ 1,733,302	\$ 2,115,925	\$ 382,623
REPLACEMENT PARTS	\$ 1,886,450	\$ 2,048,112	\$ 2,001,900	\$ (46,212)
TELEPHONE & TELEGRAPH	\$ 1,492,535	\$ 1,236,400	\$ 1,732,900	\$ 496,500
SUPPLIES - OPERATIONAL	\$ 804,950	\$ 965,942	\$ 859,980	\$ (105,962)
EQUIPMENT RENTALS	\$ 3,833,362	\$ 685,439	\$ 640,995	\$ (44,444)
UNIFORMS & ACCESSORIES	\$ 476,568	\$ 498,660	\$ 574,500	\$ 75,840
SUPPLIES - OFFICE	\$ 496,779	\$ 570,955	\$ 530,789	\$ (40,166)
POSTAGE AND EXPRESS	\$ 455,713	\$ 580,720	\$ 470,800	\$ (109,920)
ARMORED TRUCK SERVICE	\$ 160,715	\$ 240,000	\$ 229,000	\$ (11,000)
DUES, BOOKS & SUBSCRIP.	\$ 186,625	\$ 225,975	\$ 203,300	\$ (22,675)
BUILDING EQUIPMENT	\$ 92,561	\$ 180,631	\$ 174,783	\$ (5,848)
EMPLOYEE TRAINING	\$ 192,295	\$ 291,548	\$ 173,800	\$ (117,748)
TRAVEL AND SUBSISTENCE	\$ 141,238	\$ 223,300	\$ 166,500	\$ (56,800)
ADVERTISING & PROMOTION	\$ 80,948	\$ 140,600	\$ 123,600	\$ (17,000)
PRINTING	\$ 21,654	\$ 109,842	\$ 111,350	\$ 1,508
OTHER CAPITAL EQUIPMENT	\$ 60,831	\$ 172,936	\$ 103,598	\$ (69,338)
TOOLS & EQUIPMENT	\$ 89,286	\$ 130,975	\$ 101,210	\$ (29,765)
OFFICE EQUIPMENT	\$ 38,820	\$ 117,178	\$ 101,200	\$ (15,978)
ROADWAY EQUIPMENT	\$ 85,043	\$ 62,981	\$ 82,540	\$ 19,559
BOND TRUSTEE	\$ 15,452	\$ 50,000	\$ 50,000	\$ -
POLICE EQUIPMENT	\$ 119,475	\$ 40,000	\$ 40,000	\$ -
EMPLOYMENT MEDICAL EXPENSE	\$ 34,254	\$ 40,000	\$ 30,000	\$ (10,000)
TOLL COLLECTION EQUIPMENT	\$ -	\$ 1,500	\$ 1,500	\$ -
CASH HANDLING EQUIPMENT	\$ 3,084	\$ 2,500	\$ 1,300	\$ (1,200)
ADVISORY COMMITTEE EXPENSE	\$ -	\$ 300	\$ 500	\$ 200
RIGHT OF WAY	\$ 1,500	\$ -	\$ -	\$ -
CAFETERIA EQUIPMENT	\$ 913	\$ -	\$ -	\$ -
RECOVERY OF EXPENSES	\$ (2,223,706)	\$ (2,140,700)	\$ (2,259,200)	\$ (118,500)
<b>TOTAL NON-PAYROLL COSTS</b>	<b>\$ 102,029,233</b>	<b>\$ 102,109,478</b>	<b>\$ 101,415,856</b>	<b>\$ (693,622)</b>
<b>TOTAL M &amp; O COSTS</b>	<b>\$ 213,510,006</b>	<b>\$ 224,625,884</b>	<b>\$ 236,290,327</b>	<b>\$ 11,664,442</b>



**2008 Maintenance and Operational Budget**  
**By Department**  
(\$ in Millions)

Department	2006 Actual Expenditures	2007 Revised Budget	2008 Budget Request	\$ Change
Administration	\$ 12.0	\$ 13.8	\$ 15.3	\$ 1.5
Communications	0.6	1.2	1.3	0.1
Engineering	46.2	52.0	56.9	4.9
Electronic Tolling	27.7	35.2	34.0	(1.2)
Executive Office	1.8	2.1	2.2	0.1
Finance	37.5	36.4	37.7	1.3
Information Technology	6.3	8.6	9.2	0.6
Inspector General	0.7	1.1	1.3	0.2
Legal	1.2	1.4	1.5	0.1
Operational Services	57.9	48.4	50.2	1.8
Procurement	2.7	3.2	3.6	0.4
State Police	18.9	21.2	23.1	1.9
<b>Total</b>	<b>\$ 213.5</b>	<b>\$ 224.6</b>	<b>\$ 236.3</b>	<b>\$ 11.7</b>

2008 M&O Budget  
% of Total Budget \$ by Department





# 2008 Departmental Budget and Narratives

## Administration

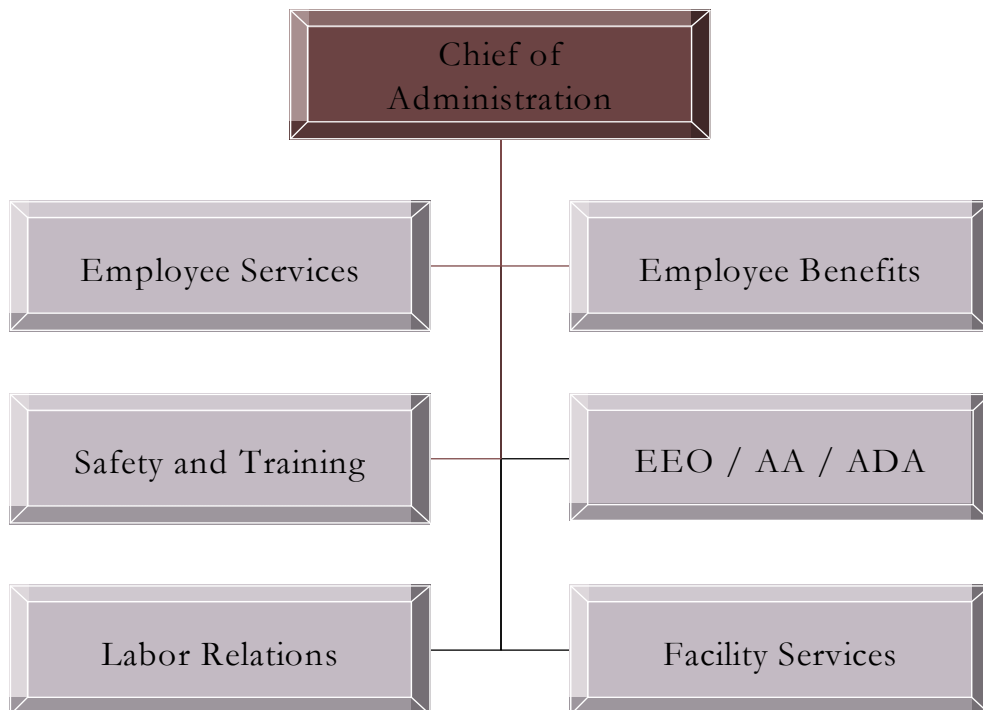
### Description:

The Administration Department is responsible for the development, implementation and compliance of administrative policies and procedures, and insures that all policies and procedures are implemented and complied with by all Tollway employees. 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 insures that intra-departmental, intra-organizational, and facility service issues are addressed so the Tollway functions efficiently and effectively.

Administration manages the following functions:

- Employee Services (HR, Customer Relations & Central Information Systems)
- Employee Benefits (Health, Medical, Dental, Leaves of Absence & Workers Comp)
- Safety & Training
- EEO/AA/ADA
- Labor Relations (Grievances & Labor Negotiations)
- Facility Services

### Department Organizational Structure



Administration continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$6,875,324	\$7,994,805	\$8,608,256	\$613,451
BENEFITS	1,412,490	1,750,605	2,303,828	553,223
OTHER EXPENSES	1,590,536	1,561,900	1,589,500	27,600
TELEPHONE & TELEGRAPH	565,500	480,000	700,000	220,000
OTHER OUTSIDE SERVICES	182,353	530,250	393,300	(136,950)
EQUIPMENT MAINTENANCE	40,278	50,500	350,000	299,500
EQUIPMENT RENTALS	410,013	324,650	318,650	(6,000)
SUPPLIES - OPERATIONAL	231,813	297,380	289,000	(8,380)
MATERIALS - OPERATIONAL	128,788	217,500	152,500	(65,000)
SUPPLIES - OFFICE	135,344	128,400	126,300	(2,100)
REPLACEMENT PARTS	99,985	147,950	112,300	(35,650)
CONTRACTED OUTSIDE SERVICE	49,401	102,000	105,000	3,000
UNIFORMS & ACCESSORIES	36,281	46,600	94,000	47,400
BUILDING EQUIPMENT	4,458	40,000	57,500	17,500
EMPLOYEE TRAINING	42,289	50,000	53,000	3,000
OFFICE EQUIPMENT	8,866	17,200	51,200	34,000
TOOLS & EQUIPMENT	10,221	33,500	23,500	(10,000)
POSTAGE AND EXPRESS	41,335	10,720	10,100	(620)
TRAVEL AND SUBSISTENCE	1,502	10,000	9,000	(1,000)
DUES, BOOKS & SUBSCRIP.	9,559	8,700	6,000	(2,700)
OTHER MINOR ACCOUNTS	48,018	92,300	51,650	(40,650)
<b><i>SUBTOTAL</i></b>	<b>\$11,924,354</b>	<b>\$13,894,960</b>	<b>\$15,404,584</b>	<b>\$1,509,624</b>
RECOVERY OF EXPENSES	52,684	(107,500)	(107,500)	0
<b><i>DEPARTMENT TOTAL</i></b>	<b>\$11,977,038</b>	<b>\$13,787,460</b>	<b>\$15,297,084</b>	<b>\$1,509,624</b>

The Fiscal Year 2008 Budget request is \$15.3 million; an increase of \$1.5 million or 10.9 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$10.9 million and includes 168 full time positions.

**Department M&O Highlights**

- Salaries and Wages increased \$613 thousand or 7.7% over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions.
- Benefits increased by \$553 thousand over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.

Administration Continued

- Office Equipment increased \$34 thousand or 198% due to the purchase of office equipment for the Authority.
- Equipment Maintenance increased \$300 thousand or 593% due to the inclusion of the annual Kronos maintenance expense in the 2008 Budget.
- Telephone and Telegraph increased by \$220 thousand or 45.8% due to increased telecommunications expenses.
- Other Outside Services decreased \$137 thousand or 25.8% due to reduced expenses in 2008.
- Building Equipment increased \$17.5 thousand or 43.8% due to anticipated repairs during 2008.
- Other Minor Accounts decreased \$41 thousand due to a reduction in Other Capital Equipment in 2008.

## Communications and Marketing

### Description:

The Communications Department is responsible for all external and internal communications between the Tollway and its constituents who include customers, news media, elected and appointed officials, the general public and employees. The goal is to effectively communicate with all constituencies to improve customer service and restore public confidence in the Tollway.

The Communications and Marketing Department is responsible for the following functions:

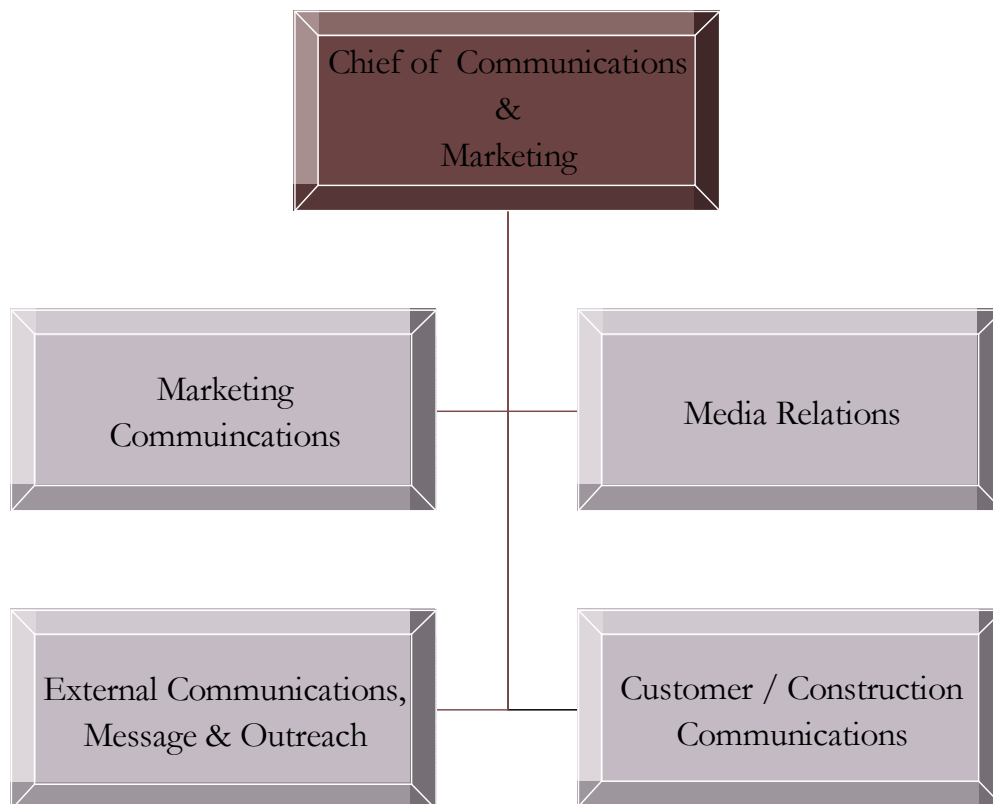
Marketing Communications

Media Relations

External Communications, Message and Outreach

Customer/Construction Communications

### Department Organizational Structure





Communications continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$ 382,836	\$ 637,710	\$ 778,151	\$ 140,441
BENEFITS	66,644	137,874	208,257	70,383
ADVERTISING & PROMOTION	64,875	111,000	100,000	(11,000)
PRINTING	22,208	70,000	60,000	(10,000)
CONSULTING SERVICES	0	0	60,000	60,000
OTHER OUTSIDE SERVICES	12,702	130,550	20,000	(110,550)
SUPPLIES - OFFICE	6,670	7,400	7,400	0
EQUIPMENT RENTALS	348	10,000	5,000	(5,000)
TRAVEL AND SUBSISTENCE	4,476	10,000	5,000	(5,000)
EMPLOYEE TRAINING	1,113	5,000	5,000	0
DUES, BOOKS & SUBSCRIP.	1,911	3,200	3,200	0
POSTAGE AND EXPRESS	1,457	11,800	2,600	(9,200)
OTHER MINOR ACCOUNTS	758	14,750	12,500	(2,250)
<b>DEPARTMENT TOTAL</b>	<b>\$ 565,999</b>	<b>\$ 1,149,284</b>	<b>\$ 1,267,108</b>	<b>\$ 117,824</b>

The Fiscal Year 2008 Budget request is \$1,267 thousand; an increase of \$118 thousand or 10.3 percent over the Fiscal Year 2007 Budgeted amount. Total payroll is \$986 thousand and includes 12 positions.

