

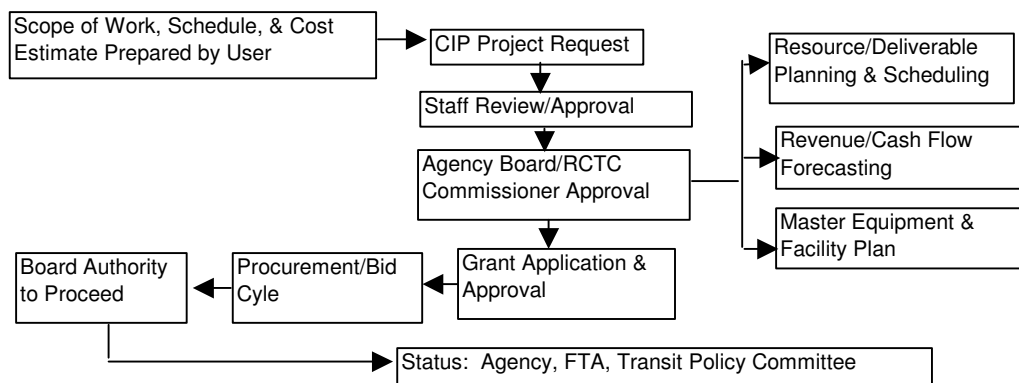
RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

March 24, 2005

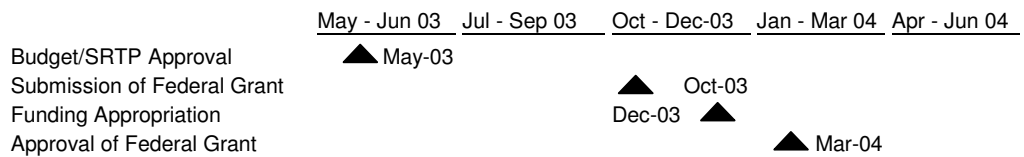
TO: BOARD OF DIRECTORS  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Chris Gallanes, Chief Financial Officer  
SUBJECT: Capital Project Update

Summary: Staff prepares a comprehensive Capital Improvement Plan (CIP) as part of the Agency annual budget development process. This CIP is developed as a mechanism to identify and maintain critical Agency capital infrastructure components, plan for capital equipment/facility acquisition and replacement, augment development of staff work plans, and provide a time-phased expenditure plan to be used for forecasting of future Federal, State, and Local revenue needs.

CIP projects are developed at functional levels based on Agency goals, objectives, and identification of needs. Each project is evaluated by a staff assessment of project priority, resource, and funding constraints. Projects that are approved internally are entered into the Short Range Transit Plan (SRTP)/budget, and brought forward for Agency Board and Riverside County Transportation Commission (RCTC) adoption. After adoption, Federal state, and local project funding approval, a procurement/bid cycle, and board-directed authority to proceed, these individual projects are implemented. Monthly Agency CIP status meetings are held from inception through closeout, and status reports are submitted to Federal Transit Administration (FTA) and the RCTC Transit Policy Committee (TPC) for review. An overview of the CIP process is shown below:



As stated above, upon completion of an Agency CIP review and Board/RCTC approval, Federal grant applications for funding are submitted to the Federal Transit Administration (FTA) upon completion of the previous Government Fiscal Year (GFY). FTA begins to review grant applications upon authorization of new GFY funding appropriations. The Agency is notified of grant approval upon completion of the FTA grant review. Using a fiscal year 2004 capital project as an example, the estimated period of time in which Federal project funding approval is received is illustrated below:



**Estimated Duration: Up to 10 Months**

The Agency initiates the procurement process and approval cycle only upon approval of the Federal funding.

In fiscal year 2004 and 2005, a delay in the reauthorization of the Transportation Equity Act of the 21<sup>st</sup> Century (TEA-21) has resulted in a delay in actual approval of Federal grant funding. These delays have impacted the timely implementation and completion of Agency capital projects. Fiscal year 2004 budget/SRTP was approved in May 2003. The Agency was not able to submit its Federal grant application until May 2004. Approval of the capital grant requests was received in November 2004. The duration increased from ten (10) months to approximately eighteen (18) months. The same scenario is consistent in fiscal year 2005.

The CIP is made up of Agency projects, regional projects (e.g. transit centers), and projects that involve pass-through funding to other Agencies/cities. This status report will focus on Agency projects.

Agency projects are funded using two (2) basic methods. Projects are funded through the annual budget and Short Range Transit Plan (SRTP) process. Funding for new capital projects is also identified by a monthly project budget to actual review to determine if fund balances remain on completed projects. As these fund balances accumulate, they are identified for reprogramming to another CIP project. Approval of the reprogrammed project and funding is achieved through the existing Short Range Transit Plan (SRTP) amendment process.

As stated above, project milestones and schedule are reviewed internally on a monthly basis. Quarterly reports are provided to the

Federal Transit Administration (FTA) and to the RCTC TPC for review. Staff is currently working with RCTC to develop a comprehensive reporting format that will further enhance reporting of project status.

In September 2004, staff provided a status of open grants and projects to the RCTC TPC. An update to this status is provided as an attachment to this report.

Fiscal Impact:

Current Agency CIP project balances total \$9,685,017. A fiscal year project profile, “pure” Agency open project reconciliation, and status by project grouping are included in the attachment. A summary of these groupings is shown below:

	<u># of Projects</u>	<u>Project Budget</u>
Riverside CNG Fueling Station	5	\$ 1,553,165
Bus Purchase - 5 DAR Vans	7	345,217
Bus Purchase - 3 32-Ft. CNG Buses	2	1,036,597
Bus Purchase - 13 Replacement/Expansion DAR Vans	2	700,000
Durahart Office Remodel	3	122,172
Oracle 11i Upgrade	3	601,526
Support Vehicle Purchases	1	300,500
Facility Improvements	2	457,600
Operations & Shop Equipment	4	668,807
Other Projects	<u>12</u>	<u>3,899,433</u>
	<u>41</u>	<u>\$ 9,685,017</u>

Staff will provide periodic CIP status updates as requirements arise.

Committee Recommendation:

This item was discussed at the Board Budget and Finance Committee meeting of March 16, 2005. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration.

Recommendation:

- Receive and file.