

Port Authority of Allegheny County

CAPITAL IMPROVEMENT PROGRAM

Introduction

Port Authority of Allegheny County's Fiscal Year 2009 Capital Improvement Program allocates funding that will provide for the construction, improvement, maintenance and/or replacement of existing capital projects. This multitude of diverse projects serves to improve operations efficiency and the comfort and safety of our riders.

Some of the major projects currently being reported are the North Shore Connector, Replacement of Technology (Hardware/Software), Replacement of a portion of existing bus fleet as well as Non-Revenue Vehicles, and multiple Facility and Rail Improvement projects. The Fiscal Year 2009 Capital Improvement Program anticipates expenditures of \$241,781,782.00 and is comprised of the following five (5) major program groups.

Debt Service	\$ 43.1 M
Revenue Vehicle Replacement	\$ 39.4 M
Facility & Rail Improvements	\$ 14.9 M
Support Programs	\$ 8.0 M
New System Expansion	\$ <u>136.4 M</u>
Total	\$ <u>241.8 M</u>

Impact of Capital Spending on Operations

Capital Funding is generally not used for operating expenditures. However, Federal and State Regulations do allow for the capitalization of materials and supplies associated with such projects as Vehicle Overhaul Program, Capital Cost of Contracting Maintenance Agreements, Preventive Maintenance, and the Infrastructure Safety Renewal Program. Also impacting the operations budget are the capitalization of Associated Capital Maintenance, Small Transit Vehicle Lease, Administrative Facility Lease, and Administrative Grants Management. The capitalization of these programs provides for \$49.7 M in Operating Relief for FY 2009. Please refer to Table 5.1 for a complete listing of Operations Relief Programs.

Another factor that significantly impacts the Capital Budget is the procurement of revenue vehicles. Port Authority of Allegheny County has budgeted \$ 39.4 M towards the procurement of revenue generating vehicles. For the FY 2009, 100 Gillig 40' Low Floor Coaches, of which 20 will be electric hybrid, will be purchased and integrated into the current revenue vehicle inventory. This request also includes training and diagnostic equipment to cover the changes in the 2007 emissions requirements, contract administration, and outside contracted on-line production inspection. Customer satisfaction should increase as there should be fewer service failures and increased reliability.

The North Shore Connector continues in its construction phase. As of July of 2008, the first of the two twin tunnels had been bored under the Allegheny River and the second tunnel is underway. This major capital project will connect

the Light Rail Transit System from the Gateway Sub-Station to the North Shore. Given the station proximity to the stadiums, the project should produce increased ridership and revenues with both the weekday commuters as well as with the weekend games and activities.

The goal of such Capital spending is to enhance and improve efficiency and customer satisfaction once these projects are completed and become operational. Performance of new service delivered is measured relative to benchmarks, including ridership, cost per passenger, miles between road failure, etc. as required within the National Transit Database.

Major Operating – Related Capital Programs

The Port Authority of Allegheny County (Port Authority) Operating Budget contains \$49.7M in Major Operating- Related Capital Programs in FY 2009. Major Operating Programs are comprised of the following: Infrastructure Safety Renewal Program, Capital Cost of Contracting ACCESS, Preventive Maintenance, Revenue Vehicle Overhaul Program, Associated Capital Maintenance, Capital Cost of Contracting – STV Maintenance, STV Lease, Administrative Facility Lease, and Administrative Grants Management which support this budget and provide funds which are used to offset expenditures incurred during daily operations.

The Infrastructure Safety Renewal Program is budgeted at \$16,000,000.00. This project provides for improvements to Port Authority fixed facilities and infrastructure such as rehabilitation and renovation of transit, railroad, and pedestrian bridges, track, station, signals, and power supplies. The Revenue Vehicle Overhaul program has a capital budget of \$2,500,000 for the internal/external and mechanical rehabilitation of both buses and light rail transit vehicles. Port Authority of Allegheny County contracts for its entire ACCESS Paratransit service for elderly and disabled riders with an allocation of \$15 million in capital funding. The Federal Transportation Administration guidelines allow vehicle depreciation and components of maintenance and overhead expense eligible for reimbursement helping to defray the cost of providing a Paratransit service. The FY 2009 Budget provides \$2,945,000 for the Lease and Capital Cost of Contracting for the maintenance of 48 Small Transit Vehicles. These