**Department M&O Highlights**

- Salaries and Wages increased \$140 thousand or 22% over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions.
- Benefits increased over the 2007 budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Advertising & Promotion decreased by \$11 thousand or 9.9%. The primary focus will be for the Congestion Relief Program.
- Consulting Services increased \$60 thousand due to the inclusion of the Tollway's e-newsletter into Communication's budget.

## Electronic Tolling

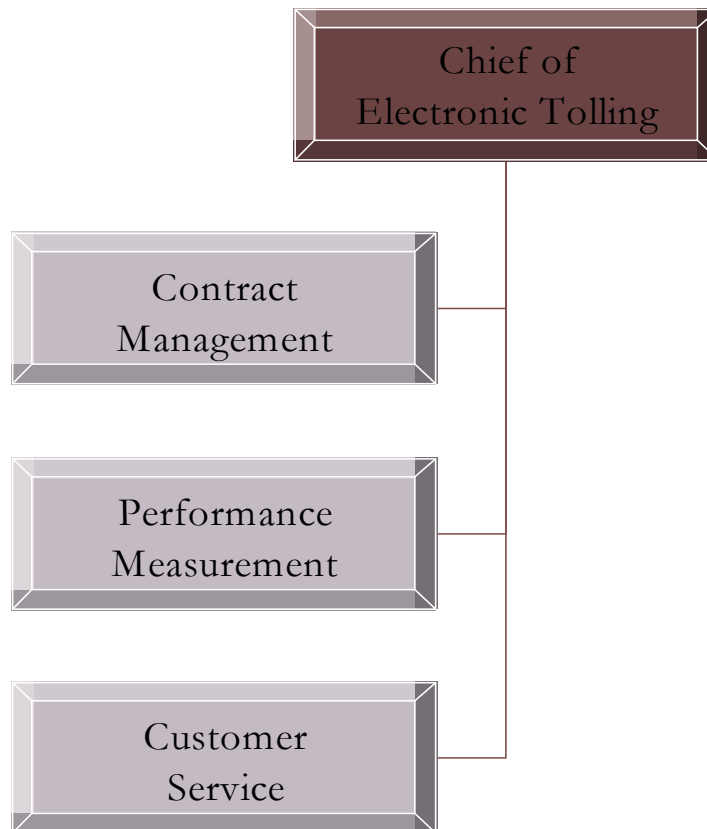
### Description:

The Electronic Tolling Department is responsible for recouping uncollected toll revenue and assessing fines and other sanctions against toll scofflaws as a meaningful deterrent to future toll evasion. In 2002, the Illinois Tollway began to pursue the small percentage of habitual toll cheaters. In 2003, state-of-the-art video surveillance procedures and noticing functions were outsourced to provide for swift and meaningful prosecution of alleged toll cheaters, while affording the opportunity for due process of law. In late 2007, the department changed its name to Electronic Tolling and added the responsibility of operating the Customer Call Center, which will sell I-PASS transponders to the public and monitor the delivery of customer service.

Electronic Tolling is responsible for the following functions:

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

### Department Organizational Structure



Electronic Tolling continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$ 2,033,400	\$ 2,500,508	\$ 2,498,335	\$ (2,173)
BENEFITS	351,652	539,200	668,629	129,429
OTHER OUTSIDE SERVICES	16,952,119	11,515,656	11,344,000	(171,656)
EQUIPMENT MAINTENANCE	0	11,406,280	9,200,000	(2,206,280)
BANK CHARGES	7,826,043	7,700,000	8,100,000	400,000
OTHER EXPENSES	0	0	700,000	700,000
TELEPHONE & TELEGRAPH	429,583	308,000	558,000	250,000
POSTAGE AND EXPRESS	359,912	498,900	400,500	(98,400)
CONTRACTED OUTSIDE SERVICE	401,945	669,100	400,000	(269,100)
EQUIPMENT RENTALS	46,347	228,994	242,200	13,206
SUPPLIES - OFFICE	116,082	129,500	119,000	(10,500)
ARMORED TRUCK SERVICE	0	0	29,000	29,000
CONSULTING SERVICES	0	23,788	20,000	(3,788)
TRAVEL AND SUBSISTENCE	3,996	5,000	11,000	6,000
SUPPLIES - OPERATIONAL	2,071	5,150	4,100	(1,050)
OTHER MINOR ACCOUNTS	(3,907)	10,812	18,200	7,388
<b><i>SUBTOTAL</i></b>	<b>\$ 28,519,242</b>	<b>\$ 35,540,888</b>	<b>\$ 34,312,964</b>	<b>\$ (1,227,924)</b>
RECOVERY OF EXPENSES	(785,973)	(300,000)	(350,000)	(50,000)
<b><i>DEPARTMENT TOTAL</i></b>	<b>\$ 27,733,269</b>	<b>\$ 35,240,888</b>	<b>\$ 33,962,964</b>	<b>\$ (1,277,924)</b>

The Fiscal Year 2008 Budget request is \$34 million; a decrease of \$1.3 million or 3.6 percent under the Fiscal Year 2007 budgeted amount. Total payroll is \$3.2 million and includes 58 positions.

**Department M&O Highlights:**

- Salaries and Wages decreased \$2 thousand or less than 1% due to the reorganization of the department.
- Benefits increased by \$129 thousand over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Equipment Maintenance decreased \$2.2 million or 19.3% due to lower than expected costs for the Tollway's system wide lane maintenance. Funding in Equipment Maintenance is mainly allocated to lane maintenance.

Electronic Tolling continued

- Contracted Outside Service has decreased \$269 thousand or 40.2%. This account funds Secretary of State and Hearing Officers payments and was reduced due to lower than expected costs for those services
- Bank Charges increased \$400 thousand or 5.2% due to an increase in transactions paid or processed via credit card.
- Other Expenses increased \$700 thousand due to the inclusion of software maintenance for the call center.
- Telephone and Telegraph increased \$250 thousand or 81.2% due to increased costs associated with the inclusion of the call center in the department's budget.
- Armored Truck Service increased by \$29 thousand and is included in the 2008 Electronic Tolling budget due to the reorganization.
- Other Outside Services decreased by \$172 thousand or 1.5% due to lower than expected costs associated with the Customer Call Center.

## Engineering

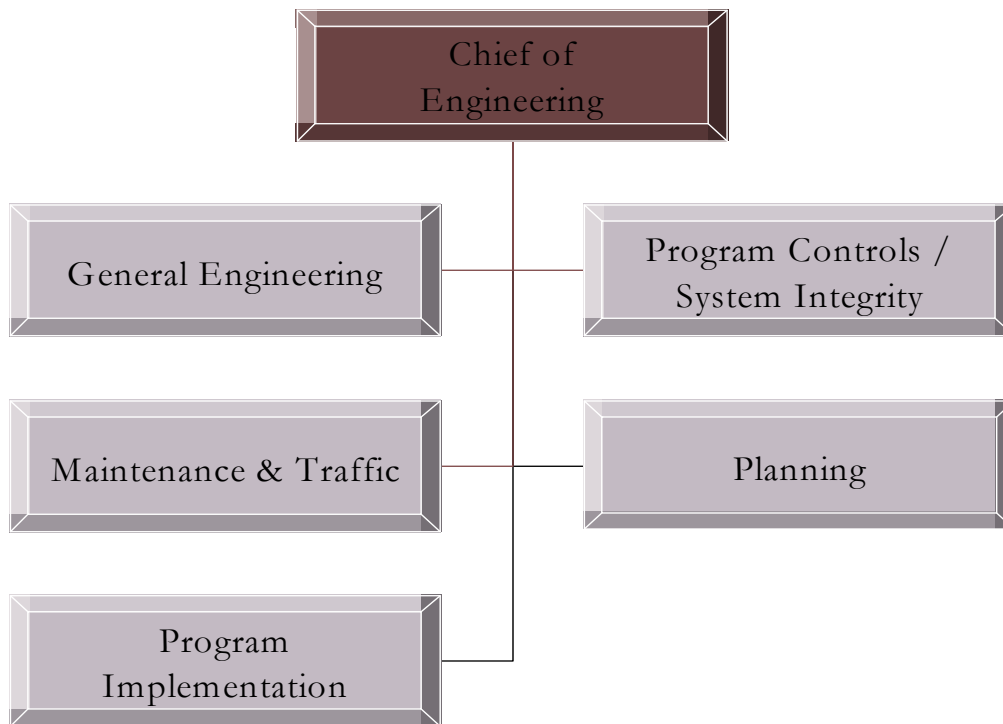
### Description:

Engineering is responsible for the planning, design, construction, operation and maintenance of our roadway. Annual inspections are made of the pavement, bridges and drain systems. Short and long-term project plans are refined based upon the inspections and transportation needs to ensure a safe and reliable transportation system.

The Engineering Department is responsible for the following functions:

Planning  
Design  
Construction  
Program Management  
Maintenance & Traffic

### Department Organizational Structure



Engineering continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$ 28,754,981	\$ 31,354,581	\$ 34,094,282	\$ 2,739,701
BENEFITS	6,051,480	6,827,538	9,124,653	2,297,114
FUELS AND OILS	3,045,143	3,227,605	3,110,000	(117,605)
MATERIALS - OPERATIONAL	2,453,522	3,947,882	3,026,505	(921,377)
OTHER EXPENSES	2,662,450	2,576,090	2,578,000	1,910
REPLACEMENT PARTS	1,505,026	1,660,959	1,675,300	14,341
CONSULTING SERVICES	773,391	1,249,514	1,285,925	36,411
CONTRACTED OUTSIDE SERVICE	34,999	26,000	1,060,686	1,034,686
OTHER OUTSIDE SERVICES	1,005,654	684,075	662,255	(21,820)
EQUIPMENT MAINTENANCE	60,180	593,200	623,100	29,900
SUPPLIES - OPERATIONAL	279,580	322,225	272,080	(50,145)
UNIFORMS & ACCESSORIES	133,953	83,160	110,000	26,840
BUILDING EQUIPMENT	64,807	84,431	98,683	14,252
SUPPLIES - OFFICE	70,665	94,955	86,400	(8,555)
OTHER CAPITAL EQUIPMENT	18,709	77,036	84,198	7,162
TOOLS & EQUIPMENT	71,274	84,400	71,410	(12,990)
ROADWAY EQUIPMENT	85,043	62,631	70,040	7,409
EQUIPMENT RENTALS	33,723	102,295	66,945	(35,350)
DUES, BOOKS & SUBSCRIP.	41,930	56,800	38,000	(18,800)
TRAVEL AND SUBSISTENCE	25,425	46,000	25,000	(21,000)
OFFICE EQUIPMENT	12,674	36,666	21,600	(15,066)
EMPLOYEE TRAINING	37,257	36,523	18,000	(18,523)
POSTAGE AND EXPRESS	9,763	12,200	10,000	(2,200)
OTHER MINOR ACCOUNTS	12,620	20,992	20,200	(792)
<b><i>SUBTOTAL</i></b>	<b>\$ 47,244,249</b>	<b>\$ 53,267,758</b>	<b>\$ 58,233,262</b>	<b>\$ 4,965,503</b>
RECOVERY OF EXPENSES	(1,048,407)	(1,248,200)	(1,304,200)	(56,000)
<b><i>DEPARTMENT TOTAL</i></b>	<b>\$ 46,195,842</b>	<b>\$ 52,019,558</b>	<b>\$ 56,929,062</b>	<b>\$ 4,909,503</b>

The Fiscal Year 2008 Budget request is \$56.9 million, an increase of \$4.9 million or 9.4 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$43.2 million and includes 594 positions.

Engineering continued

**Department M&O Highlights**

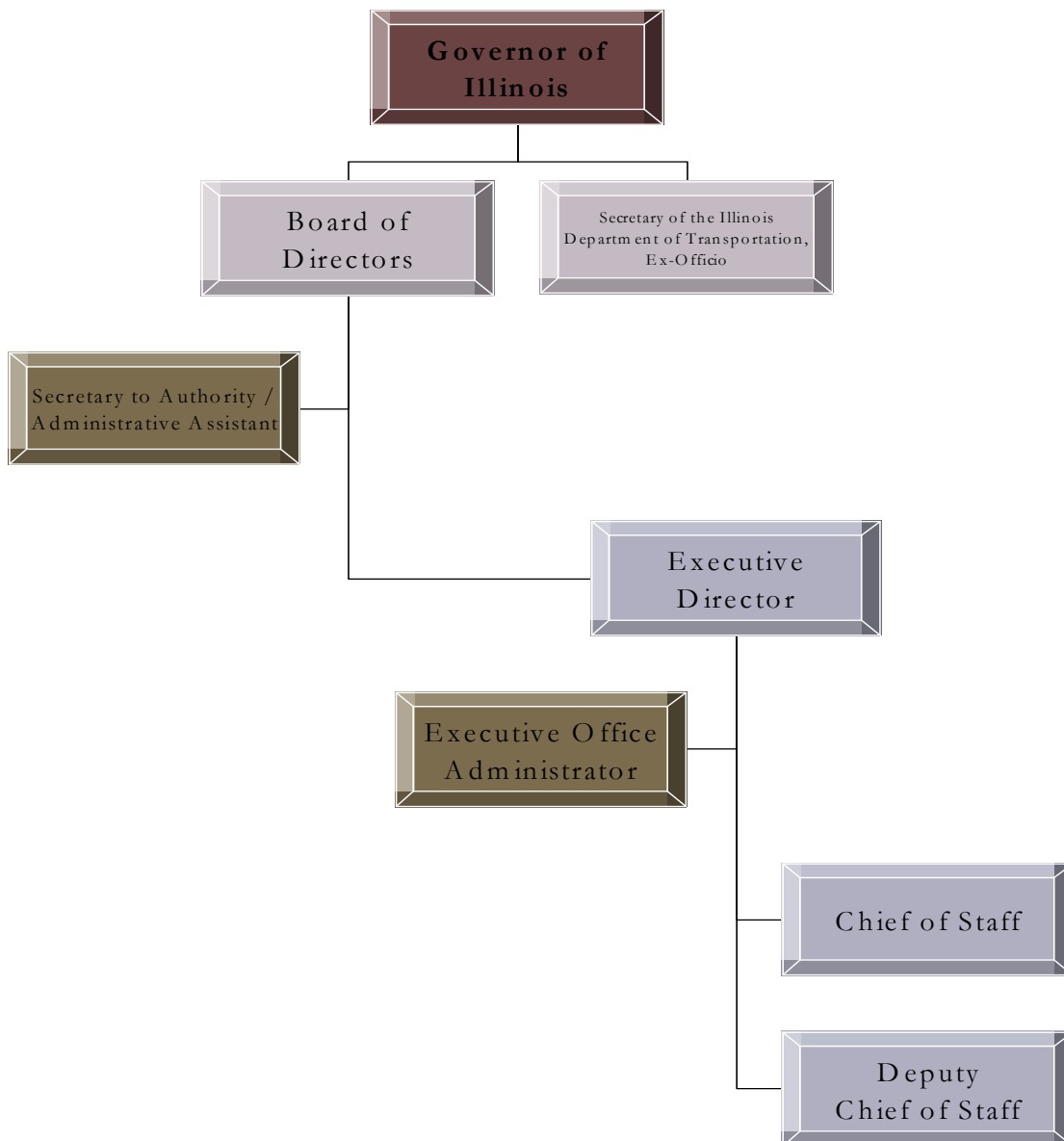
- Salary and Wages reflect an increase of \$2.7 million over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions. Engineering is adding 17 new positions, mainly in the Roadway Maintenance and Traffic Division.
- Benefits increased by \$2.3 million over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Fuels and Oils decreased by \$118 thousand as the result of a reallocation of funds in the 2007 Revised Budget.
- Materials-Operational decreased by \$921 thousand mainly due to a reallocation of funds in the 2007 Revised Budget to cover needs for rock salt and other roadway materials.
- Replacement Parts increased by \$14 thousand with the addition of 15 trucks, 11 trailer-mounted attenuators, and several other pieces of roadway equipment scheduled for purchase during 2008.
- Equipment Maintenance increased by \$30 thousand compared to 2007. This category now includes the Delcan Maintenance contract for TIMS as well as access to AVL Maintenance website and data for fleet.
- Contracted Outside Service increased by \$1 million to cover the maintenance and support contract for the DMS, CCTV, and Queue detection equipment.

