

SUMMARY STATEMENT

ITEM NO.: DRPA-16-124

SUBJECT: 2017 DRPA Capital Budget

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

November 2, 2016

BOARD ACTION DATE:

November 16, 2016

PROPOSAL: That DRPA approve and adopt a 2017 DRPA Capital Budget.

PURPOSE: To establish the 2017 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 2017 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 2017 Capital Budget proposes estimated net spending of \$158,339,000 (net of federal/state grants of approximately \$29,734,000) on projects identified for the year 2017. Net funding required to complete projects included in the 2017 capital budget totals \$655,789,000. 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 \$754,874,000. Six (6) of the largest projects, all with estimated 2017 costs in excess of \$20.0 million, total \$57.6 million (including \$10.0 million in federal funding) and nets to \$47.6 million in DRPA funding. These are shown below:

- 1) **Rehabilitation of Fleet (PATCO) Total 2017 - \$40.5 million and nets to \$34.1 million (\$6.4 million in FTA funding). (Total project costs \$91.9 million in years 2017-2019)**
- 2) **Install Elevators in Remaining Stations Total 2017 - \$2.0 million and \$1.6 million in FTA funding). (Total project cost of \$27.3 million in 5-year plan)**
- 3) **Lindenwold Yard Track Rehabilitation & Lindenwold Viaduct Total 2017 - \$4.0 million. (Total project costs of \$48.5 million in 5-year plan.)**
- 4) **De-leading and Re-painting (Commodore Barry Bridge) Total 2017 - \$10.0 million. (Total project costs of \$78.0 million in 5-year plan.)**
- 5) **BFB Maintenance Painting and Steel repairs Total 2017 - \$0.8 million. (Total project costs of \$49.1 million in 5-year plan.)**
- 6) **Reopening Franklin Square Total 2017 - \$0.5 million. (Total project costs of \$28.3 million in 5-year plan.)**

The 2017 Capital Budget projects will be funded by the remaining project funds from the issuance of revenue bonds in 2013 and through the “pay-go capital fund” (established within the General Fund.) (Note: certain short-lived capital expenditures (vehicles, equipment, etc.), reflected on the 2017 schedules (Schedules A, B, D, T and V), will be funded by the General Fund.) (Note: When necessary, staff may, through use of an internal Capital Change Form, adjust budgeted funds, within the constraints of the total approved 2017 budgeted amount.)

SUMMARY:

Amount:	\$158,339,000 (for the year 2017)
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 \$29.7 million
Duration of Contract:	N/A
Other Parties Involved:	N/A

DRPA-16-124
Finance Committee Date: November 2, 2016
Board Date: November 16, 2016
2017 DRPA Capital Budget

RESOLUTION

RESOLVED: **That the 2017 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 2017 Capital Budget, in the amount not-to-exceed \$158,339,000 unless such Budget shall be amended by Resolutions of the Board of Commissioners to increase said authorization. (Staff is authorized to adjust or reallocate budgeted funds, within the total approved 2017 budget, to other projects, if necessary, using a Capital Change order form process.)**

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