vehicles can provide new services that reduce pollution and traffic congestion. Small Transit Vehicle service is currently in place in the Eastern, Western, and Southern regions of Allegheny County. Associated Capital Maintenance has \$2,500,000 allocated for FY 2009. The Federal Guidelines for this program states that the cost of equipment or a component whose unit cost is no less than one-half percent of the current market value of the rolling stock on which it is to be used, can be capitalized. Such purchases include parts associated with rebuilding engines, transmissions, and other major components. Preventive Maintenance has been allocated \$9,100,000 in the FY2009 Capital Budget. It is broadly defined as allowing for direct and indirect activities performed on revenue vehicles included under the line item "maintenance" in the National Transit Database system of Accounts. The FY 2009 Capital Budget allots \$906,250 for the Lease of the Administrative location at the Heinz Building. One full floor and half of a second floor are being leased. The Grants Management Program has a budget of \$730,000 in FY 2009. This is used to cover the costs of grant management and administrative expense.

The components of the Major Operating-Related Capital Programs are listed in Table 5.1.

TABLE 5.1
Port Authority of Allegheny County
Fiscal Year 2009 Capital Budget

Major Operating - Related Capital Programs

Single - Year Programs	Description	Lead Division	FY 2009 Budget	Anticipated Funding Source
Infrastructure Safety Renewal Program	This project provides for improvements and repairs to Port Authority fixed facilities and infrastructure.	Finance	\$ 16,000,000.00	State Bond Fund
Capital Cost of Contracting - ACCESS	Contracts for ACCESS paratransit service for elderly and disabled riders.	Finance	\$ 15,000,000.00	Section 5307 Formula Funds
Preventative Maintenance	Broadly defined federal program that allows for direct and indirect activities performed on revenue vehicles included in the line item "maintenance" in the National Transit Database system of accounts.	Finance	\$ 9,100,000.00	Section 5307 Formula Funds
Revenue Vehicle Overhaul Program	This program provides for the overhaul of transit revenue vehicles including buses and light rail vehicles.	Finance	\$ 2,500,000.00	State Bond Fund
Associated Capital Maintenance	To capitalize the cost of equipment or component whose unit cost is less than one half percent of the current market value of the rolling stock on which it is to be used.	Finance	\$ 2,500,000.00	Section 5307 Formula Funds
Capital Cost of Contracting - STV Maintenance	Capital Assistance to be used to fund the cost of the capital portions of service or maintenance under contract. Maintenance on 48 small transit vehicles.	Finance	\$ 1,625,000.00	Section 5307 Formula Funds
STV Lease	Annual Capital Lease costs for 48 small transit vehicles	Finance	\$ 1,320,000.00	Section 5307 Formula Funds
Administrative Facility Lease	The lease of one full floor and a section of a second floor in the Heinz 57 Center to house the administrative offices of the Port Authority.	Finance	\$ 906,000.00	Section 5307 Formula Funds
Administrative Grants Management	To cover the cost of grant management and administrative costs associated with the FY09 Section 5307 Urbanized Area Formula Program, not to exceed 2% of the grant total.	Finance	\$ 730,000.00	Section 5307 Formula Funds
Program Totals			\$ 49,681,000.00	

Funding

To fund the proposed capital programs, Port Authority of Allegheny County receives Federal, State, and Local County Government funding. The federal funding for transportation improvement projects is derived primarily through the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU). This along with other forms of Federal Funding that will be received by the Port Authority of Allegheny County in FY2009 is detailed below.

- Title III of SAFETEA-LU provides funds for transit programs under two sections:
 - Section 5309 - Major Capital Investments Program: This program funds major capital investments in the following categories:
 1. New starts and extensions to existing systems -- Projects such as the North Shore Connector and Stage II Light Rail Transit Program are funded under this program.
 2. Fixed Guideway Modernization -- This is a formula-driven program whereby funds are used to modernize existing fixed guideway facilities.
 3. Bus and Bus-Related Equipment and Facilities -- This funding program is for the purchase of buses and bus facilities.
 - Section 5307 - Urbanized Area Formula Program: This program provides funds for planning, acquisition, construction, improvement, preventive maintenance, vehicle overhaul, and associated capital maintenance items. These are typically classified as routine capital improvement and replacement projects. Distribution of urbanized area formula funds is made by formula to individual urbanized areas. Section 5307 programs are typically funded: 80% federal, 16-2/3% Commonwealth of Pennsylvania, and 3-1/3% Allegheny County.
- State Vehicle Overhaul Program: Since FY 1991, a capital grant allocation for maintenance and overhaul of revenue motor buses and light rail vehicles has been funded by the Commonwealth of

Pennsylvania and has required no match from Allegheny County. In FY 2008, \$2.75 million has been requested for this program and has been included in the operating budget.