## Executive Office

### Description:

The Executive Office is comprised of the Chairman of the Board, eight Board of Directors two Ex-Officio and the executive management staff. This office provides the management expertise to conceptually identify and then set policies for the organization. This Office also develops and implements a strategic plan that allows for the efficient and effective use of all available resources to accomplish the mission of the Tollway. The Tollway is governed by the members of the Board of Directors that include the Governor of Illinois and the Secretary of the Illinois Department of Transportation, Ex-Officio.

### Department Organizational Structure





Executive Office continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$ 357,175	\$ 514,780	\$ 618,309	\$ 103,529
BENEFITS	60,851	110,274	165,478	55,204
OTHER EXPENSES	1,294,528	1,285,950	1,285,000	(950)
OTHER OUTSIDE SERVICES	75,023	80,000	80,000	0
DUES, BOOKS & SUBSCRIP.	28,746	33,100	33,100	0
TRAVEL AND SUBSISTENCE	6,232	15,500	15,500	0
OTHER CAPITAL EQUIPMENT	0	4,400	2,000	(2,400)
OTHER MINOR ACCOUNTS	4,755	19,400	19,200	(200)
<b>DEPARTMENT TOTAL</b>	<b>\$ 1,827,311</b>	<b>\$ 2,063,404</b>	<b>\$ 2,218,587</b>	<b>\$ 155,183</b>

Fiscal Year 2008 Budget request is \$2.2 million; an increase of \$155 thousand or 7.5 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$784 thousand and includes 6 positions.

**Department M&O Highlights**

- Salary and Wages reflect an increase of \$104 thousand or 20.1% over the 2007 Budget. This increase reflects annual salary increases and funding for currently vacant positions.
- Benefits increased \$55 thousand over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.

## Finance

### Description:

The Finance Department is responsible for general accounting, financial reporting, budgeting, treasury functions, accounts payable, collection contracts review, payroll, debt management, and risk management.

Finance is responsible for the following functions:

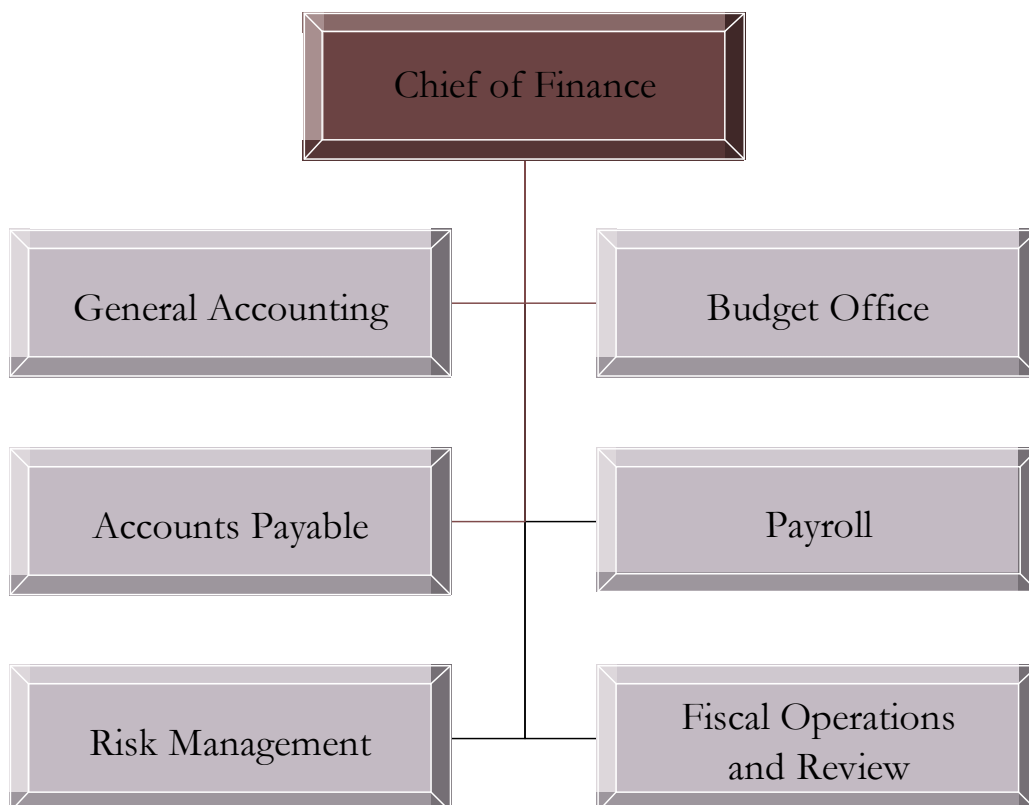
Controller: General Accounting, Accounts Payable, Payroll

Fiscal Operations and Review

Budget Office: Capital and M&O

Risk Insurance

### Department Organizational Structure



Finance Continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARIES AND WAGES	\$ 2,320,439	\$ 2,433,432	\$ 2,611,077	\$ 177,645
BENEFITS	427,983	507,797	698,803	191,006
GROUP INSURANCE	21,012,484	23,200,000	24,000,000	800,000
WORKMAN'S COMP. INSURANCE	8,582,846	3,411,000	4,100,000	689,000
PROPERTY INSURANCE	1,956,252	2,415,000	2,415,000	0
OTHER OUTSIDE SERVICES	1,693,553	2,800,000	2,300,000	(500,000)
OTHER EXPENSES	1,679,643	1,790,700	1,790,700	0
BANK CHARGES	149,584	108,000	120,000	12,000
BOND TRUSTEE	15,452	50,000	50,000	0
SUPPLIES - OFFICE	18,851	30,000	20,000	(10,000)
POSTAGE AND EXPRESS	11,817	12,000	11,800	(200)
EMPLOYEE TRAINING	3,759	9,325	8,000	(1,325)
EQUIPMENT MAINTENANCE	4,272	10,200	6,000	(4,200)
DUES, BOOKS & SUBSCRIP.	3,655	6,675	6,000	(675)
TRAVEL AND SUBSISTENCE	2,446	5,000	5,000	0
OFFICE EQUIPMENT	0	5,000	5,000	0
OTHER MINOR ACCOUNTS	5,852	14,200	6,700	(7,500)
<b><i>SUBTOTAL</i></b>	<b>\$ 37,888,888</b>	<b>\$ 36,808,329</b>	<b>\$ 38,154,080</b>	<b>\$ 1,345,751</b>
RECOVERY OF EXPENSES	(351,837)	(400,000)	(400,000)	0
<b><i>DEPARTMENT TOTAL</i></b>	<b>\$ 37,537,051</b>	<b>\$ 36,408,329</b>	<b>\$ 37,754,080</b>	<b>\$ 1,345,751</b>

The Fiscal Year 2008 Budget request is \$37.8 million; an increase of \$1.3 million or 3.7 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$3.3 million and includes 57 positions.

**Department M&O Highlights**

- Salaries and Wages increased \$178 thousand or 7.3% over 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions.
- Benefits increased by \$191 thousand over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Group Insurance was increased \$800 thousand or 3.4% due to rising health costs.

Finance continued

- Worker's Compensation Insurance increased \$689 thousand or 20.2% because a recent actuarial study projected a rise in the value of claims for 2008.
- Other Outside Services decreased \$500 thousand or 17.9% based on projected collection agency costs for 2008.

## Information Technology

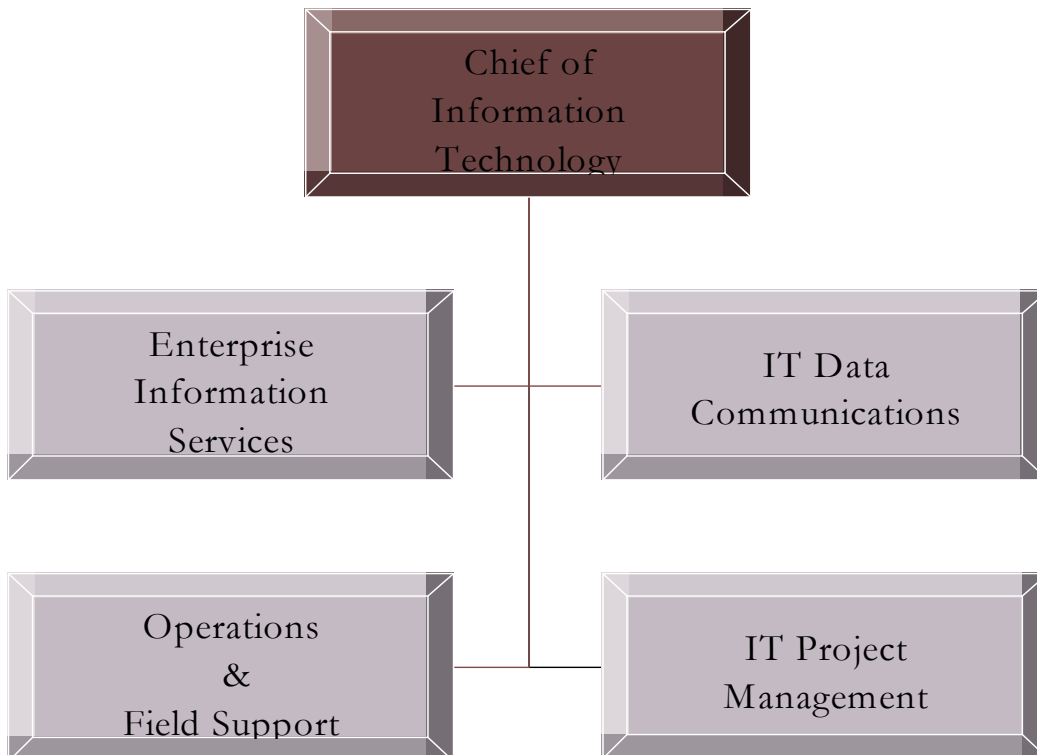
### Description:

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

Information Technology is responsible for the following functions:

Enterprise Information Services  
IT Data Communications  
Operations & Field Support  
IT Project Management

### Department Organizational Structure



Information Technology continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$ 3,886,883	\$ 4,350,354	\$ 4,395,205	\$ 44,851
BENEFITS	674,997	939,012	1,176,289	237,277
EQUIPMENT MAINTENANCE	875,658	1,796,500	1,298,940	(497,560)
CONSULTING SERVICES	13,841	440,000	750,000	310,000
CONTRACTED OUTSIDE SERVICE	0	0	722,300	722,300
TELEPHONE & TELEGRAPH	470,851	397,000	445,000	48,000
REPLACEMENT PARTS	159,957	140,000	130,000	(10,000)
OTHER OUTSIDE SERVICES	35,939	285,000	100,000	(185,000)
SUPPLIES - OPERATIONAL	78,353	72,400	70,000	(2,400)
EMPLOYEE TRAINING	78,989	124,000	35,000	(89,000)
SUPPLIES - OFFICE	13,419	21,500	13,839	(7,661)
MATERIALS - OPERATIONAL	6,908	20,000	10,000	(10,000)
TRAVEL AND SUBSISTENCE	1,595	9,300	5,000	(4,300)
TOOLS & EQUIPMENT	3,284	6,000	3,000	(3,000)
OFFICE EQUIPMENT	3,169	5,000	3,000	(2,000)
UNIFORMS & ACCESSORIES	3,022	2,000	2,000	0
OTHER CAPITAL EQUIPMENT	15,705	14,000	0	(14,000)
OTHER MINOR ACCOUNTS	6,292	13,100	8,900	(4,200)
<b>DEPARTMENT TOTAL</b>	<b>\$ 6,328,862</b>	<b>\$ 8,635,166</b>	<b>\$ 9,168,473</b>	<b>\$ 533,307</b>

The Fiscal Year 2008 Budget request is \$9.2 million; an increase of \$533 thousand or 6.2 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$5.6 million and includes 75 positions.

**Department M&O Highlights**

- Salaries and Wages increased \$45 thousand or 1.0% over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions.
- Benefits increased \$237 thousand over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Equipment Maintenance decreased \$498 thousand or 27.7%, but continues to support the Next Generation Network (NGN) mainframe, SAN and SERVER maintenance, Kronos, and Microsoft license.

Information Technology continued

- Consulting Services increased by \$310 thousand to support E-Commerce and Unisys Disaster Recovery.
- Contracted Outside Service increased \$722 thousand to support 1135 user fees for the Starcom State-wide Public Safety Radio System.

## Office of Inspector General

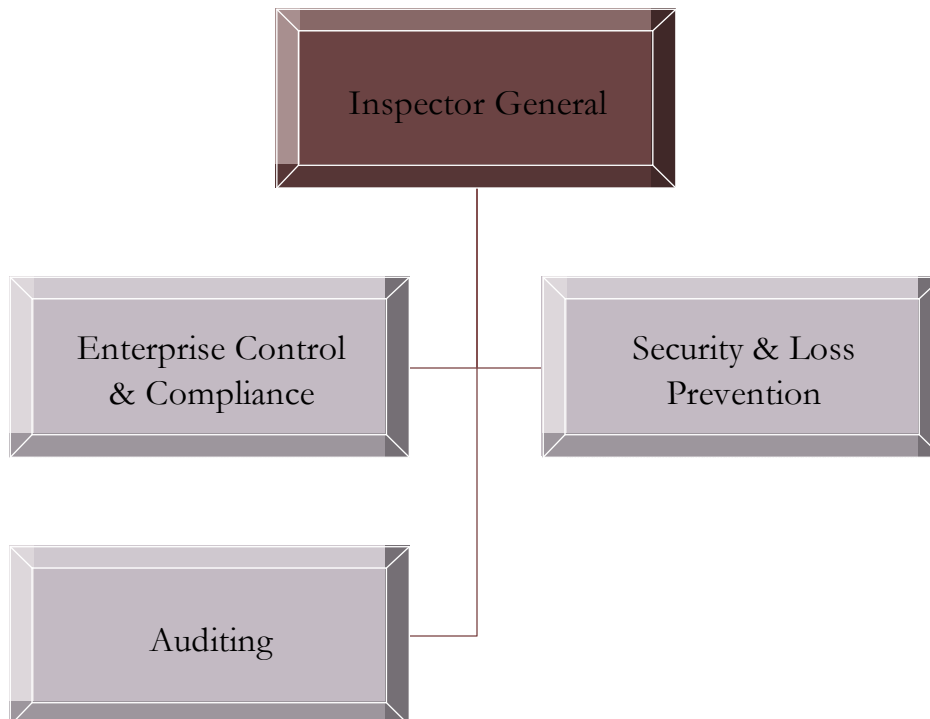
### Description:

The Office of Inspector General (“OIG”) at the Illinois Tollway was created in accordance with Governor Blagojevich’s reform agenda for the Agency. It is the intent of this Office to provide accountability and protect the integrity of the Illinois Tollway. The Inspector General has independent autonomy to root out and fairly 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/or vendors adhere to all state and federal laws, as well as internal rules and regulations.

