

OFFICE OF THE COUNCIL AUDITOR

FY2011/2012 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Richard Clark - Chair
Warren A. Jones - Vice Chair
Greg Anderson
Bill Bishop
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Bill Gulliford
Clay Yarborough



Meeting #2
August 19, 2011

**COUNCIL AUDITOR’S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
PUBLIC HEALTH
GENERAL FUND (S/F 011)**

PROPOSED BUDGET BOOK - Page #242

BACKGROUND:

The Duval County Health Department is a partnership between the State of Florida and the City of Jacksonville. The funding for the Duval County Health Department comes from the State of Florida, the City of Jacksonville, and from county fees for vital statistics, communicable disease, primary care and environmental health.

REVENUES:

There are no revenues associated with the Duval County Health Department.

EXPENDITURES:

1. Other Operating Expenses:

- The \$442,328 decrease is a result of \$442,000 being correctly budgeted in Grants and Aids in order to properly categorize the expenditure. This amount is consistent with prior year funding.

2. Grants and Aids:

- The \$607,915 represents the local match budgeted to obtain Federal grants (See Recommendation below). In addition to the \$442,000 budgeted in Grants and Aids instead of Other Operating Expenses, the total amount includes \$165,915 budgeted to fulfill local match requirements for the North East Florida Metabolic Syndrome LIP grant that started in March 2011.

SERVICE LEVEL CHANGES:

There are no significant changes.

EMPLOYEE CAP CHANGES:

There are no positions.

RECOMMENDATION:

Local match dollars for the Duval County Health Department have been budgeted twice. Additionally, the local match funding was understated by \$22,589 within this budget. We recommend that Grants and Aids be increased by \$22,589 and that duplicate funding of \$697,979 budgeted in the Contingency for Federal Matching Grants be removed. These net changes will have a positive impact on the Special Council Contingency of \$675,390.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/12 BUDGET
JACKSONVILLE HUMAN RIGHTS COMMISSION (S/F 011)**

PROPOSED BUDGET BOOK- Page 116

BACKGROUND:

The Jacksonville Human Rights Commission (JHRC) within the City focuses on promoting and encouraging fair treatment and equal opportunity for all. The Commission strives to eliminate discrimination and promote mutual understanding and respect. Equal Opportunity/Equal Access (EO/EA), the only division under JHRC, resolves non-compliance with equal opportunity employment laws and investigates allegations made by job applicants and city employees.

The JHRC investigates complaints alleging discriminatory practices in employment, housing, and areas of public accommodations. In addition to investigating claims, the JHRC offers mediation services and works to resolve the complaints. The JHRC works with the Equal Employment Opportunity Commission (EEOC) at the Federal level and is reimbursed at an agreed upon rate based on the number of cases resolved. The staff of twelve expects to generate \$113,800 in revenues for FY 2011/12.

The services provided by the JHRC are also provided at the State level through the Florida Commission of Human Rights (FCHR) and the Federal level through the EEOC and the U. S. Department of Housing and Urban Development (HUD). There is no additional cost incurred by the city for deferring discrimination claims to these State or Federal agencies.

REVENUES:

1. Intergovernmental Revenue:
 - The increase of \$4,250 is due to an anticipated increase in the United States Equal Employment and Opportunity Commission Award.

EXPENDITURES:

Significant changes in expenditures are as follows:

1. Salaries
 - The decrease of \$32,584 is primarily due to the elimination of one vacant Equal Opportunity Specialist position.
2. Employer Provided Benefits:
 - The decrease is primarily due to the reduction of \$3,892 in group hospitalization insurance, and \$3,482 in workers' compensation insurance.
3. Internal Service Charges:
 - The decrease of \$16,149 is primarily due to a net reduction of \$4,561 in ITD charges caused by a change in allocation methodology, a decrease of \$5,786 in copier consolidation, a decrease of \$1,151 in OGC charges, and a decrease of \$1,206 in fleet expenses.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/12 BUDGET
JACKSONVILLE HUMAN RIGHTS COMMISSION (S/F 011)**

4. Other Operating Expense:

- The decrease of \$44,033 is primarily due to the reduction of \$2,650 in miscellaneous services and charges, \$2,105 in dues, subscriptions and memberships, \$1,700 in office supplies, \$1,600 in food cost for Study Circles events, \$1,120 in printing and binding and \$35,000 in professional services. The reduction to professional services included \$20,000 for the JCCI Race Relations Progress Report, \$5,000 for a Study Circles Evaluation Report, \$8,000 for a Study Circles Initiative and \$2,000 in miscellaneous research projects.

SERVICE LEVEL CHANGES:

- No significant change in service level.