- *Federal Flex Funds:* This program represents federal dollars appropriated for the Federal Highway Program which can be flexed or re-appropriated to eligible mass transportation programs. Specific eligible Port Authority projects include Mid-Life Overhaul, Bus Procurements, and the North Shore Connector.
- *Pennsylvania Act 44:* Governor Rendell signed into law Act 44 of 2007 on July 18, 2007. The new law established the Public Transportation Trust Fund (PTTF). The PTTF completely transformed the funding of public transportation within Pennsylvania. It repealed and replaced the old piecemeal system of funding transit agencies from various state funds with one dedicated fund. The PTTF provided agencies a dedicated stream of assistance for both operating and capital purposes. The PTTF provides state funds to the Port Authority as well as other state transit agencies in the following forms: State Capital Bonds, Asset Improvements, and Dedicated Capital Funds. The components of the FY09 Public Transportation Trust Fund are listed on Table 5.2.

TABLE 5.2

**FISCAL YEAR 2009 PUBLIC TRANSPORTATION TRUST FUND
REVENUE SOURCES**

<i>4.4% of PA Sales Tax</i>	<i>Lottery Funds</i>	<i>Act 3 State Capital Bonds</i>	<i>Act 26 PTAF Funds</i>	<i>Turnpike Commission Funds</i>	<i>Total Estimated FY 2008 Funds</i>
\$392.8 Million*	\$80 Million	\$125 Million	\$180 Million	\$300 Million**	\$1.08 Billion

* This amount is equal to the total pre Act-44 general fund appropriations for transit, plus Act 3 funding in the amount of \$75 million.

** In FY 10-11 these funds will be increased by an annual amount of 2.5%. \$250 million of these funds will be allocated to operating assistance in each fiscal year.

**FISCAL YEAR 2009 PUBLIC TRANSPORTATION TRUST FUND
DISTRIBUTION STATEWIDE**

<i>Operating Funds</i>	<i>Asset Improvement Funds</i>	<i>Dedicated Capital Funds</i>	<i>Programs of Statewide Significance</i>	<i>New Starts Funds</i>
\$785 Million*	\$175 Million**	\$75 Million	\$52 Million	***

* This is a \$250 million increase in operating funding.

** This distribution will consist of capital bond proceeds which are projected to be supplemented with \$100 million in FY 08-09, \$150 million in FY 09-10, and in FY 10-11 and beyond increased by 2.5% annually.

*** PennDOT is authorized to spend up to \$50 million per year for Federal New Starts Projects.

Development

Development of the FY 2009 Capital Improvement Program originated with a review of the current Port Authority's Capital Needs Study (CIP). The Capital Needs Study is a program which identifies the annual expenditures needed to maintain existing capital assets in a state of good repair. To further support this study, initiatives were taken by Port Authority representatives to develop a 12-Year CIP. The objective of this program was to evaluate existing assets, assess risk, prioritize needs, and forecast necessary capital expenditures to enhance transit service while maintaining the integrity of the current infrastructure.

Following the CIP, Capital Request Forms were distributed to each Assistant General Manager. The request form required documentation of the type of program, estimated cost, and justification for each request. Additionally, the appropriate Assistant General Manager was required to approve each Capital Request Form prior to submission. The Capital Committee then reviewed and prioritized the projects submitted. This committee is comprised of the Director of Grants and Capital Programs and representatives of each division. The committee is responsible for reviewing and recommending the FY 2009 Capital Improvement Budget to Port Authority's senior management and ultimately the Board of Directors for approval.

In addition to the CIP, the Port Authority Operating Initiatives were used as a guideline in formulating the Capital Improvement Budget. Port Authority's goals within this plan, which were used in formulating the operating budget, were also used as the framework in developing the capital budget.

These goals were:

- Provide Exceptional Customer Service
- Improve System Effectiveness and Achieve Cost Reductions – to be addressed through the Connect 09 System Development Plan
- Maintain current service and fare levels
- Maintain Capital Assets in a State of Good Repair
- Continuation of the North Shore Connector Project

Port Authority's Capital Improvement Program Summary is separated into Five (5) major components which are subdivided into smaller programs and projects. The major components are listed on *Figures 5.3, 5.4, 5.5, & 5.6* and are described more thoroughly throughout the succeeding sections.