The Office of the Inspector General is responsible for the following functions:

Enterprise Control and Compliance  
Security and Loss Prevention  
Auditing

### Department Organizational Structure





Office of Inspector General continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$ 564,889	\$ 828,150	\$ 955,862	\$ 127,712
BENEFITS	97,197	180,679	255,817	75,138
EQUIPMENT MAINTENANCE	33,783	15,000	6,500	(8,500)
DUES, BOOKS & SUBSCRIP.	5,408	8,000	8,000	0
EMPLOYEE TRAINING	5,855	15,000	7,500	(7,500)
SUPPLIES - OFFICE	3,128	7,600	5,500	(2,100)
OFFICE EQUIPMENT	2,970	3,000	3,000	0
BUILDING EQUIPMENT	0	15,350	3,000	(12,350)
OTHER CAPITAL EQUIPMENT	5,035	3,000	2,000	(1,000)
TRAVEL AND SUBSISTENCE	1,036	6,000	2,000	(4,000)
OTHER MINOR ACCOUNTS	374	2,200	1,800	(400)
<b>DEPARTMENT TOTAL</b>	<b>\$ 719,675</b>	<b>\$ 1,083,979</b>	<b>\$ 1,250,979</b>	<b>\$ 167,000</b>

The Fiscal Year 2008 Budget request is \$1.3 million; an increase of \$167 thousand or 15.4 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$1.2 million and includes 15 positions.

**Department M&O Highlights:**

- Salaries and Wages increased \$128 thousand or 15.4% over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions.
- Benefits increased over the 2007 Budget by \$75 thousand due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Equipment Maintenance has decreased \$9 thousand or 56.7%. A new road-wide CCTV maintenance contract is in place and the cost of security camera maintenance is split between Inspector General and Electronic Tolling, with most funding now allocated to Electronic Tolling.
- Building Equipment has decreased \$12 thousand after a one-time 2007 purchase of a replacement CCTV camera.

## Legal

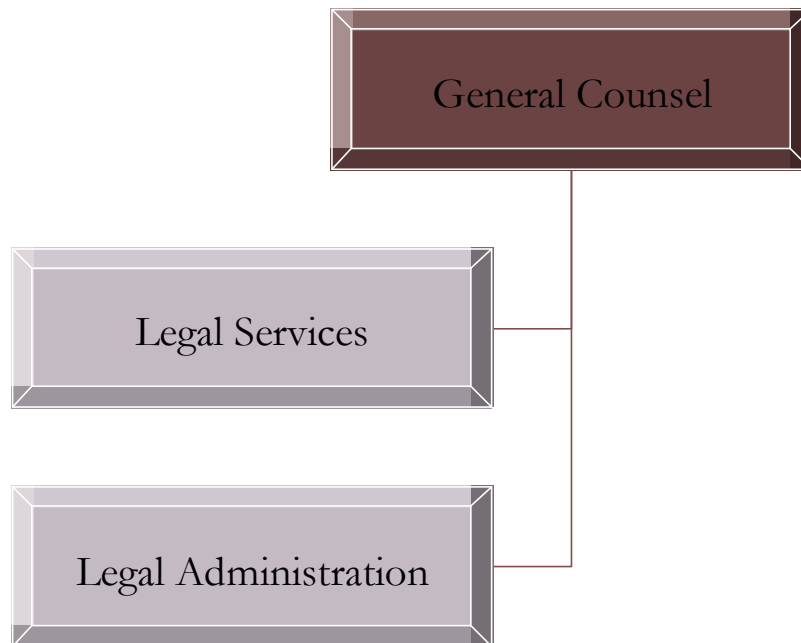
### Description:

The Law 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 Legal Department is responsible for providing legal services that pertain to the following:

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

### Department Organizational Structure



Legal continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$ 838,303	\$ 936,160	\$ 990,253	\$ 54,093
BENEFITS	141,573	202,563	265,021	62,458
OTHER OUTSIDE SERVICES	138,862	210,000	185,000	(25,000)
OTHER EXPENSES	318	15,000	20,000	5,000
DUES, BOOKS & SUBSCRIP.	19,228	21,000	18,000	(3,000)
SUPPLIES - OFFICE	6,875	6,000	6,000	0
TRAVEL AND SUBSISTENCE	5,897	8,000	5,000	(3,000)
EMPLOYEE TRAINING	1,669	8,400	4,000	(4,400)
OTHER MINOR ACCOUNTS	1,746	10,200	6,100	(4,100)
<b><i>SUBTOTAL</i></b>	<b>\$ 1,154,469</b>	<b>\$ 1,417,323</b>	<b>\$ 1,499,374</b>	<b>\$ 82,051</b>
RECOVERY OF EXPENSES	(2,988)	(5,000)	(5,000)	0
<b><i>DEPARTMENT TOTAL</i></b>	<b>\$ 1,151,481</b>	<b>\$ 1,412,323</b>	<b>\$ 1,494,374</b>	<b>\$ 82,051</b>

The Fiscal Year 2008 Budget request is \$1.5 million; an increase of \$82 thousand or 5.8 percent over Fiscal Year 2007 budgeted amount. Total payroll is \$1.26 million and includes 12 positions.

**Department M&O Highlights**

- Salaries and Wages increased \$54 thousand or 5.8% over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions.
- Benefits increased by \$62 thousand over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Other Outside Services decreased \$25 thousand or 11.9% due to projected services required by outside vendors.

## Operational Services

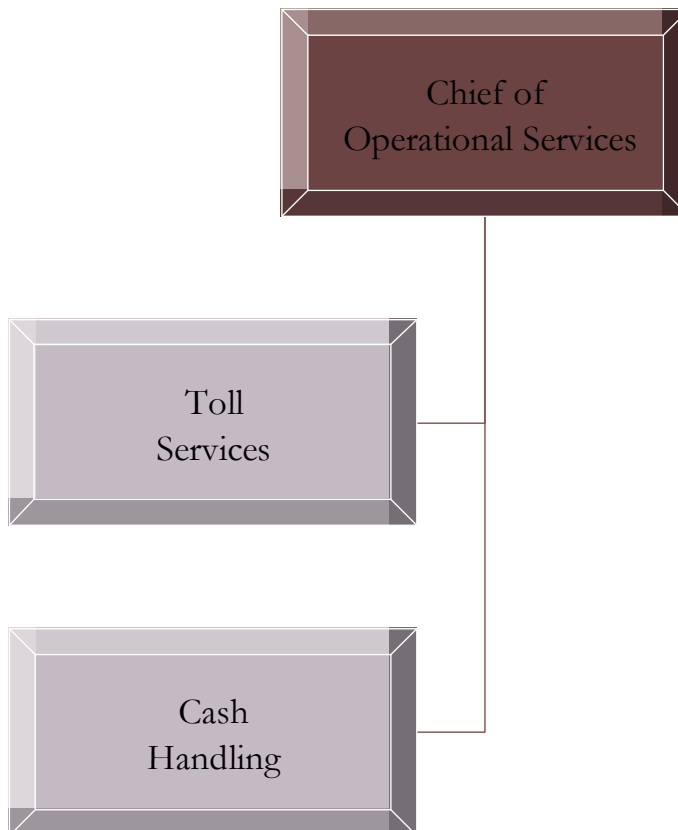
### Description:

The Department of Operational Services is responsible for providing the necessary resources and services to manage the collection and counting of tolls for the Authority.

Operational Services is responsible for the following functions:

Toll Collection  
Cash Handling  
Operational Services Support

### Department Organizational Structure



Operational Services continued

**MAJOR ACCOUNT LINES:**

ACCOUNT DESCRIPTION	2006 Actual	2007 Revised Budget	2008 Request	\$ Change
SALARY & WAGES	\$ 31,664,099	\$ 32,399,100	\$ 33,086,038	\$ 686,938
BENEFITS	6,694,239	7,474,537	8,854,816	1,380,279
UTILITIES	4,326,223	4,770,000	4,770,000	0
OTHER EXPENSES	2,341,077	2,488,100	2,488,100	0
UNIFORMS & ACCESSORIES	252,000	269,650	270,000	350
ARMORED TRUCK SERVICE	160,715	240,000	200,000	(40,000)
SUPPLIES - OPERATIONAL	120,996	142,750	126,000	(16,750)
SUPPLIES - OFFICE	85,250	94,500	98,500	4,000
DUES, BOOKS & SUBSCRIP.	72,124	80,000	80,000	0
TRAVEL AND SUBSISTENCE	82,714	90,000	72,000	(18,000)
REPLACEMENT PARTS	41,384	94,000	54,000	(40,000)
CONTRACTED OUTSIDE SERVICE	56,643	88,809	51,000	(37,809)
EQUIPMENT MAINTENANCE	8,606,125	55,000	25,000	(30,000)
BUILDING EQUIPMENT	21,442	40,350	15,500	(24,850)
OTHER OUTSIDE SERVICES	10,915	15,000	15,000	0
EMPLOYEE TRAINING	12,979	15,000	10,000	(5,000)
OFFICE EQUIPMENT	6,887	36,000	8,000	(28,000)
EQUIPMENT RENTALS	3,339,696	10,200	6,500	(3,700)
OTHER MINOR ACCOUNTS	9,437	15,850	8,900	(6,950)
<b>DEPARTMENT TOTAL</b>	<b>\$ 57,904,945</b>	<b>\$ 48,418,846</b>	<b>\$ 50,239,354</b>	<b>\$ 1,820,508</b>

The Fiscal Year 2008 Budget request is \$50.2 million; an increase of \$1.8 million or 3.8 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$41.9 million and includes 711 positions.

**Department M&O Highlights**

- Salaries and Wages increased by \$687 thousand or 2.1% over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions.
- Benefits increased \$1.4 million over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.

- Armored Truck Service, Replacement Parts, Contracted Outside Service, Equipment Maintenance, and Building/Office Equipment, Operational Supplies, and Travel and Subsistence decreased by \$251 thousand due to projected lower costs in 2008.

## Procurement

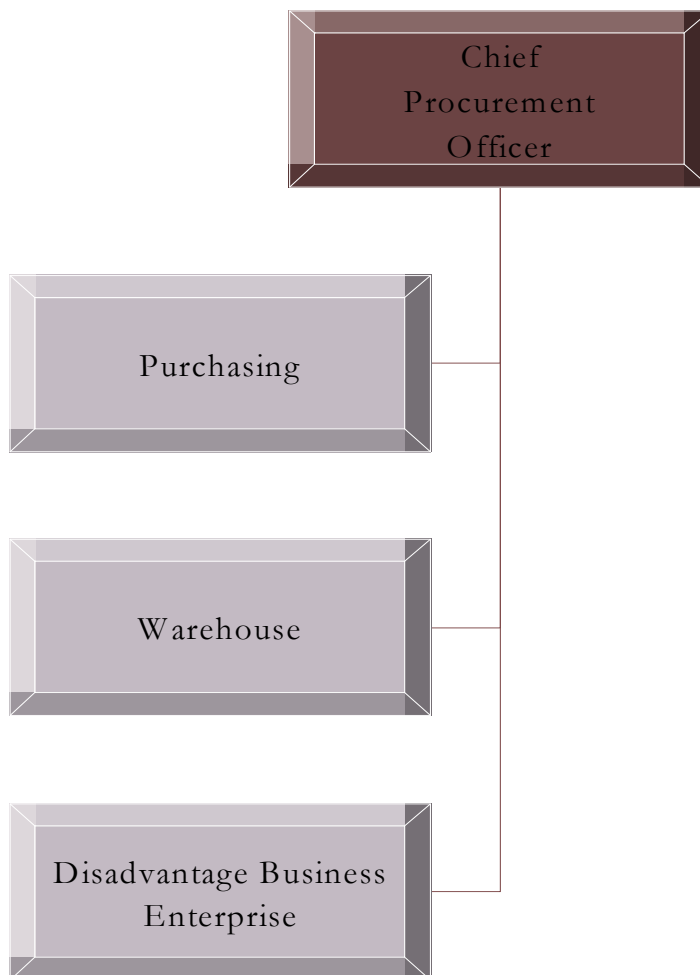
### Description:

The Procurement Department is responsible for all purchasing and procurement issues related to the Tollway. In addition to procurement of goods and services, the department is also responsible for the warehouse function. The Procurement Department is authorized to execute contracts and place orders for goods and services as well as updating the DBE Program.

The Procurement Department is responsible for the following functions:

Purchasing  
Central Warehouse  
DBE Program

### Department Organizational Structure



Procurement continued

**MAJOR ACCOUNT LINES**

<b>ACCOUNT DESCRIPTION</b>	<b>2006 Actual</b>	<b>2007 Revised Budget</b>	<b>2008 Request</b>	<b>\$ Change</b>
SALARY & WAGES	\$ 2,148,634	\$ 2,512,600	\$ 2,753,933	\$ 241,333
BENEFITS	398,710	525,200	737,035	211,835
SUPPLIES - OFFICE	11,925	16,600	15,000	(1,600)
OTHER OUTSIDE SERVICES	29,242	11,400	11,000	(400)
EMPLOYEE TRAINING	0	6,000	8,000	2,000
EQUIPMENT MAINTENANCE	3,866	5,000	5,500	500
TRAVEL AND SUBSISTENCE	2,255	12,000	4,000	(8,000)
POSTAGE AND EXPRESS	2,562	2,200	3,500	1,300
OTHER EXPENSES	8,550	500	3,000	2,500
OFFICE EQUIPMENT	3,267	8,000	2,800	(5,200)
SUPPLIES - OPERATIONAL	46,619	3,197	2,400	(797)
OTHER MINOR ACCOUNTS	63,378	76,403	37,800	(38,603)
<b><i>SUBTOTAL</i></b>	<b>\$ 2,719,008</b>	<b>\$ 3,179,100</b>	<b>\$ 3,583,968</b>	<b>\$ 404,868</b>
RECOVERY OF EXPENSES	(3,888)	(5,000)	(5,000)	0
<b><i>DEPARTMENT TOTAL</i></b>	<b>\$ 2,715,120</b>	<b>\$ 3,174,100</b>	<b>\$ 3,578,968</b>	<b>\$ 404,868</b>

The Fiscal Year 2008 Budget request is \$3.6 million; an increase of \$405 thousand or 12.8 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$3.5 million and includes 56 full-time positions.

**Department M&O Highlights**

- Salaries and Wages increased by \$241 thousand or 9.6% over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions. One data entry position has been added for 2008.
- Benefits increased \$212 thousand over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Travel, Office Equipment and Other Minor Accounts were reduced by \$55 thousand for 2008.



## State Police

### Description:

Illinois State Police District 15 is a separate contingent of the Illinois State Police. It provides law enforcement and patrols to the Tollway System to assist disabled motorists and provide special details for overweight vehicles, construction zone safety, investigations and toll collection operations. The District Commander reports to the Executive Director of the Tollway and to the Director of the State Police.