EMPLOYEE CAP CHANGES:

2010/2011 Original	Increase/ Decrease	2011/2012 Proposed
13	1	12

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
HOUSING AND NEIGHBORHOODS
HOUSING FINANCE AUTHORITY (S/F 721)**

PROPOSED BUDGET BOOK – Page 112

BACKGROUND:

The Jacksonville Housing Finance Authority (JHFA) provides funds to support development of housing for low-to-moderate income families through the issuance of tax exempt bonds. The bond proceeds are utilized to make low interest loans.

REVENUES:

1. Miscellaneous Revenue:

- The decrease of \$9,804 in miscellaneous revenue is due to reductions of \$5,000 in miscellaneous sales and charges and \$4,804 in mortgage interest income. Miscellaneous sales and charges captures revenues recaptured from previous loans, typically due to refinancing. Mortgage interest income is derived from the receipt of monthly and annual interest revenue on interest bearing mortgages.
- The increase of \$75,338 in Jacksonville Citywide Activities is due to higher anticipated investment income.

2. Other Sources:

- The reduction of \$4,468 is due to reduced proceeds from bond monitoring fees. Bond monitoring fee revenues are anticipated to decrease due to multi-family projects being refinanced or redeemed during FY 2010/11 and monitoring fees will no longer be due. Additionally, new projects in FY 2010/11 carried long term monitoring contracts between the developer and a 3rd party monitor, with fees that will be paid directly to the 3rd party monitor.

3. Transfers From Fund Balance:

- The reduction of \$57,056 is due to a decrease in the transfer from fund balance.

EXPENDITURES:

1. Salaries:

- The increase of \$11,597 is mostly due to an additional authorized position, Executive Assistant to the Director of Housing and Neighborhoods. A portion of this position is paid through a federal grant.

2. Employer Provided Benefits:

- The net increase of \$7,567 is due mainly to higher group hospitalization insurance costs of \$7,299 and pension contributions of \$1,596, which are slightly offset by a decrease in workers' compensation insurance of \$1,189.

3. Internal Service Charges:

- The net increase of \$17,774 is due mainly to an increase of \$20,450 in legal costs to align the budget with actual expenditures. This is partially offset by a reduction of \$1,913 in mailroom charges and \$1,469 in wireless communication charges.

4. Other Operating Expenses:

- The net reduction of \$29,457 is primarily due to a decrease of \$24,860 in professional services. Bond compliance monitoring and bond auditor costs are projected to decrease due to bond redemptions and refinancing in FY 2010/11.

5. Indirect Cost:

- Indirect costs have decreased by \$3,471 based on the annual Indirect Cost Study.

6. Cash Carryover:

- No change from FY 2010/11.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

Authorized positions increased by one. A CDBG grant will fund 25% of salary costs.

RECOMMENDATIONS:

1. We recommend decreasing Cash Carryover by \$3,664 and reducing the transfer from fund balance by the same amount to correct funding for an expenditure that was budgeted in error. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
HOUSING AND NEIGHBORHOODS
COMMUNITY DEVELOPMENT (1A1)**

PROPOSED BUDGET BOOK – Page 110

BACKGROUND:

In accordance with a recommendation from the Affordable Housing Task Force in 2006, it was recommended to remove the federal and state housing and community development grants from the Mayor's annual budget cycle and handle them through separate legislation. The General Fund's portion of the Housing Department will still be budgeted in subfund 1A1 and funded through interfund transfers.

REVENUES:

1. Intergovernmental Revenue:
 - The reduction of \$12,564 is due to the decrease in federal funding.
2. Transfers-Non Departmental:
 - The net reduction of \$21,389 is due to a decrease in the transfer from the General Fund. This amount consists of two transfers. The first is a \$75,000 transfer from the Northside East Tax Increment District as an annual repayment for the \$1.5 million grant to the Museum of Modern Art for the acquisition of the building at Duval and Laura Streets. The Tax Increment District is repaying the grant over 20 years without interest. This is the twelfth annual payment. The second is a transfer of \$253,968 from the General Fund to pay for four Human Services Planner positions that are not allowable costs under the HUD grant.

EXPENDITURES:

1. Salaries:
 - The decrease of \$11,360 is due to a reduction of \$10,010 in salaries that will be paid through a federal grant in FY 2011/12 and a reduction in special pay-pensionable of \$1,350.
2. Employer Provided Benefits:
 - The net decrease of \$3,523 is due mainly to a reduction in pension contributions of \$2,879.
3. Internal Service Charges:
 - The net reduction of \$6,510 is due primarily to reductions in legal charges of \$9,107. It was mainly offset by a net increase of \$2,056 in computer service charges.
4. Grants and Aids:
 - Grants and Aids consists of the following:

Clara White Mission	\$19,683
Catholic Charities Bureau	\$55,317

5. Transfers To Other Funds

- The reduction of \$12,564 is due to a reduction in federal funding. This transfer subsidizes a portion of the cost of the Independent Living program.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no changes to the number of authorized positions.

