SUMMARY STATEMENT

ITEM NO. DRPA-14-146
SUBJECT: 2015 DRPA Capital Budget

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: December 10, 2014

PROPOSAL: That DRPA approve and adopt a 2015 DRPA Capital Budget

PURPOSE: To establish the 2015 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 2015 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 in-house staff, 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 2015 Capital Budget proposes estimated net spending of $146,407,000 (net of federal/state grants of approximately $43,834,000) on projects identified for the year 2015. Net funding required to complete projects included in the 2015 Capital Budget totals $549,316,000. 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 good 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 $726,769,000.
Three (3) of the largest projects, all with estimated 2015 costs in excess of $10.0 million, total $101.5 million (including $39.3 million in federal funding) and nets to $92.6 million in DRPA funding. These are shown below:

1) Rehabilitation of Fleet (PATCO) Total - $50.0 million and nets to $10.7 million ($39.3 million in FTA funding). (Total project costs $163.0 million in 5-year plan)
2) Track Rehabilitation across the BFB (PATCO) Total - $31.5 million. (Total project costs of $36.5 million for 2015 and 2016)7)
3) Deleading and Repainting (Commodore Barry Bridge) Total - $20.0 million. (Total project costs of $100.0 million in 5-year plan.)

The amount required to complete the aforementioned projects totals $299.5 million (inclusive of expenditures for 2015 and subsequent years). (Total federal funding is approximately $39.3 million resulting in net estimated DRPA costs of $260.2 million.)

The 2015 Capital Budget projects will be funded by project funds from the issuance of new revenue bonds in 2013. (In addition, certain short-lived capital expenditures (vehicles, equipment, etc.), reflected on the 2015 schedules (Schedules A, B, D, T and V), will be funded by the General Fund.

**SUMMARY:**

Amount: $146,407,000 (for the year 2015)
Source of Funds: 2013 Revenue Bonds/General Fund
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 2015 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 2015 Capital Budget, in the amount of $146,407,000 unless such Budget shall be amended by Resolutions of the Board of Commissioners to increase said authorization.

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