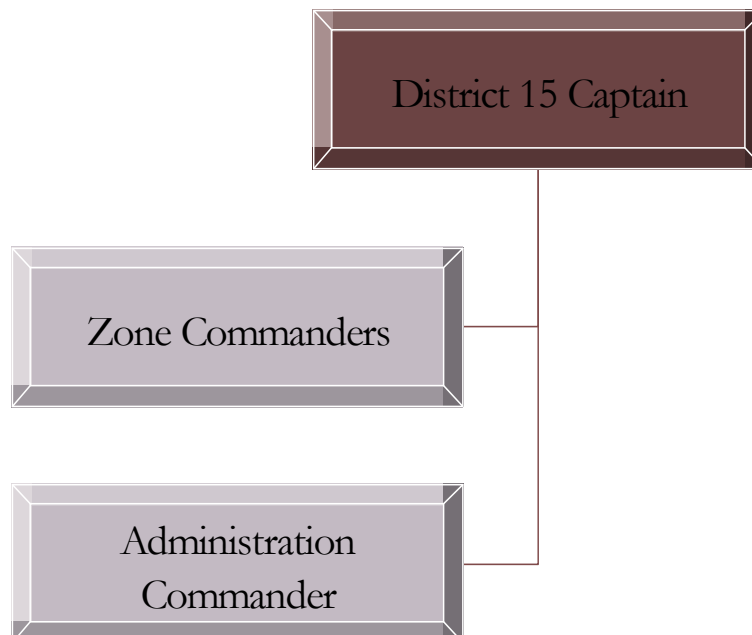
District 15 is a unique State Police district serving a unique mobile community made up of travelers from across the country and local commuters, traversing the 286 miles of the Illinois Tollway. Troopers assigned to District 15 cover 12 different counties, 5 state police districts and 4 toll roads.

The district 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.

District 15 State Police is responsible for the following functions:

Zone Commanders  
Administration Commander  
Support Services  
Video Surveillance

### Department Organizational Structure



State Police continued

MAJOR ACCOUNT LINES

ACCOUNT DESCRIPTIONS	2006 Actual	2007 Revised	2008 Request	\$ Change
SALARY & WAGES	\$ 13,755,853	\$ 14,556,522	\$ 15,743,126	\$ 1,186,604
BENEFITS	1,520,141	2,302,425	3,283,018	980,593
GROUP INSURANCE	2,112,891	2,678,400	2,700,000	21,600
OTHER EXPENSES	1,049,745	1,200,000	900,000	(300,000)
EQUIPMENT MAINTENANCE	110,269	152,700	150,000	(2,700)
UNIFORMS & ACCESSORIES	70,282	90,000	94,500	4,500
SUPPLIES - OPERATIONAL	44,453	116,975	91,000	(25,975)
OTHER OUTSIDE SERVICES	46,683	50,000	75,000	25,000
POLICE EQUIPMENT	119,475	40,000	40,000	0
REPLACEMENT PARTS	27,977	5,000	30,000	25,000
SUPPLIES - OFFICE	25,763	30,000	28,350	(1,650)
TELEPHONE & TELEGRAPH	14,693	32,000	25,000	(7,000)
POSTAGE AND EXPRESS	21,457	18,900	22,000	3,100
EMPLOYEE TRAINING	8,385	18,500	20,000	1,500
TRAVEL AND SUBSISTENCE	3,664	6,500	8,000	1,500
OTHER MINOR ACCOUNTS	4,978	9,625	6,800	(2,825)
<b><i>SUBTOTAL</i></b>	<b>\$ 18,936,709</b>	<b>\$ 21,307,547</b>	<b>\$ 23,216,794</b>	<b>\$ 1,909,247</b>
RECOVERY OF EXPENSES	(83,297)	(75,000)	(87,500)	(12,500)
<b><i>DEPARTMENT TOTAL</i></b>	<b>\$ 18,853,412</b>	<b>\$ 21,232,547</b>	<b>\$ 23,129,294</b>	<b>\$ 1,896,747</b>

The Fiscal Year 2008 Budget request is \$23.1 million; an increase of \$1.9 million or 8.9 percent over the Fiscal Year 2007 budgeted amount. Total payroll is \$19 million for 19 civilian positions and 196 troopers.

**Department M&O Highlights:**

- Salaries and Wages increased by \$1.2 million or 8.2% over the 2007 Budget. This increase reflects annual salary increases; increases required by collective bargaining agreements; and funding for currently vacant positions.
- Benefits increased \$981 thousand over the 2007 Budget due to the SERS Pension Contribution Rate increase from 13.7% to 19.1%.
- Other Outside Services increased \$25 thousand or 50% due to the leasing fees for the photo enforcement van.
- Operational Supplies decreased \$26 thousand due to reduced costs.

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## 2008 Capital Program

In September 2007, the Illinois Tollway's Board of Directors approved modifications to its Congestion-Relief Program (CRP) and extended its duration through the year 2016. The updated CRP reflects a regularly planned strategic review of program accomplishments, market forces impact on major industry costs and ongoing discussions with local communities. The goals of the program remain to provide congestion relief by converting the entire mainline system to Open Road Tolling (*complete*), widening most of the roadway network, rebuilding or rehabilitating over 95% of the existing pavement, extending I-355 south from I-55 to I-80 and upgrading or adding interchanges systemwide to meet the needs of growing communities.

### Fiscal Year 2008 - Capital Program

(\$ in millions)

	2006 Actual	2007 Budget	2008 Request
Tri-State Tollway (I-94/294)	189.8	312.6	738.6
Jane Addams Memorial Tollway (I-90)	2.7	16.3	112.6
Reagan Memorial Tollway (I-88)	43.2	119.1	272.4
Veterans Memorial Tollway (I-355)	273.2	380.9	38.2
Open Road Tolling (ORT)	408.2	103.4	20.5
Systemwide Improvements	64.0	72.5	88.5
<b>Congestion-Relief Program Subtotal</b>	<b>\$ 981.1</b>	<b>\$ 1,004.8</b>	<b>\$ 1,270.8</b>
<b>"Other" Capital Projects Subtotal</b>	<b>\$ 49.3</b>	<b>\$ 138.1</b>	<b>\$ 108.6</b>
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$ 1,030.4</b>	<b>\$ 1,142.9</b>	<b>\$ 1,379.4</b>

### Congestion-Relief Program

#### 2007 Accomplishments

#### *Open Road Tolling (ORT)*

- ◆ By the end of 2007, the Tollway is estimated to expend nearly \$700 million over a three year period to deliver Open Road Tollway at the 20 mainline plazas systemwide and reconstruct or rehabilitate the existing plaza cash lanes and facilities. This includes reconstruction of the pavement through the plazas to accommodate the new roadway geometry necessary to implement Open Road Tolling.
- ◆ Phase I and Phase II, which included delivering Open Road Tolling at 20 mainline plazas, was completed in the Fall of 2006. Work continued through 2007 reconstructing the cash-side of the mainline plazas including adding new I-PASS Only lanes, rebuilding or rehabilitating the existing toll collection booths and the toll plaza support buildings.

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

- ◆ Within the initial 5 years of the Congestion-Relief Program (CRP), the Tollway is planning to invest nearly \$2.2 billion to reconstruct and widen the majority of I-294/I-94. By mid-2010, the 76 miles of the 78.5 mile I-294/I-94 Tollway will have a minimum of 4 lanes in each direction.
- ◆ By the end of 2007, a majority of the contracts required to complete this work will have been obligated and nearly \$690 million is estimated to have been earned since the start of the CRP program in 2005.
- ◆ The project to reconstruct/ widen from I-394 to 167<sup>th</sup> Street, phase I of the south Tri-State, was completed in 2006. Phase II of the South Tri-State, to reconstruct and widen from 159<sup>th</sup> Street to 95<sup>th</sup> Street, began in early 2007 with work on 4 retaining walls and bridge widening contracts. This work sets up the corridor for the mainline reconstruction and widening contracts scheduled for 2008 and 2009. By late 2007, five contracts to reconstruct and widen the southbound roadway shall be awarded.
- ◆ In 2007, the central section of the Tri-State from Balmoral Avenue to Lake-Cook Road remained under construction with 3 northbound reconstruction and widening contracts and 2 bridge reconstruction contracts underway. By years end, 3 additional contracts to reconstruct and widen the southbound lanes will be awarded along with an additional bridge reconstruction contract.
- ◆ The southbound reconstruction and widening of the north section of the Tri-State from Grand Avenue to IL 173 and reconstruction from IL 173 to the Wisconsin state line began in early 2007. By the end of 2007, the balance of the southbound contracts to reconstruct and widen the north Tri-State will be awarded along with two northbound contracts.

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

- ◆ In 2007, construction work continued along I-88 between I-290 and west of the Fox River with approximately 50% of the contracts required to complete this work obligated and over \$300 million estimated to be earned by years end.
- ◆ Two retaining wall and bridge widening contracts and two eastbound reconstruction and widening contracts are scheduled to be completed during 2007 between Finley Road and Washington Street.
- ◆ Other significant work underway along I-88 during 2007 included: replacement of the east-west connector bridge connecting I-294 northbound with I-88 westbound, reconstruction and widening of the mainline between IL 83 and York Road, reconstruction of the westbound York Road Toll Plaza, construction of a new mainline bridge over the

Fox River and reconstruction and widening in the eastbound direction between IL 31 and the Aurora Toll Plaza.

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

- ◆ In 2005, the Tollway began the South Extension of Veterans Memorial Tollway. A 12.5 mile, three-lane extension of the existing tollway from where it currently ends at I-55, through Will County to I-80. This extension will bring needed congestion relief, reduced travel times and jobs for residents of Will County, one of the fastest growing counties in Illinois.
- ◆ The project included two major interchanges at I-55 and I-80 and four other local interchanges, one mainline and eight ramp toll plazas, a 1.3 mile bridge spanning the DesPlaines River Valley and numerous other bridges.
- ◆ In early 2007, the remaining construction contracts were awarded and by mid-year work continued on 15 construction contracts throughout the corridor, the last of which was substantially completed in early November 2007. By year-end it is estimated that \$680 million of the projects \$729.2 million budget will be earned.
- ◆ The Tollway opened the South Extension in November 2007.

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

- ◆ In 2007, work began on the reconstruction and widening for the section of I-90 between Cherry Valley and Rockton Road with shoulder resurfacing and construction of mainline crossovers. This project sets up the corridor for the mainline reconstruction and widening contracts scheduled for 2008 and 2009.
- ◆ Master planning and design work continued for the future reconstruction and widening for the balance of the corridor.

**2008 Highlights**

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

- ◆ By the end of 2008, the reconstruction and widening of the southbound lanes from 159<sup>th</sup> Street to 95<sup>th</sup> Street will be completed and the balance of the contracts to complete Phase II of the south Tri-State project will be awarded.
- ◆ In 2008, the central section of the Tri-State from Balmoral to Lake-Cook Road will remain under construction with northbound reconstruction and widening from Balmoral Avenue to Dempster Street and southbound reconstruction and widening from Dempster Street to Lake Cook Road being completed. The balance of the contacts to com-

plete the central section of the Tri-State is scheduled to be awarded by the end of 2008.

- ◆ By the end of 2008, construction of the southbound lanes on the north section of the Tri-State from Half Day Road to the Wisconsin state line will be completed and the balance of the projects to complete the northbound lanes will be under construction.

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

- ◆ In 2008, construction work will continue along I-88 between I-290 and west of the Fox River with the section between Finley Road and Washington Street and the new Fox River bridge scheduled for completion.
- ◆ By the end of 2008, the reconstruction and widening of the westbound lanes between IL 83 and Finley Road and the eastbound lanes between Deerpath Road and the Aurora Toll Plaza will be completed; along with the balance of the contracts to complete the I-88 corridor between I-290 and west of the Fox River under construction.

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

- ◆ In early 2008, a northbound resurfacing and widening contract for the section of the Veterans Memorial Tollway between 75<sup>th</sup> Street and I-88 will be awarded with construction scheduled to be completed by year end. The accompanying contract to complete the southbound resurfacing and widening will be awarded in late 2008.

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

- ◆ In 2008, work will begin on the reconstruction of the Cherry Valley Interchange and the reconstruction and widening for the section of I-90 between Cherry Valley and Rockton Road in the eastbound direction.
- ◆ Master planning for the future reconstruction and widening for the balance of the corridor will be completed.

To support the on-going operations of the Tollway and in addition to the Congestion-Relief Program, other capital projects are needed to ensure that the existing roadway network is maintained and safe for travel. While the CRP is the largest component of the Tollway's Capital Program, other elements include new technologies to manage congestion, reduce travel time and provide enhanced customer service; improvements to maintenance buildings and other structures to maintain the Tollway's assets; and additional equipment for the State Police and maintenance staff to improve efficiency and enhance public safety.



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## **Other Capital Projects**

### **2007 Accomplishments**

#### ***Public Safety / Customer Communications***

- ◆ In 2007, over \$2.7 million is estimated to be expended to continue to update the technology on our toll roads to provide high-quality information to the public, providing a safer and more efficient roadway network. These Intelligent Transportation Systems were deployed along the system to monitor traffic flow and provide delay and routing information to customers. Improvements include:
  - installation and relocation of wireless closed circuit TV on the South Tri-State from I-394 to I-55;
  - replace 5 unreliable Vultron Dynamic Message Signs;
  - ramp queue detection systems; and
  - Traffic Incident Management Systems
- ◆ To help manage traffic through the extensive construction zones throughout the system, over \$1.5 million was spent on signage; which was used to ease congestion by communicating changes in traffic patterns, night-time and off-peak lane closures and identify alternate routes.

#### ***Business Efficiencies***

- ◆ Approximately \$6.7 million will be expended in 2007 to advance the development of the Tollway's Next Generation Network (NGN); a combination of several service specific networks, including voice, video and data. Combined these networks provide the telecommunications and data services required to support Tollway operations including:
  - public safety radio systems;
  - telephone service, data network connectivity, application hosting/distribution, physical alarms and security system monitoring for all Tollway locations, connectivity for electronic toll collection system, and video surveillance cameras, traffic sensors, and roadway message signs
- ◆ In 2007, the Tollway will expend \$1.0 million to support Web and E-Commerce, providing the 3 million plus Tollway patrons a variety of services including up to date news about construction hot spots, specific lane closure information and I-PASS account information.
- ◆ Approximately \$1.0 million will be expended for developing a modern Disaster Recovery system to protect the computer systems from service interruptions and malfunction.

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***Toll Collection***

- ◆ The Tollway is a user-funded system, requiring annual expenditures to ensure that tolls are collected, recorded and that violators are held accountable. The Tollway continues to leverage the latest technology through its systemwide installation of electronic toll collection system. In 2007, over \$10 million will be spent on various toll collection equipment and violation enforcement enhancements, including:
  - o approximately \$2.5 million will be expended for Violation Enforcement System (VES) equipment installation at ramp locations;
  - o over \$6.0 million for the purchase of transponders; and
  - o more than \$1.3 million for the completion of lane conversions and refurbishment of automatic coin machines throughout the system.