RECOMMENDATIONS:

1. The Budget Office has requested eliminating the \$253,968 transfer from the General Fund to pay for four Human Services Planner positions that are not allowable costs under the HUD grant and transferring these positions and related expenditures to a Housing and Neighborhoods Department General Fund activity. The net effect is budget neutral.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
FINANCE
GENERAL EMPLOYEES PENSION TRUST
S/F 611**

PROPOSED BUDGET BOOK – pgs 88-90

BACKGROUND:

The General Employees Pension Trust is the City's defined benefit pension fund for general employees. This fund records both employee and employer contributions, investment earnings, benefit payments and administrative expenses for the General Employees' Pension Fund. For FY 2012, the total City contribution rate is 13.5%, with 13.2% being contributed to this Sub-fund and .3% being contributed to Sub-fund 614 the Pension Disability Trust. The employees' contribution rate attributable to this Sub-fund is 7.7% and .3% contributed to Sub-fund 614 for a total employee contribution of 8%. The employees covered by the General Employees' Pension Fund do not participate in Social Security.

REVENUES:

1. Miscellaneous Revenue:

- This is the amount of revenue needed from the Plan to fund the budgeted expenditures.

EXPENDITURES:

1. Salaries:

- The \$14,266 decrease is due to a lower starting salary for a newly filled position.

2. Employer Provided Benefits:

- The \$3,512 increase is primarily due to a rise of \$5,128 in group hospitalization insurance costs. This increase is partially offset by decreases of \$904 in pension contribution, \$370 in group life insurance and \$301 in workers' compensation insurance.

3. Internal Service Charges:

- The decrease is primarily due to ITD's completion of the Jacksonville Pension System that had previously been under development.

4. Other Operating Expense:

- The decrease of \$193,116 is primarily due to reductions of \$147,611 in consultant fees paid to the Money Managers to manage the City's General Employee Pension investments. The amount paid to the Money Managers is tied to the performance of the investment portfolio for the General Employees Pension Plan and the investment portfolio is not expected to have the same performance as the current fiscal year. The \$29,000 in postage is due to postage meter carryovers and the \$15,866 in rentals (land and buildings) is because the Pension Office is expected to move from the Godbold Building to City Hall in late FY 2012. See the following table for details of the Professional Services component. All are Pension Fund Money Managers unless otherwise noted:

Explanation	Amount
Pinnacle Associates	\$ 314,189
Advisory Research	424,268
Silchester	991,159
Pzena	491,043
Eagle Capital	854,906
Baillie Gifford	648,760
Acadian Asset Management	252,854
Franklin Templeton SC	451,323
Franklin Templeton Global T/R	306,875
Income Research and Mgmt	10,456
Harvest	21,104
Tortoise	106,357
Neuberger Berman	661,645
Westwood - T2	319,920
Intech Enhanced	609,043
Vontobel - T2	79,653
Taplin Canida & Habacht	156,369
Richmond Capital	152,101
Wells Capital Management	123,290
Loomis Sayles	340,203
UBS	1,298,128
Hancock Timber	602,823
European Investors - T2	168,330
Klausner & Kaufman - Pension Legal Counsel	100,000
Segal - Actuarial Services	52,000
Summitt Strategies Group - Pension Portfolio Consultant	290,000
BNY Mellon - Pension plan custodians	112,000
	\$ 9,938,798

5. Capital Outlay:

- The increase of \$2,499 is for the purchase of two (2) lateral file cabinets.

6. Supervision Allocation:

- The Supervision Allocation is the portion of this sub-fund’s administrative cost that is allocated to the Correction Officers Pension Trust (S/F 613).

7. Indirect Cost:

- The increase of \$10,066 is due to the annual update of the indirect cost study performed by MAXIMUS Consulting Services, Inc.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

No change.

Schedule of Investments at Market per the City of Jacksonville Chief Investment Officer:

	May 31, 2010	May 31, 2011	Dollar Change	Percent Change
Bonds and Notes	\$ 505,925,042	\$ 425,973,149	\$ (79,951,893)	-16%
Common/Preferred Stock	\$ 789,281,900	\$ 1,026,487,838	\$ 237,205,938	30%
Cash Equivalents	\$ 52,972,786	\$ 56,119,153	\$ 3,146,367	6%
Real Estate	\$ 132,599,161	\$ 201,928,579	\$ 69,329,418	52%
Other	\$ -	\$ 6,620,692	\$ 6,620,692	N/A
Total	\$ 1,480,778,889	\$ 1,717,129,411	\$ 236,350,522	16%

CITY OF JACKSONVILLE RETIREMENT SYSTEM FUNDING PROGRESS

Unfunded Actuarial Accrued Liability (UAAL) per the Comprehensive Financial Annual Report as of September 30, 2010			
Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded AAL (a-b)	Funded Ratio (b/a)
\$ 2,163,080,000	\$ 1,640,892,000	\$ 522,188,000	75.86%