Debt Service

For FY 2009, \$43.1 million has been allocated to the Port Authority of Allegheny County Debt Service Program. There are three major debt issuances which are funded by this program. The first program is the Series 2001 Sr. Bonds. On November 4, 1999, the Authority issued \$225,000,000 of Special Revenue Transportation Bonds Series of 1999. The proceeds of the bond sale were primarily used to fund capital additions (East Busway Extension) and improvements to the Authority's Stage II Light Rail System. On March 2, 2001 the Authority issued \$250,695,000 of Special Revenue Transportation Bonds Series 2001. About \$240 million of these proceeds were used to advance refund of the 1999 bonds.

The second program is the Series 1999 Junior Bond Debt Service. In July 1999, the Authority issued \$71,960,000 of Special Revenue Transportation Bonds. The proceeds of the bond sale were primarily used to acquire 200 mass transit buses. The final debt service payment will be made in June 2009.

The third program is the Koch Master Agreement. In FY 2003, the Authority entered into a financing agreement with Koch Financial Corp in the amount of \$91,200,000 to purchase buses. The authority requested an additional \$19,800,000 bringing the total to \$111,000,000. As of June 30, 2007, the Authority has incurred \$137,642,268 of debt relating to this financing. The debt is secured by an equity interest in the equipment. A total of 400 buses have been secured by this agreement.

Please see the attached detail as explained in Table 5.3.

Table 5.3
Port Authority of Allegheny County
Fiscal Year 2009 Capital Budget

Debt Service Program

Single - Year Programs	Description	Lead Division	FY 2009 Budget	Anticipated Funding Source
Koch Master Finance Agreement	FY 2003, the Authority entered into an agreement with Koch Financial Corp whereby they would drawdown \$91,200,000 in term bonds to purchase buses. The authority requested an additional \$19,800,000 bringing the total to \$111,000,000. As of June 30, 2007, the Authority has incurred \$137,642,268 of debt relating to this financing. The debt is secured by an equity interest in the purchase of each bus. A total of 400 buses have been secured by this agreement.	Finance	\$ 16,902,406.00	PA Act 44 Section 1514/1517
Series 1999 Junior Bond Debt Service	In July 1999, the Authority issued \$71,960,000 of Special Revenue Transportation Bonds. The proceeds of this sale were used to acquire 200 buses.	Finance	\$ 12,576,655.00	PA Act 44 Section 1514/1517
Series 2001 Senior Bond Service	In 2001, the Authority issued \$250,695,000 of Special Revenue Transportation Bonds series 2001. Approximately \$240,000,000 of these proceeds were used to advance the refund of the 1999 series bonds.	Finance	\$ 13,636,875.00	PA Act 44 Section 1514/1517

Revenue Vehicle Replacement Program:

The FY 2009 Capital Budget allocates a total of \$39,376,500 for the purchase of 100 additional 40' Low Floor Coach Buses in an effort to improve reliability, efficiency, and to promote ridership. Funding is also set to include contract administration and outside contracted online production inspection. As is evident, the risk of breakdown or other operational issue is significantly less with a new revenue vehicle as opposed to those having been overhauled. Incorporated into the contract are the training, diagnostic equipment, and major components/spare parts providing a significant cost savings as most repairs and inspections will be able to be completed in house.

**Table 5.4
Port Authority of Allegheny County
FY 2009 Capital Budget**

Major Revenue Vehicle Replacement Program

Single - Year Programs	Description	Lead Division	FY 2009 Budget	Anticipated Funding Source
New Bus Procurement	Purchase of 100 Gillig 40' Low Floor Coach Buses at an estimated unit price of \$378,155 Buses will be virtually identical to Port Authority's existing Gillig 40' buses. Request included training and diagnostic equipment to cover changes for 2007 emission requirements. Funding also includes contract administration and outside contracted on-line production inspection.	Finance	\$ 39,376,500.00	New Financing Agreement
Program Totals			\$ 39,376,500.00	

Major Facility & Rail Improvements

In FY 2009, \$14.9 million has been allocated to the Major Facility and Rail Improvement Program. The Port Authority of Allegheny County is focusing its attention on multiple maintenance projects concerning the garages and busways in order to promote vehicle safety and to ensure the continued efficiency of its facilities. At the Harmar Garage, multiple improvements are being made to the storm water collection system per Department of Environmental Protection regulations. There is a primary focus on paving projects this year to correct busway extensions and the areas surrounding multiple garages in an effort to increase vehicle efficiency and decrease vehicle wear and tear.