***Roadway and Operational Repairs/Replacements***

- ◆ In order to keep the Tollway facilities in a state of good repair, \$13.9 million will be expended in 2007 on systemwide maintenance projects to ensure the roadway system remains safe and reliable and the maintenance facilities are preserved. These projects include:
  - o intermittent pavement repairs;
  - o parking lot repairs;
  - o pavement striping; and
  - o maintenance yard improvements systemwide
- ◆ The Illinois Tollway is one of the best maintained interstate systems in the country and provides assistance to customers with H.E.L.P. operators providing a variety of services including aiding with incidents, arranging for tows, changing flat tires, etc. and the State Police patrolling all 286 miles of the Tollway. More than \$6 million is estimated to be expended in 2007 for purchasing equipment to support these efforts such as; dump trucks with plow equipment, street sweepers, light duty trucks and vans and squad cars for the Illinois State Police District 15.

**2008 Highlights*****Public Safety / Customer Communications***

- ◆ In 2008, the Tollway will continue its charge to upgrade the technology along the system to improve incident response time and monitor and detect traffic incidents. Over \$15.5 million is allocated to improve the Tollway's Intelligent Transportation System (ITS), including:
  - o installing new and relocating existing wireless closed circuit TVs;
  - o converting CCTV cameras from analog to digital technology;

- o installing 30 Remote Traffic Microwave Sensor vehicle detectors near interchanges on the North Tri-State Tollway;
  - o implementing a Video Incident Detection System;
  - o installing new and replacing existing Dynamic Message Signs located at major arterial points of the Tollway; and
  - o expanding and maintaining the Tollway's fiber optics operations
- ◆ Approximately \$4.5 million is budgeted for maintenance of traffic and construction communication systems to monitor traffic flow and convey changes in traffic patterns, night-time and off-peak lane closures and identify alternate routes.
- ◆ Approximately \$2.8 million is budgeted for the Illinois State Police to purchase digital cameras and speed detection equipment to enforce work zone speed limits and improve safety on the road.

### ***Business Efficiencies***

- ◆ In 2008, the Tollway will invest \$11 million to implement an Enterprise Resource Planning system to more efficiently manage multiple business activities including; the purchasing of equipment and supplies, I-PASS sales, finance management, accounting, inventory management, and human resources management.
- ◆ Over \$2.0 million is budgeted for 2008 to advance the on-going Next Generation Network (NGN) project, including overhauling the Tollway's Wide Area Network infrastructure.
- ◆ To improve and maintain the Tollway's Information Technology systems and facilities, \$10.9 million is budgeted for in 2008 for the following projects:
  - o radio upgrade and replacement;
  - o systemwide tower preservation and M-4 tower replacement;
  - o upgrade of plaza computer infrastructure and intercom replacement;
  - o I-PASS storage and expansion;
  - o disaster recovery system;
  - o computer systems replacement and upgrade; and
  - o Tollway Web site maintenance and upgrade

### ***Toll Collection***

- ◆ In 2008, the Tollway expects to purchase \$8.0 million of vehicle transponders.

### ***Roadway Maintenance***

- ◆ In 2008, \$9.8 million will be expended on systemwide maintenance projects to ensure the roadway system remains safe and reliable and the maintenance facilities are preserved. These projects include:
  - o clean drainage systems;
  - o retaining wall repairs;
  - o sign structure, guardrail and fence repairs;
  - o pavement markings/ poly urea striping;
  - o intermittent pavement repairs; and
  - o other non-project specific funding provided based on historical spending

### ***Roadway Equipment***

- ◆ More than \$8.3 million is allocated in 2008 for the annual purchase of roadway vehicles and equipment to support Tollway operations such as; dump trucks with plow equipment, front-end loaders, light duty trucks and vans.

### ***Roadway and Operational Facility Maintenance and Support***

- ◆ The Tollway plans to expend approximately \$15.1 million to maintain its existing support facilities including various Maintenance Sites, Toll Plazas, and the Central Warehouse and Administration buildings. Work to be performed at these facilities includes:
  - o cooling tower upgrade at the Central Administration;
  - o roof replacement, asbestos removal, lighting upgrades and carpet systemwide;
  - o HVAC monitoring system upgrade;
  - o replacement of ceiling heaters at Maintenance buildings and Central Support Complex;
  - o portable generators; and
  - o stand-by generators for unmanned plazas
- ◆ To support the on-going operations of the Tollway and enhance the implementation of its Congestion-Relief Program, approximately \$17.8 million is allocated for other miscellaneous services including:
  - o environmental management services;
  - o DBE/EEO program;
  - o GIS; and
  - o pavement management, congestion management and other traffic and engineering consulting services

## Congestion-Relief Program 2005-2016

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

Project	Scope	Length (miles)	Estimated Construction Period	2008 Request (millions)
<b>Reconstruct</b>				
Reconstruct / Add Lane	159 <sup>th</sup> Street to 95 <sup>th</sup> Street (MP 6.3 to 17.6)	11.3	2007-2009	\$169.9
Reconstruct / Add Lane	Balmoral Avenue to Dempster Street (MP 40.2 to 44.5)	4.3	2006-2009	\$147.6
Reconstruct / Add Lane	Dempster Street to Lake Cook Road (MP 44.5 to 52.9)	8.4	2007-2010	\$131.0
Reconstruct / Add Lane	Half Day Road to IL 137 (MP 56.5 to 64.4)	7.9	2007-2009	\$114.9
Reconstruct / Add Lane to IL 173 (MP 76)	IL 137 to Russell Road (MP 64.4 to 78.5)	14.1	2007-2009	\$171.1
Sub Total:				\$734.5
<b>Regional Growth</b>				
Interchange Improvement	I294/ I57 Interchange Inter-Agency Project *	0	2016	\$4.1
Sub Total:				\$4.1
<b>Tri-State Tollway Total:</b>				<b>\$738.6</b>



## Jane Addams Memorial Tollway (I-90)

Project	Scope	Length (miles)	Estimated Construction Period	2008 Request (millions)
<b>Reconstruct</b>				
Interchange Improvement	I-39/ I-90 Interchange (MP 60.8 to 62.4)	0	2008-2009	\$36.5
Reconstruct / Add Lane	Newburg Road to Rockton Road (MP 61.8 to 76.1)	14.3	2008-2009	\$61.0
Sub Total:				\$97.5
<b>Regional Growth</b>				
Interchange Improvement	East Riverside Interchange Inter-Agency Project*	0	2008	\$10.0
Sub Total:				\$10.0
<b>Design</b>				
Master Plan for Reconstruct / Add Lane	Kennedy Expressway to Newburg Road (M.P. 0.0 to 61.8) - Design Only	61.8	2007-2009	\$5.1
Sub Total:				\$5.1
<b>Jane Addams Memorial Tollway Total:</b>				<b>\$112.6</b>

## Ronald Reagan Memorial Tollway (I-88)

Project	Scope	Length (miles)	Estimated Construction Period	2008 Request (millions)
<b>Resconstruct</b>				
Reconstruct / Add Lane	York Road to IL 83 (MP 137.0 to 139.2)	2.2	2007-2009	\$59.2
Reconstruct / Add Lane	IL 83 to Finley Road (MP 131.9 to 137.0)	5.1	2008-2009	\$27.8
Reconstruct / Add Lane	Finley Road to Washington St. (MP 126.5 to 132.2)	5.7	2006-2009	\$94.5
Reconstruct / Add Lane	Aurora Plaza to Deerpath (MP 114.3 to 117.5)	3.2	2007-2009	\$88.6
Reconstruct / Add Lane	Deerpath to IL 56 (MP 113.3 to 114.3)	1.0	2015	\$2.3
Sub Total:				\$272.4
<b>Ronald Reagan Memorial Tollway Total:</b>				<b>\$272.4</b>

## Veterans Memorial Tollway (I-355)

Project	Scope	Length (miles)	Estimated Construction Period	2008 Request (millions)
<b>Restore</b>				
Resurfacing/Add Lane	75th Street to I-88 (MP 15.5 to 20.0)	4.5	2008-2009	\$14.1
Sub Total:				\$14.1
<b>Regional Growth</b>				
South Extension	I355 South Extension (I-55 to I-80)	12.5	2004-2007	\$24.1
Sub Total:				\$24.1
<b>Veterans Memorial Tollway Total:</b>				<b>\$38.2</b>

## Open Road Tolling

Project	Scope	Length (miles)	Estimated Construction Period	2008 Request (millions)
<b>Open Road Tolling</b>				
Reconstruct	Mainline Reconstruct / Cash Lane Modifications	0	2005-2007	\$20.5
<b>Open Road Tolling Total:</b>				<b>\$20.5</b>

## Systemwide Improvements

Project	Scope	Length (miles)	Estimated Construction Period	2008 Request (millions)
<b>Systemwide Needs</b>				
Bridge Improvements	Bridge Improvements	-	Annual	\$39.0
Plaza Improvements	Plaza Improvements	-	Annual	\$2.0
Interchange Improvements	Interchange Improvements	-	Annual	\$15.0
Environmental / Program Mgmt & Miscellaneous	Systemwide	-	Annual	\$15.3
Pavement Improvements	Pavement Improvements	-	Annual	\$17.2
<b>Systemwide Total:</b>				<b>\$88.5</b>

**Grand Total:**

**\$1,270.8**

Fiscal Year 2008 Budget

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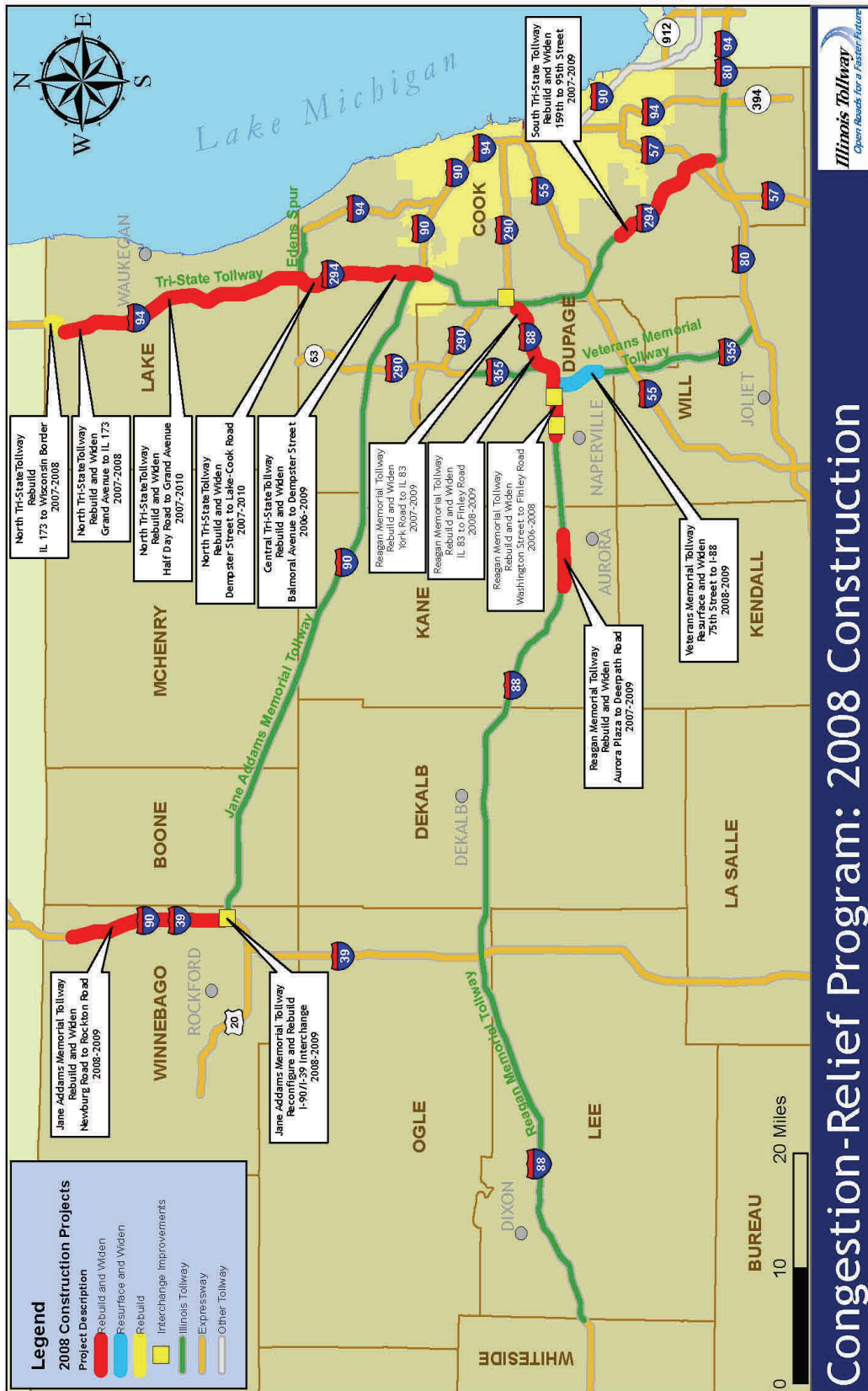
2008 OTHER CAPITAL PROJECT HIGHLIGHTS	2007 Carryover	2008 New Request	2008 Budget
\$'s in thousands (1,000)			
BUILDING REPAIRS AND MAINTENANCE	4,152.0	10,928.8	15,080.8
MAINTENANCE SITES	1,080.0	7,490.3	8,570.3
Roadway Maintenance Yard Facility Repairs			
M-01	-	956.0	956.0
M-02	-	345.3	345.3
M-03	-	289.0	289.0
M-04	-	527.0	527.0
M-05	-	567.2	567.2
M-06	-	500.8	500.8
M-07	-	300.0	300.0
M-08	-	540.0	540.0
M-11	-	170.0	170.0
M-12	-	110.0	110.0
M-14	-	120.0	120.0
M-08 Relocation Study	-	1,500.0	1,500.0
Salt Dome Repairs - Reagan Memorial IL Rt 47	400.0	-	400.0
HVAC Rooftop Units - M-03, M-14 and CW Replacement and Upgrade	250.0	50.0	300.0
Other Miscellaneous Projects	430.0	1,515.0	1,945.0
SYSTEMWIDE	1,310.0	1,030.0	2,340.0
HVAC Replacement and HVAC Monitoring Network System	385.0	500.0	885.0
Overhead Door Replacement - M-03, 11, Sign Shop	25.0	50.0	75.0
Roof Replacements, Excluding new ORT Plazas and Plaza 89 Boughton	450.0	100.0	550.0
Asbestos Removal	200.0	300.0	500.0
Lighting Upgrade System	250.0	50.0	300.0
Modular Partitions for CA and Oases	-	30.0	30.0
CENTRAL ADMINISTRATION	1,477.0	1,053.5	2,530.5
Renovations and Maintenance of Building	250.0	160.0	410.0
Replace Liebert Units AC Backup System	430.0	-	430.0
Replace Main Fire Panel	420.0	-	420.0
Update Halon Fire Suppression System	230.0	-	230.0
Cooling Tower Upgrades	90.0	130.0	220.0
Electrical Main Service & Back-Up Emergency Electrical Upgrade	-	250.0	250.0
Other Miscellaneous Projects	57.0	513.5	570.5
PLAZAS	135.0	1,355.0	1,490.0
Replace Electrical Furnace Heating/Window AC Units - Unmanned Sites	100.0	100.0	200.0
Replace Gas Furnace Heating/AC Units - Unmanned Sites	-	80.0	80.0
Replace Two Portable AC Units with Central Air - P35 Cermak Disaster Recovery Site	35.0	50.0	85.0
Oases Automatic Access Gates	-	1,125.0	1,125.0
RADIO TOWER	150.0	-	150.0
Tower Generator Replacement and Electrical Services Upgrade - Lisle	150.0	-	150.0