RECOMMENDATIONS: None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
CORRECTIONAL OFFICERS PENSION TRUST
S/F 613**

PROPOSED BUDGET BOOK – pgs 91-92

BACKGROUND:

The Correctional Officers' Pension Fund was established to provide pension benefits and protection for the correctional officers of the City of Jacksonville. The City Contribution for FY 2011/12 is 31.78% and the employee contribution is 8%. In addition, the Correctional Officers Pension Fund is funded by an administrative surcharge of \$20 per person arrested and booked into the City correctional facilities. The employees covered by the Correctional Officers' Pension Fund do not participate in Social Security.

REVENUES:

1. Fines and Forfeits:

- These funds are received from the \$20 surcharge mentioned above.

2. Miscellaneous Revenue:

- This is the amount of revenue needed from the Plan to fund the budgeted expenditures.

EXPENDITURES:

1. Other Operating Expenses:

- The \$58,750 increase is to pay for the cost of pension medical examinations for correction officers that in previous years were paid out of Sub-fund 611.

2. Supervision Allocation:

- The \$560,000 is the cost to the Fund for administration by personnel in Sub-fund 611 – the General Employees Pension Fund.

SERVICE LEVEL CHANGES:

There are no significant changes.

EMPLOYEE CAP CHANGES:

There are no positions in this sub-fund.

CORRECTIONAL OFFICERS PENSION PLAN FUNDING PROGRESS

Unfunded Actuarial Accrued Liability (UAAL) - Per the Comprehensive Annual Financial Report at September 30, 2010			
Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded AAL (a-b)	Funded Ratio (b/a)
\$ 204,384,000	\$ 97,464,000	\$ 106,920,000	47.69%

RECOMMENDATIONS: None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
DISABILITY PENSION TRUST
S/F 614**

PROPOSED BUDGET BOOK – pgs 93-94

BACKGROUND:

The General Employees and Corrections pension fund was split in FY 2010 to separately identify the Disability Benefit portion of the fund for general employees only. Sub-fund 614 was created to account for Employer and Employee contributions and Disability benefit payments. For FY 2012, the total City contribution rate to the General Employees Pension Plan is 13.5% with 13.2% being contributed to Sub-fund 611 and 0.3% being contributed to this Sub-fund. The employee's contribution rate attributable to this Sub-fund is also 0.3% with 7.7% contributed to Sub-fund 611 for a total employee contribution of 8%.

REVENUES:

1. Miscellaneous Revenue:

- This is the amount of revenue needed from the Plan to fund the budgeted expenditures.

EXPENDITURES:

1. Other Operating Expenses:

- This amount represents the estimated cost of physicals which are required to be admitted to the General Employees Pension Plan.

SERVICE LEVEL CHANGES:

There are no significant changes.

EMPLOYEE CAP CHANGES:

There are no positions in this sub-fund.

RECOMMENDATIONS: None.

**CITY COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 POLICE & FIRE PENSION ADMINISTRATION (S/F 621)
 2011/2012 PROPOSED BUDGET**

- ✓ The Police and Fire Pension Fund is not included in the Mayor's Proposed Budget due to the fact that the Police and Fire Pension Fund operates independently of the City and is governed by an appointed Board of Trustees. Pursuant to Section 25 of the Settlement Agreement dated March 5, 2001, the Board is required to submit its budget for approval to the City Council.
- ✓ The Police and Fire Pension Fund budget is divided into three sections: Administrative Expenditures, Building Operations and Parking Garage Operations. The Police and Fire Pension Fund proposes an increase in administrative costs of \$989,123 or 12% from the current budget of \$8,105,669. The Building Operations budget is increasing by \$4,741 or 2% from the current budget of \$237,034. The Parking Garage Operations budget is decreasing by (\$1) or 0% from the current budget of \$37,601. The total proposed budget for 2011/2012 is \$9,374,167 which is an increase from the current budget of \$8,380,304 or 12%.

ADMINISTRATIVE EXPENDITURES

	2010/2011 ORIGINAL	2011/2012 PROPOSED	DOLLAR CHANGE	PERCENT CHANGE	F/N
Personnel Services	\$ 1,117,840	\$ 1,139,061	\$ 21,221	2%	(A)
Operating Expenses	6,854,825	7,822,727	\$ 967,902	14%	(B)
Capital Outlay	133,004	133,004	-	0%	
Total Administrative Budget	\$ 8,105,669	\$ 9,094,792	\$ 989,123	12%	

(A) This increase is mainly due to an increase in workers compensation insurance and dental insurance premiums as well as a salary step increase for two Police and Fire Pension Fund employees.