In promoting a conservative fiscal spending plan, the Port Authority makes every attempt to extend the useful life of assets, as is the case with the wash racks at the East Liberty Garage. The existing racks are over 35 years old. In addition, there are nine ventilation fans in the Mount Washington Tunnel that are scheduled for replacement as they too have exceeded their useful life and have already been overhauled.

Please see Table 5.5 for details on the largest projects.

Table 5.5
Port Authority of Allegheny County
Fiscal Year 2009 Capital Budget

Fixed Guideway & Facility Improvements

Single - Year Programs	Description	Lead Division	FY 2009 Budget	Anticipated Funding Source
Harmar Storm Water Separation/Paving Improvements	Separate Building floor drains from storm water conveyance system and reroute to sanitary sewer system and upgrade exiting perimeter storm water collection system per DEP regulations. Remove and replace pavement in the bus storage and garage entrance and exit, and complete patching around the perimeter.	Operations	\$ 2,670,000.00	Section 5307 Formula Funds
Collier Garage Pave Perimeter	Remove and replace existing pavement in the bus parking and egress areas at the Collier Garage while establishing positive drainage away from building and upgrade exiting inlet/manholesystem to collect and channel water from property.	Operations	\$ 1,685,000.00	Section 5307 Formula Funds
SHVRC CSM Building Roof Replacement	Remove exiting roof system down to metal deck. Install a new roofing system including new insulation and application of a 3-ply modified bitumen roofing system, new flashings and upgrades to drain piping as required. Total roofing area is approximately 109,000 SF.	Operations	\$ 1,550,000.00	Section 5309 Formula Fund
System Rail & Track Work	Purchase rail and special track work needed throughout the Light Rail System including vulcanized plates, galvanized clips, 8 full depth track switch frogs, 4 track switch points, one heat of strap guard, 50 sticks of 115lb rail, and two recast road crossings.	Operations	\$ 1,500,000.00	Section 5309 Formula Fund
East Liberty Wash Rack Replacement	Existing wash racks are over 35 years old and have exceeded their useful life. Repairs would be completed in FY08 to extend the useful life of the wash racks and then full replacement will need to be completed around 2013	Operations	\$ 1,401,000.00	Section 5307 Formula Funds
Mt. Lebanon Tunnel Facility Upgrades	Eight Venitilation fans are currently in need of varying levels of rehabilitation. They are well beyond their useful life given the nature and environment of their use.	Operations	\$ 870,000.00	Section 5309 Formula Fund
State of Good Repair	These projects total \$14,910,100.00 and comprise 6% of the total capital budget. Included in these projects are maintenance and facility improvements as well as the replacement of capital assets that have exceeded their useful life.	Operations	\$ 5,234,100.00	Sections 5307 & 5309 Formula Funds
Program Totals			\$ 14,910,100.00	

Major Support Programs

This Capital Budget is allotting \$8.0 million for support programs. These programs cover a wide range of projects which support various aspects of mass transit in both Light rail and bus forums. In order to maintain an efficient administrative program, the Port Authority spends a large portion of this support program on both IT Development and IT Infrastructure. It is essential to our goal of greater cost efficiency to maintain the software support and licensing necessary to operate the various divisions within the organization. Please see the following table for programs being upgraded and licensing purchased within the 2009 CIP.

Also included in this section of support programs is non-revenue vehicle replacement. This is also essential in order to maintain response times and operational support to multiple divisions. As is the case with most of the vehicle replacements, we have far exceeded the useful life of these support vehicles and it is becoming increasingly cost efficient to replace them as opposed to the continuously required repair work.

In order to keep the Port Authority functioning efficiently, other upgrades are needed. The telecommunications and mailing systems are scheduled to be replaced. These upgrades are necessary in order to remain technologically competitive and to comply with current regulations. Please see Table 5.6 for a detailed description of the above improvements.