*Capital Program*

2008 OTHER CAPITAL PROJECT HIGHLIGHTS	2007 Carryover	2008 New Request	2008 Budget
\$'s in thousands (1,000)			
EQUIPMENT	24,814.2	36,627.6	61,441.8
TECHNOLOGY	12,274.0	22,868.0	35,142.0
Tower Preservation	500.0	-	500.0
Next Generation Network (NGN)	2,073.0	-	2,073.0
800 HZ Communication Upgrade Radio Replacement	1,491.0	-	1,491.0
Mainframe Legacy System Replacement and Upgrade	2,500.0	-	2,500.0
Disaster Recovery System and Data Center	1,100.0	500.0	1,600.0
LAN/WAN Maintenance Upgrade	600.0	-	600.0
Web and E-Commerce	-	800.0	800.0
1 Giga Ethernet Upgrade	-	1,000.0	1,000.0
Oasis Mobile I-PASS - Systemwide	300.0	200.0	500.0
DVD Security Cameras and Equipment	600.0	-	600.0
Illinois State Police Digital Camera Replacement	1,000.0	750.0	1,750.0
Enterprise Resource Planning System	-	11,000.0	11,000.0
Transponder Purchases	-	8,000.0	8,000.0
Other Miscellaneous Projects	2,110.0	618.0	2,728.0
INTELLIGENT TRANSPORTATION SYSTEMS	8,970.0	6,585.0	15,555.0
TIMS Operation and Maintenance	-	800.0	800.0
CCTV Digital Conversions	1,950.0	-	1,950.0
Replace Unreliable Vultron DMS Signs (5)	700.0	-	700.0
CCTV - Tri-State IL 394 - I-55	1,500.0	-	1,500.0
CCTV and RTMS - Tri-State Balmoral - Russell	3,630.0	-	3,630.0
Dynamic Message Sign (DMS) Installation	700.0	-	700.0
Remote Traffic Microwave Sensor (RTMS) Expansion - Jane Addams Memorial	-	600.0	600.0
Video Incident Detection	-	600.0	600.0
CCTV and DMS Digital Video Conversion	-	1,700.0	1,700.0
Fiber Optics Design Upon Request	-	500.0	500.0
ITS Design Upon Request and Construction Upon Request	-	500.0	500.0
ITS and Fiber Optics Program Management and Support	-	1,450.0	1,450.0
Other Miscellaneous Projects	490.0	435.0	925.0
ROADWAY VEHICLES AND TRUCKS	3,115.2	5,195.0	8,310.2
Vehicles and Trucks	3,115.2	5,195.0	8,310.2
EQUIPMENT MACHINERY/TOOLS	455.0	547.1	1,002.1
Six Trailer Mounted Portable Generators	300.0	-	300.0
Fourteen Standby Generators for Plazas	135.0	-	135.0
Flatbed Plotter/Cutter and Semi Automatic Saw	-	110.0	110.0
Aluminum Extrusion Refurbishing	-	113.0	113.0
Other Miscellaneous	20.0	324.1	344.1
MISCELLANEOUS EQUIPMENT SYSTEMWIDE	-	750.0	750.0
Capital Equipment Purchases	-	750.0	750.0
STATE POLICE	-	682.5	682.5
IWN Computers	-	682.5	682.5

2008 OTHER CAPITAL PROJECT HIGHLIGHTS	2007 Carryover	2008 New Request	2008 Budget
\$'s in thousands (1,000)			
PROFESSIONAL SERVICES	4,472.1	13,387.5	17,859.6
MISCELLANEOUS PROJECTS	2,092.5	9,917.5	12,010.0
Congestion Pricing	62.5	937.5	1,000.0
Web Plan Services	30.0	170.0	200.0
Pavement Roadway Management Services	2,000.0	-	2,000.0
General and Traffic Consulting Services	-	8,060.0	8,060.0
State Police Manpower for Construction Sites - Hire Back Security Program	-	450.0	450.0
Traffic and Revenue Report	-	300.0	300.0
ENVIRONMENTAL	1,232.6	2,695.0	3,927.6
Air Quality Assessment	34.0	-	34.0
Biotic and Aquatic Environmental Species Surveys	-	2,695.0	2,695.0
Salt Spray Studies - Veterans Memorial	374.6	-	374.6
IL State Geological Survey	824.0	-	824.0
DIVERSITY AND EEO PROGRAMS	400.0	500.0	900.0
Diversity Program and Disparity Study	400.0	500.0	900.0
GEOGRAPHIC INFORMATION SYSTEM	305.0	275.0	580.0
Infrastructure Management Services	305.0	275.0	580.0
FINANCIAL	442.0	-	442.0
Trustee and Bond Services	442.0	-	442.0
ROADWAY	9,205.0	5,061.6	14,266.6
MAINTENANCE, REPAIRS AND IMPROVEMENTS	7,505.0	2,311.6	9,816.6
Clean Drainage System, Guardrail, Fence, Misc. Repairs - Veterans Memorial	4,150.0	-	4,150.0
Pavement Marking	1,000.0	1,000.0	2,000.0
Intermittent Pavement Repairs - Reagan Memorial Rt 56 - I-290	65.0	-	65.0
Intermittent Pavement Repairs - Jane Addams Barrington Rd - Powers Rd	54.0	-	54.0
Intermittent Pavement Repairs - Tri-State Dempster - Grand	320.0	-	320.0
Intermittent Guardrail Repairs - Jane Addams IL 53 - Cherry Valley	620.0	-	620.0
Expand Fiber Optic Utilities - Reagan Memorial IL 56 - I-290	530.0	-	530.0
Other Miscellaneous Projects	766.0	1,311.6	2,077.6
SIGNAGE	1,700.0	2,750.0	4,450.0
Roadway Signing for Sign Shop	-	750.0	750.0
Maintenance of Traffic & Construction Communication	1,700.0	-	1,700.0
Roadway Sign Upgrade and Enhancement	-	2,000.0	2,000.0
2008 OTHER CAPITAL PROJECTS TOTAL	42,643.3	66,005.5	108,648.8



# Debt Management

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**DEBT MANAGEMENT**

In September 2004, the Tollway's Board of Directors approved the 10-year \$5.3 billion Congestion-Relief Plan. The plan, now the Congestion-Relief Program (the "CRP"), allowed for financing as much as \$3 billion of program costs through the issuance of Tollway revenue bonds. In September 2007 the Authority approved an update to the CRP which lengthened the CRP by two years from 2014 to 2016 and increased the cost of the CRP to \$6.3 billion. The update increased the amount of costs targeted to be financed from revenue bonds from \$3.0 to \$3.5 billion. The remaining costs will be financed from Tollway revenues deposited into the Renewal and Replacement Account and the Improvement Account.

**Debt Profile****Currently Outstanding Debt**

On January 1, 2008, the Tollway has scheduled principal payments due totaling \$50,030,000. After making these principal payments on January 1, 2008, the Tollway has \$2,985,030,000 par amount of bonds outstanding. Bonds which have financed a portion of the CRP total \$2,470,000,000, and the remaining \$515,030,000 financed or refinanced pre-CRP projects. The following table lists each outstanding series and its respective final maturity, total principal outstanding and rate type, as of January 1, 2008.

**Illinois Tollway Outstanding Bonds as of January 1, 2008\***

<b>Series</b>	<b>Maturing</b>	<b><u>Principal Outstanding</u></b>	<b><u>Interest Rate</u></b>
1992 Series A	1/1/2012	\$100,665,000	Fixed
1993 Series B	1/1/2010	80,500,000	Variable
1996 Series A	1/1/2009	15,625,000	Fixed
1998 Series A	1/1/2016	195,140,000	Fixed
1998 Series B	1/1/2017	123,100,000	Variable
2005 Series A**	1/1/2023	770,000,000	Fixed
2006 Series A-1**	1/1/2031	500,000,000	Fixed
2006 Series A-2**	1/1/2031	500,000,000	Fixed
2007 Series A-1**	7/1/2030	350,000,000	Variable
2007 Series A-2**	7/1/2030	<u>350,000,000</u>	Variable
Totals		\$2,985,030,000	

\* Amounts shown are after any payments due on 1/01/2008, the funds for

which are remitted to the Trustee in the previous fiscal year.

\*\* CRP financing.

Bond issues listed as Variable Rate are 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 has entered into interest rate swap agreements for all of its outstanding variable rate bond issues. Per these agreements, swap providers pay a variable rate in exchange for fixed rate payments from the Tollway. As a result, the Tollway's interest obligations can be considered 100% fixed rate.

### **Planned 2008 Debt Issuance**

As noted above, in September 2007 the Tollway Board increased the size of the CRP by approximately \$1 billion from \$5.3 billion to \$6.3 billion, and increased the portion financeable from bond proceeds from \$3.0 billion to \$3.5 billion. It is the current intention of the Tollway to issue an additional \$500 million in bonds in the third quarter of 2008. For budgeting purposes, a 5% interest rate has been assumed.

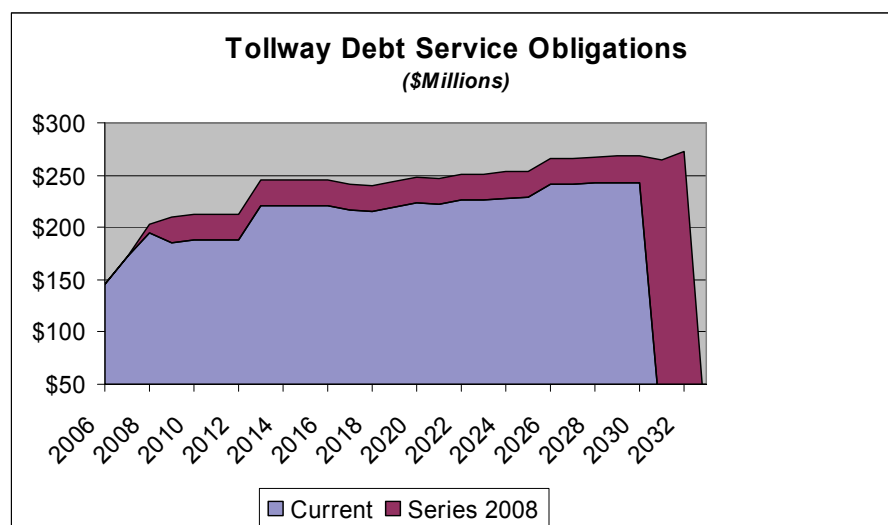
In addition to the anticipated \$500 million in new money bonds, the Tollway may refinance a portion of its outstanding bonds if sufficient savings can be produced by such a refinancing.

### **Debt Service Obligations**

The Tollway's debt service obligations, including the planned \$500M bond issue expected to close in the third quarter of 2008, are shown on the following chart. The debt service schedule is graduated as follows:

\$210 million average 2008-2012  
 \$247 million average 2013-2025  
 \$268 million average 2026-2032

The duration of the Tollway's Bonds and level of graduation of its debt service is very reasonable given: (a) the long average economic life of the assets financed; and (b) the projected growth of Tollway revenues.



## Security for the Bonds

All of 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 Trust Indenture, through which all of the Tollway's outstanding debt has been issued, includes a Toll Rate Covenant which requires that tolls 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's Traffic and Consulting Engineers certify that the Tollway was compliant with the Toll Rate Covenant in the preceding 12 months and projects to be compliant with the Toll Rate Covenant for each year through five years after the completion of the projects financed by those additional bonds. The Tollway's 2006 debt service coverage was 2.7X, 2007 debt service coverage is estimated at 2.4X and 2008 debt service coverage is projected at 2.1X, all well over the 1.3X covenant level.

Additional security is provided by the Debt Reserve Requirement which dictates that the Tollway's Debt Reserve Account be funded at maximum annual debt service ("MADS") on all senior lien debt. Currently all of the Tollway's debt is senior lien. As of November 30, 2007, MADS was \$243 million (the debt service obligation for fiscal year 2030), and the Debt Reserve Account had a market value of \$248 million, consisting of \$225 million in investments and a \$23 million surety bond policy. The Tollway anticipates issuing \$500 million of new bonds in the third quarter of 2008. Taking into account the projected debt service on the new issue, MADS would increase to \$268 million. The Tollway intends to apply \$25 million of the Series 2008 bond proceeds to the Debt Reserve Account to meet the increased requirement. To the extent the Debt Reserve Account is overfunded at the time of issuance of the new bonds, the required deposit to the Debt Reserve Account would be reduced accordingly.

## Debt Service Coverage Ratios

As previously discussed, 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 2002 through 2006, estimated debt service coverage for 2007 and budgeted debt service coverage for 2008.

	Actual					Estimated	Budgeted
	2002	2003	2004	2005	2006	2007	2008
Operating Revenues	\$381,329	\$430,804	\$423,427	\$613,034	\$606,954	\$636,000	\$670,000
Operating Expenses	\$166,009	\$187,300	\$198,302	\$205,575	\$213,510	\$224,626	\$236,290
Net Operating Revenues	\$215,320	\$243,504	\$225,125	\$407,459	\$393,444	\$411,374	\$433,710
Debt Service	<u>\$79,663</u>	<u>\$109,552</u>	<u>\$48,380</u>	<u>\$99,366</u>	<u>\$145,643</u>	<u>\$172,155</u>	<u>\$204,000</u>
Net Revs After Debt Service	\$135,657	\$133,952	\$176,745	\$308,093	\$247,801	\$239,219	\$229,710
Debt Service Coverage	2.70x	2.22x	4.65x	4.10x	2.70x	2.39x	2.13x

## Municipal Bond Ratings

In concert with each new bond issuance, the Tollway applies for a municipal bond rating 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 the Tollway's ability to repay its debt obligations.

### Current Credit Ratings

<u>Agency</u>	<u>Insured Rating</u>	<u>Senior Lien Underlying Rating</u>	<u>Outlook</u>
Moody's Investor Services	AAA	Aa3	Stable
Fitch Ratings	AAA	AA-	Stable
Standard & Poor's	AAA	AA-	Stable

The underlying ratings of the Tollway's senior lien bonds are currently Aa3, AA- and AA- by Moody's Investor Services, Fitch Ratings and Standard and Poor's, respectively. These ratings were confirmed in October 2007 in connection with the Tollway's issuance of the 2007 Series A-1 & A-2 Senior Priority Toll Highway Revenue Bonds (collectively referred to as "2007 Bonds"). Each of the firms cited high traffic demand, sound debt coverage ratios, strong financial performance and a thriving regional economy as bases for their ratings.

### Derivatives

To lower its borrowing costs, the Tollway has entered into multiple variable-to-fixed interest rate exchange agreements (swaps). These agreements produce a "synthetic fixed interest rate" which the Authority pays to the swap provider in exchange for the swap provider's assumption of the variable interest rate payments. In all cases the synthetic fixed rates were lower than the fixed interest rates otherwise accessible in the market at the times the various bonds were issued. As a result the borrowing cost of the Tollway is lowered, without the Tollway assuming the risk of interest rate increases associated with variable rate bonds. The Tollway has entered into one swap for the Series 1993B Bonds, two swaps for the Series 1998B Bonds, and four swaps for the Series 2007 Bonds.

