SUMMARY STATEMENT

ITEM NO.: DRPA-12-117    SUBJECT: 2013 DRPA Capital Budget

COMMITTEE:     Finance

COMMITTEE MEETING DATE:   December 5, 2012

BOARD ACTION DATE:    December 12, 2012

PROPOSAL: That DRPA approve and adopt a 2013 DRPA Capital Budget

PURPOSE: To establish the 2013 DRPA Capital Budget

BACKGROUND: Each year the DRPA adopts an updated five-year Capital Program and an annual Capital Budget. The Capital Program was developed based on input from Division Chiefs, Department and Facility Directors, and bridge and PATCO personnel and is then refined through a formal review process led by the Chief Executive Officer (CEO), Deputy CEO, Chief Financial Officer, Chief Engineer and the Capital Budget Review Committee. This review process utilizes a framework that prioritizes projects based on essential maintenance, security, safety, customer service, operational enhancements, available funding and operational capacity.

The 2013 Capital Budget reflects the DRPA's commitment to maintain and improve its bridge and transit facilities in support of providing safe, reliable transportation facilities for the region. In addition to the inspections conducted by our Engineering Department, Biennial Inspections are conducted at each facility by outside consultants. As a result, many of the capital improvement projects included in the Capital Program are in response to recommendations made during the Biennial Inspection.

The 2013 Capital Budget proposes estimated net spending of $119,275,000 (net of federal grants of approximately $57,498,000 million) on projects identified for the year 2013. Net funding required to complete projects included in the 2013 capital budget totals $538,232,000. It includes essential on-going and new start Capital Projects on all four bridge facilities, the PATCO High Speed Line, and Ferry to maintain the current state of repair of the facilities and to ensure the safety and security of customers and employees. The multi-year Capital Program proposes total net expenditures of $746,032,000.
Three (3) of the largest projects, all with projected 2013 costs in excess of $10.0 million, total $95.0 million (including $48.3 million in federal funding) and nets to $46.7 million in DRPA funding. These are shown below:

1) Track Rehabilitation across the BFB (PATCO) Total - $15.0 million and nets to $10.7 million ($4.3 million in FTA funding).
2) Rehabilitation of Fleet (PATCO) Total - $49.0 million and nets to $5.0 million ($44.0 million in FTA funding).
3) Redeck Suspended and Anchorage Spans (Walt Whitman Bridge) Total - $31.0 million.

The amount required to complete the aforementioned projects totals $252.0 million (inclusive of expenditures for 2013 and subsequent years). (Total federal funding is approximately $52.6 million resulting in net estimated DRPA costs of $199.4 million.)

The 2013 Capital Budget projects will be funded by the General Fund and project funds from the issuance of new revenue bonds in 2013. (Note: Any major capital expenditures funded by the General Fund are subject to reimbursement by the new bond issue, as per DRPA 12-051, “Reimbursement of Expenditures Resolution.”) In addition, certain short-lived capital expenditures (vehicles, equipment, etc.), reflected on the 2013 schedules (Schedules A, B, D, T and V), will be funded by the General Fund.

SUMMARY:  
- Amount: $119,275,000 (for the year 2013)
- Source of Funds: General Fund/New 2013 Revenue Bond Issue
- Capital Project #: N/A
- Operating Budget: N/A
- Master Plan Status: N/A
- Other Fund Sources: Federal Grants
- Duration of Contract: N/A
- Other Parties Involved: N/A
RESOLUTION

RESOLVED: That the 2013 DRPA Capital Budget is hereby approved by the Board of Commissioners (subject to the availability of funds); and be it

FURTHER RESOLVED: That the DRPA shall not expend funds in excess of the total authorized 2013 Capital Budget, in the amount of $119,275,000 unless such Budget shall be amended by Resolutions of the Board of Commissioners to increase said authorization.

SUMMARY: Amount: $119,275,000 (for the year 2013)
Source of Funds: General Fund/New 2013 Revenue
Bond Issue
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: Federal Grants
Duration of Contract: N/A
Other Parties Involved: N/A