SUMMARY STATEMENT

ITEM NO. DRPA-15-137    SUBJECT: 2016 DRPA Capital Budget

COMMITTEE: Finance

COMMITTEE MEETING DATE: November 10, 2015

BOARD ACTION DATE: November 18, 2015

PROPOSAL: That DRPA approve and adopt a 2016 DRPA Capital Budget.

PURPOSE: To establish the 2016 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), 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 2016 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 2016 Capital Budget proposes estimated net spending of $166,554,000 (net of federal/state grants of approximately $18,914,000) on projects identified for the year 2016. Net funding required to complete projects included in the 2016 capital budget totals $575,606,000. It includes essential on-going and new start Capital Projects on all four bridge facilities, and the PATCO High Speed Line 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 $728,197,000. Six (6) of the largest projects, all with estimated 2016 costs in excess of $20.0 million, total $76.3 million (including $15.0 million in federal funding) and nets to $61.3 million in DRPA funding. These are shown below:
1) Rehabilitation of Fleet (PATCO) Total 2016 - $42.2 million and nets to $27.6 million ($14.6 million in FTA funding). (Total project costs $105.2 million in years 2016-2018)

2) Install Elevators in Remaining Stations Total 2016 - $0.5 million and $0.4 million in FTA funding). (Total project cost of $28.3 million in 5-year plan)

3) Lindenwold Yard Track Rehabilitation & Lindenwold Viaduct Total 2016 - $0.5 million. (Total project costs of $44.5 million in 5-year plan.)

4) Deleading and Repainting (Commodore Barry Bridge) Total 2016 - $17.3 million. (Total project costs of $90.2 million in 5-year plan.)

5) BFB Maintenance Painting and Steel repairs Total 2016 - $0.3 million. (Total project costs of $34.3 million in 5-year plan.)

6) Reopening Franklin Square Total 2016 - $0.5 million. (Total project costs of $28.3 million in 5-year plan.)

The 2016 Capital Budget projects will be funded by project funds from the issuance of revenue bonds in 2013. (In addition, certain short-lived capital expenditures (vehicles, equipment, etc.), reflected on the 2016 schedules (Schedules A, B, D, T and V), will be funded by the General Fund.)

SUMMARY:  
Amount: $166,554,000 (for the year 2016)  
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/State Grants approximately $18.9 million  
Duration of Contract: N/A  
Other Parties Involved: N/A
RESOLUTION

RESOLVED: That the 2016 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 2016 Capital Budget, in the amount of $166,554,000 unless such Budget shall be amended by Resolutions of the Board of Commissioners to increase said authorization.

SUMMARY:

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