#### **Distinction: Interest Cost Based Swap versus SIFMA Index Based Swap**

The variable interest rate payments paid by the swap providers for the Series 1993B and 1998B Bonds are the exact variable interest rate payments owed to bondholders of those Series. The Tollway remits a fixed interest rate payment to the swap provider and the swap provider remits the exact variable interest rate payment due on the Bonds to the Tollway, which the Tollway then passes through to the Bondholders.

The Series 2007 swaps are different. The Tollway still remits a fixed interest rate payment to the swap providers. But rather than sending the Tollway the amount of interest due to the bondholders, the Series 2007 swap providers instead pay an interest amount based on a variable rate index known as the USD SIFMA Municipal Swap Index. The Tollway then pays bondholders the exact amount due, which could differ from the amount received per the USD SIFMA Municipal Swap Index.



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# Appendix



September 26, 2007

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

**Re: Annual Toll Revenue Certificate**

Dear Mr. Colsch:

As Traffic Engineers for the Illinois State Toll Highway Authority, Wilbur Smith Associates (WSA) is pleased to provide the toll revenue estimates required by the Trust Indenture, Section 713(3). This letter provides updated monthly toll revenue estimates for 2007 and toll revenue estimates for 2008. Estimates are based on the current toll rate structure that went into effect on January 1, 2005.

The toll revenue estimates are estimates of expected revenue—the revenue that would be collected if each vehicle passing through a toll collection plaza paid exactly the published toll rate based on the vehicle's classification, time of day, and payment method. Expected revenue does not include the effects of overpayments, underpayments or toll evasion.

**Estimated Toll Revenue**

The revised 2007 system-wide expected toll revenue estimate is \$634,360,000. This estimate includes the Illinois Tollway's adjusted expected revenues for the first eight months of 2007, and WSA estimates for the four remaining months. Monthly figures are presented in Table 1. Toll revenues for the new South Extension of the North-South Tollway are included for the month of December.

Estimated system-wide expected revenue for 2008 is \$663,238,000. Monthly expected revenue estimates for 2008 are presented in Table 2. The estimates take into account available information from the Illinois Tollway revenue and transaction reporting system through August 2007. The estimates assumed 2008 construction activity as per the approved Congestion-Relief Program.

Estimates for both 2007 and 2008 are based on a detailed review of recent traffic and revenue trends; an assessment of economic conditions within the Tollway study corridor; and evaluations of potential impacts of construction projects on and off the Tollway system.

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Michael Colsch  
September 21, 2007  
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#### **Construction Impacts**

Implementation of the Congestion-Relief Program is requiring significant construction activity on the system which will continue in 2008. Widening of the Tri-State Tollway from 159<sup>th</sup> Street to 95<sup>th</sup> Street will result in considerable construction activity. Construction work to widen the northern portion of Tri-State Tollway between Balmoral and Lake-Cook Road and between Half Day Road and IL 173 and reconstruction between IL 173 and Russell Road will also be performed. Reconstruction and widening is scheduled for two segments of the Ronald Reagan Memorial Tollway in 2008: between York Road and Washington Street and between Deerpath and the Aurora Plaza. On the Northwest Tollway there will be a major reconstruction of the Cherry Valley interchange and an add lane project between Newburg and Rockton Roads. On the North-South Tollway an add lane/resurfacing project between 75<sup>th</sup> Street and I-88 will take place. It is our understanding that the existing number of mainline lanes will be in operation at reduced width at all times during all the add lanes projects. However, construction activity will still negatively impact usage which is taken into account with the estimates given.

WSA believes the construction impacts on toll revenue that are included in these estimates are reasonable given the information available at this time. As additional information becomes available on 2008 construction activity and maintenance of traffic plans, the estimates may be revised.

#### **Motor Fuel Price Impacts**

The most recent Short-Term Energy Outlook, released in September 2007 by the Energy Information Administration (EIA), forecasts minimal changes in retail gasoline prices through 2008. In the Midwestern forecasting region, which includes Illinois, prices in 2008 are expected to continue to follow usual seasonal patterns, with peak season prices expected to be somewhat lower than in 2007. Average prices for the region in the second quarter of 2008 are expected to peak at \$2.967, a decline from 2007's second quarter average of \$3.024. Based on these forecasts, no further negative impacts on Tollway usage in 2008 are anticipated to result from fuel price changes.

WSA 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 me know if you have questions or need additional information.

Yours truly,

WILBUR SMITH ASSOCIATES



Kamran Khan  
Vice President

KK/lm  
Attachments

Michael Colsch  
September 21, 2007  
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**Table 1**  
**Illinois Tollway**  
**2007 Monthly Systemwide**  
**Expected Revenue Estimates**

Month	Expected Revenues (thousands)
January	\$48,001 <sup>1</sup>
February	43,152 <sup>1</sup>
March	53,420 <sup>1</sup>
April	51,812 <sup>1</sup>
May	55,982 <sup>1</sup>
June	55,769 <sup>1</sup>
July	56,576 <sup>1</sup>
August	58,762 <sup>1</sup>
September	53,232 <sup>2</sup>
October	53,943 <sup>2</sup>
November	50,714 <sup>2</sup>
December	52,997 <sup>2,3</sup>
<b>Total</b>	<b>\$634,360</b>

<sup>1</sup>Adjusted expected revenue from the Illinois Tollway

<sup>2</sup>WSA estimate of adjusted expected revenue

<sup>3</sup>Includes revenue from the South Extension

Michael Colsch  
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**Table 2**  
**Illinois Tollway**  
**2008 Monthly Systemwide**  
**Expected Revenue Estimates**

Month	Expected Revenues (thousands) <sup>1, 2</sup>
January	\$51,037
February	50,838
March	54,767
April	53,526
May	56,611
June	57,817
July	57,718
August	60,400
September	55,187
October	57,430
November	53,986
December	53,920
<b>Total</b>	<b>\$663,238</b>

<sup>1</sup>WSA estimate of expected revenue

<sup>2</sup>Includes South Extension revenue for all months



**CTE**

303 East Wacker Drive, Suite 600, Chicago, IL 60601-5276  
T 312.938.0300 F 312.938.1109 www.aecom.com

December 12, 2007

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

Subject: 2008 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 2008. 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.

Based on the most recent cash flow analysis prepared by Tollway Finance and furnished to us on October 10, 2007, we recommend depositing \$100,000,000 to the R&R Account for 2008 in order to fund the projects in the Tollway's Final Program of roadway, bridge, and facility repair, rehabilitation and reconstruction. We also estimate that approximately \$129.7 million of additional revenue will be available for projects.

Total draws for the Final Program are estimated at \$1.379 billion. Based upon revenue generated from bond sales being committed to the Capital Program, the combination of bond revenue, deposits and draws on the cash balance of the R&R Account will fund the projects in the Program including \$108.6 million for Capital Projects such as fleet vehicle purchases, I-PASS Transponders, Information Technology projects, the Intelligent Transportation Systems program, and other Capital Projects.

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

Sincerely,

**CONSOER TOWNSEND ENVIRONDYNE ENGINEERS, INC.**

Dan Manojlovski, P.E.  
Associate Vice President

c: B. McPartlin, Tollway    P. Kovacs, Tollway    G. Stukel, Tollway  
R. Zuccherro, Tollway    E. Wilmes, Tollway    R. Franzen, Tollway  
M. Molliconi, Tollway    W. Swafford, CTE    D. Taggart, CTE  
File: 60021724, 201, 207

**2008 BUDGET**  
**ILLINOIS STATE TOLL HIGHWAY AUTHORITY**  
**CERTIFICATE OF AUTHORIZED OFFICER**

Set fourth below is a statement showing actual and estimated Revenues (including estimates of Toll Revenues prepared by the Traffic Engineer, Wilbur Smith Associates, Inc.), Operating Expenses, Aggregate Debt and Service and Renewal and Replacement Deposit (formerly Major Improvement and prepared by the Consulting Engineer, Conseor Townsend Envirodyne Engineers, Inc.) for the years 2007 and 2008. 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 2007	FY 2008
Net Revenues :			
Actual Revenues - First Eight Months :			
	Toll Revenue and Evasion Recovery	\$389.5	
	Investment Income	33.0	
	Concession and Miscellaneous	1.9	
First Eight Months Revenues		<b>\$424.4</b>	
Estimated Revenues - Last Four Months :			
	Toll Revenue and Evasion Recovery*	\$202.5	
	Investment Income	\$7.0	
	Concession and Miscellaneous	\$2.1	
Last Four Months Revenues		<b>\$211.6</b>	
Estimated Revenues :			
	Toll Revenue and Evasion Recovery *	\$592.0	\$636.0
	Investment Income	40.0	30.0
	Concession and Miscellaneous	4.0	4.0
Total Estimated Revenues		<b>\$636.0</b>	<b>\$670.0</b>
Less: Total Budgeted Operating Expenses		<b>\$224.6</b>	<b>\$236.3</b>
Estimated Net Revenues		<b>\$411.4</b>	<b>\$433.7</b>
Net Revenue Requirement			
	Aggregate Debt Service Requirement	\$172.2	\$204.0
	Renewal/Replacement Deposit per CTE	175.0	100.0
Estimated Net Revenue Requirement		<b>\$347.2</b>	<b>\$304.0</b>
Additional Available for Deposit to Renewal, Replacement and Improvement		<b>\$64.2</b>	<b>\$129.7</b>

\* Wilbur Smith and Associates has estimated expected toll revenues to total \$634,360,000 in 2007 and \$663,238,000 in 2008. The amounts included in this certificate are adjusted to reflect the Tollway's estimate of overpayments, underpayments, and evaded tolls as well as amounts recovered through the violation enforcement program. The adjustments result in a net reduction of \$42,360,000 in 2007 and \$27,238,000 in 2008.



<b><u>Acronyms:</u></b>	
AASHTO	American Association of State Highway and Transportation Officials
ADT	Average Daily Traffic
ANSI	American National Standards Institute
ASA	American Standards Association
ASCE	American Society of Civil Engineers
AUTOCAD	Auto Computer Aided Dispatch
BSI	Business Systems Integration
CA	Central Administration for the Illinois Tollway
CAD	Computer Aided Dispatch
CAFR	Comprehensive Annual Financial Report
CATS	Chicago Area Transportation Study
CCTV	Closed Circuit Television
CECI	Consulting Engineers Council of Illinois
CMS	Central Management System
CRP	Congestion-Relief Program
CSC	Consolidated Customer Service Center
CSS	Central Sign Shop
CTE	Consoer Townsend Environdyne
CW	Central Warehouse
DBE	Disadvantaged Business Enterprise
DMS	Dynamic Message Signs
ERP	Enterprise Resource Planning
ES	Edens Spur
EW	East-West Tollway
FHWA	Federal Highway Administration, Department of Transportation
FOIA	Freedom of Information Act
GCM	Gary-Chicago-Milwaukee
GFOA	Government Finance Officers Association
IBTTA	International Bridge, Tunnel & Turnpike Association
IDOT	Illinois Department of Transportation
IEPA	Illinois Environmental Protection Agency
IPE	I-PASS Express
IPO	I-PASS Only

<b><u>Acronyms:</u></b>	
ISO	International Organization for Standardization
IT	Information Technology
ITS	Intelligent Transportation System
M&O	Maintenance & Operations Budget
MADS	Maximum Annual Debt Service
MP	Mile Post
M-Site	Maintenance Site
MUMS	Online Management System
NIPC	Northern Illinois Planning Commission
NGN	Next Generation Network
NS	North-South Tollway
OIG	Office of the Inspector General
ORT	Open Road Tolling
PCMS	Portable Changeable Message Signs
PSB	Professional Service Bulletin
RRI	Renewal Replacement and Improvement
SERS	State Employees Retirement System
TS	Tri-State Tollway
VES	Violation Enforcement System
VPS	Violation Processing Center

**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.

**ORIGINAL BUDGET** - The budget as approved by the Board of Directors.

**REVISED BUDGET** - Reflects the transfer of funds between accounts.

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

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

**CHANGEABLE MESSAGE SIGN (CMS)** - Signs located throughout the system which the Tollway uses to communicate to patrons regarding traffic flow, or more specifically traffic incidents.

**COLLECTOR-IN-CHARGE** – A Senior Toll Collector or a Toll Collector assigned to be responsible for the plaza operation in the absence of a supervisor.

**CONSOER TOWNSEND ENVIRONDYNE (CTE)** - Consulting Engineer for the Illinois State Toll Highway Authority.

**CONSTRUCTION SECTION** - Any one of the numerous divisions into which construction of the roadway, facilities and appurtenances of the Toll Highway 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 Authority 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.

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

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

**DYNAMIC MESSAGE SIGN (DMS)** - Dynamic Message Signs are the changeable message signs that TIMS uses to communicate with patrons.

**ELECTRONIC TOLL COLLECTION (ETC)** - 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. ETC 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.

**E-ZPASS** – Program which 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's 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 2080 hours per year.

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

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

**HALON SYSTEM** – Fire suppression system for the computer rooms.

**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 program was designed to enhance roadside assistance given to Tollway customers.

**I-PASS** - The Illinois Tollway's electronic toll collection system (see definition above).

**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 & OPERATIONS BUDGET (M&O)** - The Maintenance & Operations Budget covers the day-to-day operating cost of the Illinois State Toll Highway Authority.

**MILLION VEHICLE MILE** - MVM is a common highway industry model that can be compared to other cost factors to compute a measure of performance.

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

**OASIS** - Junction on the system which provides services to patrons such as food, gas and rest rooms, and generally a safe area for patrons to relax. It also provides a rest area for interstate commerce such as truck stops.

**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.

**POST PAY ACCOUNT** – Accounts where the payment of tolls is after the toll has been incurred. Invoices are sent monthly.

**PRE-PAY ACCOUNT** - Customers deposit funds into an account for each transponder. As tolls are incurred the amount is automatically withdrawn from the transponder balance.

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

**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, REPLACEMENT AND IMPROVEMENT (RR&I)** - Tollway projects that maintain, repair, or improve the existing infrastructure; such projects are less extensive than capital reconstruction 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.

**REVENUE BONDS** - A certificate of debt issued by an organization in order to raise revenue. Revenue Bonds guarantee payment of the original investment plus interest by a specified date using the organization's revenues.

**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 which makes up the roadway/Tollway

**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.

**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.

**TRANSPORTATION INFORMATION MANAGEMENT SYSTEM (TIMS)** - System which allows the Tollway to monitor weather, traffic incidents, and construction areas which may affect the flow of traffic. This system can also alert patrons 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 Gary-Chicago-Milwaukee Corridor Web site - [www.gcmtravel.com](http://www.gcmtravel.com).

**TREADLE** - An electronic device located under the pavement of lanes at toll plazas. Treadles count the number of axles on each vehicle going through the lane.

**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 tolls in coin baskets.

**VEHICLE MILES TRAVELED (VMT)** - The number of miles driven annually by all vehicles using the roadway.

**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 will be mailed to toll violators.

**WILBUR SMITH ASSOCIATES (WSA)** - The Traffic Engineer for the Illinois Tollway.

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