(B) This increase is mainly due to an increase in Professional Services of \$950,000. The Professional Services line item consists of the following:

	FY 10/11 Amount	FY 11/12 Amount	DOLLAR CHANGE	PERCENT CHANGE	
Services					
Money Managers	\$ 5,250,000	\$ 6,200,000	\$ 950,000	18%	(C)
Auditors	\$ 33,000	\$ 35,000	\$ 2,000	6%	
Investment Consultant	\$ 225,000	\$ 225,000	-	0%	
Actuary	\$ 55,000	\$ 55,000	-	0%	
Pension Plan Custodian	\$ 112,000	\$ 110,000	\$ (2,000)	-2%	
Securities Lending	\$ 60,000	\$ 60,000	-	0%	
Legal Counsel	\$ 85,000	\$ 85,000	-	0%	
Medical Director	\$ 30,000	\$ 30,000	-	0%	
Total	\$ 5,850,000	\$ 6,800,000	\$ 950,000	16%	

(C) Per Dick Cohee Deputy Executive Director, the increase of the fees paid to the Money Managers is tied to the performance of the investments. The better the investments perform the more fees the managers earn.

**COMMENTS AND RECOMMENDATIONS
POLICE & FIRE PENSION ADMINISTRATION (S/F 621)
2011/2012 PROPOSED BUDGET**

BUILDING OPERATIONS:

The Police and Fire Pension Fund owns two buildings: one building is located at One West Adams Street and the other is located at 407 N. Laura Street. The Police and Fire Pension Fund is located at One West Adams Street and leases office space and receives rental revenue from both buildings.

	2010/2011 ORIGINAL	2011/2012 PROPOSED	DOLLAR CHANGE	PERCENT CHANGE	F/N
Operating Expense	\$ 196,739	\$ 201,400	\$ 4,661	2%	
Capital Outlay	40,295	40,375	\$ 80	0%	
Total Building Operations	\$ 237,034	\$ 241,775	\$ 4,741	2%	(D)

(D) The Building Operations expenditures will be offset by rental revenues estimated at \$612,774 for the 2011/2012 fiscal year.

PARKING GARAGE OPERATIONS:

The Police and Fire Pension Fund owns the Monroe Street Parking Garage which has approximately 240 parking spaces. The Fund leases out parking spaces to various entities and individuals.

	2010/2011 ORIGINAL	2011/2012 PROPOSED	DOLLAR CHANGE	PERCENT CHANGE	F/N
Operating Expenses	\$ 12,156	\$ 12,200	\$ 44	0%	
Capital Outlay	25,445	25,400	\$ (45)	0%	
Total Expenditures	\$ 37,601	\$ 37,600	\$ (1)	0%	(E)

(E) The Parking Garage Expenditures will be offset by rental revenues estimated at \$207,310 for the 2011/2012 fiscal year.

HAVERTY'S BUILDING REVENUE

Since the completion of the Haverty's renovation project by the Police and Fire Pension Administration, the City has been leasing the building based on its current obligation. The current agreement states that the City will pay lease payments amounting to an annual rate of 11.9% of all costs incurred by the Police and Fire Pension Administration for renovation of the building but not exceeding \$10 million in costs. 11.9% of the maximum cost of \$10 million results in an annual lease payment to the Police and Fire Pension Fund of \$1,190,000, or \$19.83 per square foot.

Beginning with Fiscal Year 2013/14, the City has the option of purchasing the Haverty's Building every four years. The re-purchase price of the Haverty's building from the Police and Fire Pension Fund will consist of the (i) the \$3,000,000 original purchase price from the City and (ii) reimbursement of the Fund's out-of-pocket costs incurred with the renovation of the property not to exceed \$10,000,000, together with its closing costs for purchase and sale, plus a 3% annual increase in such costs. The re-purchase price will be approximately \$14,500,000 at the first re-purchase window in Fiscal Year 2013/14. The next re-purchase window would not occur until Fiscal Year 2017/18 and the price would be approximately \$16,000,000 at that time.

**COMMENTS AND RECOMMENDATIONS
POLICE & FIRE PENSION ADMINISTRATION (S/F 621)
2011/2012 PROPOSED BUDGET**

MARKET VALUE OF INVESTMENTS: PER NORTHERN TRUST, INVESTMENT CUSTODIAN

	May 31, 2010	May 31, 2011	DOLLAR CHANGE	PERCENT CHANGE
Bonds/Notes	\$ 264,750,898	\$ 241,870,009	\$ (22,880,889)	-9%
Common Stock	471,244,041	697,722,303	\$ 226,478,262	48%
S&P 500 Index	74,694,925	88,066,480	\$ 13,371,555	18%
Partnership**	61,085,555	-	\$ (61,085,555)	-100%
Cash Equivalents	34,555,608	41,010,509	\$ 6,454,901	19%
Real Estate	63,011,294	75,017,706	\$ 12,006,412	19%
Other***	(21,564,416)	(14,305,845)	\$ 7,258,571	-34%
Total	\$ 947,777,905	\$ 1,129,381,162	\$ 181,603,257	19%

**The partner relationship terminated in FY 2010-2011

***This category represents pending trades that have not been settled and is necessary to avoid double counting.

✓ The proposed cost of administering the Police and Fire Pension Fund market value of investments of \$9,094,792 represents .81% of its balance at May 31, 2011.