Table 5.6
Port Authority of Allegheny County
Fiscal Year 2009 Capital Budget

Support Programs - IT, Vehicles, and Equipment

Single - Year Programs	Description	Lead Division	FY 2009 Budget	Anticipated Funding Source
H/R Peoplesoft Upgrade	The Peoplesoft H/R Suite of Products was last upgraded to version 8.8 in 2003. Support for this release ended 12/31/07. Payroll tax upgrades will continue through 12/31/08. This program needs to be upgraded to ensure compliance with all federal, state, and local taxing authorities.	IT Development	\$ 1,600,000.00	Section 5307 Formula Funds
Software License Usage, Enhancements	Port Authority has purchased many 3rd party software products. It is extremely important that these products are kept up and continue to migrate to newer technologies and operating systems. This is an annual fee for these products.	IT Development	\$ 680,000.00	Section 5307 Formula Funds
SHV Datacenter Remodel & Relocation of Manchester Datacenter	With the uncertainty of the Manchester Building, it is evident that a datacenter move is highly probable. PAAC has invested heavily in the SHV datacenter and as such, it makes sense to migrate the Manchester datacenter to this more secure location.	IT Infrastructure	\$ 135,000.00	Section 5307 Formula Funds
Replace Support Vehicles and Equipment	Replace tow truck, 5 Route Foreman trucks, 3 Garage Service trucks, 5 Pick Up Trucks with plows and spreaders, 5 Riding Floor Scrubbers, 4 Police Vehicles, 5 Facilities Relief Vehicles, 3 Road Operations Supervisory Trucks, Forklift #561, and Police Vehicle #654	Operations	\$ 1,813,035.00	Section 5307 Formula Funds
Telecommunications System Upgrade	Replace existing Avaya Telecommunications System with current vendor supported hardware/software. This also includes upgrading existing voicemail system to a uniformed messaging platform.	IT Infrastructure	\$ 836,155.00	Section 5307 Formula Funds
Support Programs	Multiple Other IT Programs and upgrades and an upgrade to the current Mail System	IT, Legal, & Support	\$ 905,056.00	Section 5307 Formula Funds
Program Totals			\$ 7,969,246.00	

New System Expansion

The current system expansion project is the North Shore Connector. This funding will complete the balance of the current full funding grant agreement. Construction has been underway since 2006 and is scheduled to be completed in 2011. Twin tunnels are in the process of being bored under the river to establish a 1.2 mile extension of the T-System to connect the downtown business district to the attractions and events on the north shore. As of July 2008, 40% of the tunnel boring process had been completed.

With this expansion project comes three new stations. The Gateway Station will be renovated to accommodate the additional lines, the Northside Station will commence construction this year as will the Allegheny Station, both located on the North Shore. Also occurring this fiscal year, the Port Authority has acquired the UPMC Sportsworks facility on the North Shore to use as a location for the Allegheny Station. The ridership impact will be multi-faceted as it will increase with daily commuters as well as with weekend traffic due to activities and sporting events.

Additional Initiative

Port Authority has another large project that is currently being undertaken. This project involves the selection of a more modern fare collection system. This Automatic Fare Collection System (AFCS) project will replace the outdated rolling stock farebox and related cash-handling systems currently in place at the Port Authority and will also provide a smart-card based fare collection system that can be utilized by all regional operators that elect to participate. This will facilitate a seamless coordination of regional transit services, provide improved data collection to establish ridership patterns, reduce fare evasion and fraud, increase agency revenues, and reduce operational costs.

A selection committee began reviewing Requests for Proposals from vendors for the AFCS project in August 2008. It is expected that the new fare collection system will begin to be installed in 2009. Soon Port Authority customers will have the ability to pay their fares by simply using a contact-less smart card.

Capital Budget Summary

The Port Authority of Allegheny County's Fiscal Year 2009 Capital Improvement Program anticipates \$241,781,782 in expenditures. As in the past, the FY09 Capital Improvement Budget focuses on the following key elements:

- Routine replacement and rehabilitation of assets in accordance with the Capital Needs Assessment plan provided by operations
- Fiscal Efficiency and Responsibility
- To provide Relief in the Operating Budget
- Expansion of service with Major Capital Projects

The Capital Improvement Budget is comprised of five major program groups:

Debt Service	43.1 M
Revenue Vehicle Replacement	39.4 M
Facility & Rail Improvements	14.9 M
Support Programs	\$8.0 M
New System Expansion	\$ <u>136.4 M</u>
Total	\$ <u>241.8 M</u>

The projects as defined in the Revenue Vehicle Replacement Program assist in the constant rotation of assets as new buses are being introduced into inventory. This will increase service efficiency, reliability, and consumer confidence as the miles and time between breakdowns decreases.