DEPARTMENT EMPLOYEE CAP:	2010/2011	Inc/(Dec)	2011/2012
	Original		Proposed
	8	0	8

RECOMMENDATIONS: None

COMMENTS:

As of 9/30/10 the Police and Fire Pension fund has an unfunded actuarial accrued liability of approximately \$979,510,000. The pension rate contribution from the City will be the same as the current year, 49.6%, for FY 2012 with an estimated contribution of approximately \$78.4 million.

POLICE AND FIRE PENSION RETIREMENT SYSTEM FUNDING PROGRESS

Unfunded Actuarial Accrued Liability (UAAL) at September 30, 2010

Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded AAL	Funded Ratio
(a)	(b)	(a-b)	(b/a)
\$ 1,840,753,000	\$ 861,243,000	\$ 979,510,000	46.79%

Council Auditor's Office					
Police and Fire Pension					
Salary Comparison					
2011/2012 Budget					
Position Description	2010/2011 Original	2011/2012 Proposed	Dollar Change	Percent Change	F/N
Executive Director/Administrator	\$ 238,702	\$ 238,702	\$ -	0%	
Deputy Executive Director	169,744	169,744	\$ -	0%	
Financial Services Manager	97,368	97,368	\$ -	0%	
Building Services Manager	85,104	88,932	\$ 3,828	4%	
Executive Assistant	59,880	59,880	\$ -	0%	
Assistant Building Services Manager	62,362	62,362	\$ -	0%	
Pension Benefits Specialist	53,604	53,604	\$ -	0%	
Administrative Assistant	38,196	39,756	\$ 1,560	4%	
	\$ 804,960	\$ 810,348	\$ 5,388	1%	

**POLICE AND FIRE PENSION FUND
JACKSONVILLE, FLORIDA
BUDGET FISCAL YEAR 2011/2012**

ESTIMATED REVENUES

Trust Fund Revenues	\$	9,094,792
Total Estimated Revenues		\$ 9,094,792

SCHEDULE AB

APPROPRIATIONS

Personnel Services	\$	1,139,061
Operating Expenses	\$	7,822,727
Capital Outlay	\$	133,004
Total Appropriations		\$ 9,094,792

SCHEDULE AC

The following is the detail breakdown for the Building Operations, Parking Garage Operations and the Haverty's Project budgets.

	Building Operations	Parking Garage Operations	Godbold City Hall Annex
Rental Revenues	\$ 612,773	\$ 207,310	\$ 1,190,000
Total Revenues	\$ 612,773	\$ 207,310	\$ 1,190,000
Operating Expenses	\$ 201,400	\$ 12,200	0
Capital Outlay	\$ 40,375	\$ 25,400	0
Total Expenses	\$ 241,775	\$ 37,600	0
Surplus/(Deficit)	\$ 370,998	\$ 169,710	1,190,000

**SCHEDULE AB
PAGE 1 OF 1**

**SCHEDULE AC
PAGE 1 OF 1**

**JEA
COMPARISON OF BUDGETS
ELECTRIC AND WATER & SEWER AND DISTRICT ENERGY SYSTEM
APPROVED FY 2010/11 TO PROPOSED FY 2011/12
(000's)**

	Electric		Water & Sewer		District Energy		Transfers In/Out	Total Budget	City Contribution
	Operating Budget	Capital Budget	Operating Budget	Capital Budget	Operating Budget	Capital Budget			
2010/11 Budget	\$ 1,443,009	\$ 251,700	\$ 363,467	\$ 142,200	\$ 8,984	\$ 638	\$ (202,297)	\$ 2,007,700	\$ 101,688
2011/12 Proposed	\$ 1,477,855	\$ 165,000	\$ 403,832	\$ 146,000	\$ 9,106	\$ 1,850	\$ (250,752)	\$ 1,952,893	\$ 104,188
\$ Increase (Decrease)	\$ 34,847	\$ (86,700)	\$ 40,364	\$ 3,800	\$ 122	\$ 1,212	\$ (48,453)	\$ (54,807)	\$ 2,500
% Increase (Decrease)	2.41%	(34.45%)	11.11%	2.67%	1.36%	189.97%	(23.95%)	(2.73%)	2.46%

Notes:

(1) Changes in the employee cap are as follows:

	Budget FY 2010/11	Proposed FY 2011/12	Increase (Decrease)
Electric System	1,563	1,641	78
Water & Sewer System	590	512	(78)
District Energy System	5	5	-
Total JEA Employees	2,158	2,158	-
SJRPP Joint Venture	302	302	-
Total JEA/SJRPP	2,460	2,460	-

(2) Detail of City Contribution:

	Budget FY 2010/11	Proposed FY 2011/12	Increase (Decrease)
Electric System	\$ 81,922	\$ 83,037	\$ 1,115
Water & Sewer System	19,766	21,150	1,384
Totals	\$ 101,688	\$ 104,188	\$ 2,500

Contribution Calculation

A Millage Calculation

Electric	\$	71,748,436	79.700%
Water		18,274,433	20.300%
	\$	<u>90,022,869</u>	

B Floor (prior Year plus \$2,500,000)

FY 2007/08	\$	94,187,538
FY 2008/09		2,500,000
FY 2009/10		2,500,000
FY 2010/11		2,500,000
FY 2011/12		2,500,000
	\$	<u>104,187,538</u>

Recommended Budget FY 11/12

Electric	\$	83,037,710	79.700%
Water		21,149,828	20.300%
	\$	<u>104,187,538</u>	

Notes:

A = Calculated as 5.513 mills times gross kilowatt-hours delivered by JEA to users of electricity in JEA's service area (less interchange sales) plus the amount calculated by multiplying 2.149 mills by the number of cubic feet of potable water and sewer service (excluding reclaimed water sales) provided to consumers during the twelve (12) month period ending April 30 of the previous year.

B = Notwithstanding the contribution cap calculated in Part A above, JEA shall pay the City each fiscal year, from 2008/2009 through 2015/2016, an additional amount if necessary, to ensure a minimum annual increase of \$2,500,000 using the fiscal year 2007-2008 combined assessment of \$94,187,538 as the base year.

Although the annual transfer of available revenue from JEA to the City is based upon formulas that are applied specifically to the respective utility systems operated by JEA, JEA's Charter allows it to utilize any of its revenues regardless of source to satisfy its total annual obligation to the City.

JEA's Charter does not currently require a contribution from the District Energy System (Chilled Water).

Conclusion:

The minimum payment of \$104,187,538 is greater than the millage calculation of \$90,022,869 therefore, the calculation floor in the amount of \$104,187,538 is the recommended Budget for FY11/12 for the Electric and Water/Sewer Systems.

**CALCULATION OF JEA ELECTRIC CONTRIBUTION
FOR FISCAL YEAR 2011-2012**

	Total	Less Interchange	Net kWh
Month	kWh Sales (1)	kWh Sales (2)	Sales
May 2010	960,466,453	25,601,000	934,865,453
June	1,301,219,655	53,351,000	1,247,868,655
July	1,365,232,844	75,192,000	1,290,040,844
August	1,382,379,449	63,797,000	1,318,582,449
September	1,235,719,199	49,972,000	1,185,747,199
October	1,135,201,603	32,806,000	1,102,395,603
November	889,880,713	8,518,000	881,362,713
December	1,029,282,944	2,423,000	1,026,859,944
January 2011	1,222,330,939	5,658,000	1,216,672,939
February	953,613,047	4,455,000	949,158,047
March	969,054,370	5,710,000	963,344,370
April	905,468,630	7,958,000	897,510,630
Total	13,349,849,846	335,441,000	13,014,408,846
		(3)	0.005513
			\$ 71,748,436

**CITY WATER/SEWER CONTRIBUTION FORMULA
FOR FISCAL YEAR 2011-2012**

	Water (1) Consumption	Sewer (1) Consumption	Adjustments (2) Total	Total Net Consumption
MONTH	(Hundred Cubic Feet)	(Hundred Cubic Feet)	Total Adjustments	(Hundred Cubic Feet)
May 2010	4,265,863	2,760,596	15,985	7,042,444
June	5,015,529	3,271,212	(12,299)	8,274,442
July	4,764,346	3,032,202	4,089	7,800,637
August	4,814,531	3,073,008	21,715	7,909,254
September	4,393,681	2,831,668	(26,068)	7,199,281
October	4,616,653	3,014,748	27,174	7,658,575
November	4,170,676	2,695,973	(27,767)	6,838,882
December	4,098,851	2,754,795	(56,759)	6,796,887
January 2011	3,706,284	2,724,985	851	6,432,120
February	2,838,938	2,137,027	25,780	5,001,745
March	4,064,705	2,935,716	48,655	7,049,076
April	4,224,896	2,802,599	6,076	7,033,571
Total	50,974,953	34,034,529	27,432	85,036,914
				100
				8,503,691,400
			(3)	0.002149
				\$ 18,274,433

Notes:

- (1) kWh sales information is based on JEA's CMFTR124 monthly reports.
- (2) Interchange, the sale of electricity to other utilities, is not included in the contribution formula.
- (3) The current City contribution formula CAP is based on multiplying 5.513 mills times total electric kWh sales less interchange sales for the twelve months (12) ending April of each year.
- (4) One quarter of a mill or \$3,253,602 has been dedicated to the JPA for port expansion. (Pursuant to Ordinance Code 106.218)

Notes:

- (1) Consumption information taken from JEA's CMFTR124 monthly reports.
- (2) Adjustments include Water Large (large industrial customer), Sewer LTD (wholesale sewer rate) and Water Reuse Consumption.
- (3) The current City contribution CAP is based on multiplying 2.149 mills times total water/sewer sales less reuse sales for the twelve (12) months ending April of the prior year.

JEA
ANALYSIS OF PROPOSED FY 2011/12 ELECTRIC OPERATING SYSTEM BUDGET
FY 2010/11 BUDGET COMPARED TO FY 2011/12 PROPOSED BUDGET
(000'S)

	2010/11 Original Budget	2010/11 Revised Budget	Actual Thru May	JEA 2010/11 Projected	2011/12 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2010/11 Original Budget	JEA 2010/11 Projected
Fuel Related Revenue & Expenses							
Revenue							
Fuel Related Revenue	\$ 646,163	\$ 646,163	\$ 399,352	\$ 649,039	\$ 639,457	(1.04%)	(1.48%)
Transfer To Fuel Recovery	(48,488)	(48,488)	(29,981)	(48,718)	(23,636)	(51.25%)	(51.48%)
Net Fuel Related Revenues	\$ 597,675	\$ 597,675	\$ 369,371	\$ 600,322	\$ 615,821	3.04%	2.58%
Expense							
Fuel Related and Purchased Power	\$ 577,447	\$ 577,447	\$ 372,230	\$ 623,468	\$ 615,924	6.66%	(1.21%)
Transfer To/(From) Rate Stabilization	15,950	15,950	9,916	(25,355)	(3,123)	(119.58%)	(87.68%)
Uncollectible Accts.	4,278	4,278	1,042	2,209	3,020	(29.41%)	36.71%
Net Fuel Related Expenses	\$ 597,675	\$ 597,675	\$ 383,188	\$ 600,322	\$ 615,821	3.04%	2.58%
Fuel Fund Surplus (Deficit)	\$ 0	\$ 0	\$ (13,816)	\$ 0	\$ 0	NA	(63.43%)
Base Rate Revenue & Expenses							
Revenue							
Base Rate Revenue	\$ 740,478	\$ 740,478	\$ 449,826	\$ 732,375	\$ 779,930	5.33%	6.49%
Investment Income	1,290	1,290	744	1,194	1,871	45.00%	56.69%
Other Revenues	103,566	103,566	63,394	100,308	80,234	(22.53%)	(20.01%)
Total Operating Revenues	\$ 845,334	\$ 845,334	\$ 513,964	\$ 833,878	\$ 862,035	1.98%	3.38%
Expenses							
Operating & Maintenance	\$ 180,757	\$ 180,757	\$ 95,921	\$ 156,143	\$ 187,900	3.95%	20.34%
Environmental Charge	7,886	7,886	4,889	7,936	8,123	3.00%	2.35%
Conservation Charge	9,635	9,635	4,790	7,712	8,256	(14.31%)	7.06%
Non-Fuel Purchased Power	161,365	161,365	101,475	156,942	183,341	13.62%	16.82%
Operating Capital Outlay	61,524	61,524	50,777	84,899	67,581	9.84%	(20.40%)
Emergency Fund	5,000	5,000	0	0	5,000	0.00%	NA
PSC Fees	229	229	161	237	236	3.26%	(0.43%)
Uncollectible Accts.	5,073	5,073	1,174	3,123	4,126	(18.68%)	32.10%
Total Operating Expenses	\$ 431,469	\$ 431,469	\$ 259,187	\$ 416,992	\$ 464,562	7.67%	11.41%
Net Income From Operations	\$ 413,865	\$ 413,865	\$ 254,777	\$ 416,885	\$ 397,473	(3.96%)	(4.66%)
Other Deductions							
Debt Service	\$ 244,004	\$ 244,004	\$ 157,238	\$ 237,808	\$ 224,194	(8.12%)	(5.72%)
Contracts & Contingencies	15,000	15,000	7,500	20,500	15,000	0.00%	(26.83%)
Renewal & Replacement- Elec. Sys.	72,939	72,939	47,721	71,582	75,242	3.16%	5.11%
Total Other Deductions	\$ 331,943	\$ 331,943	\$ 212,459	\$ 329,890	\$ 314,435	(5.27%)	(4.68%)
Net Income Before City Contribution	\$ 81,922	\$ 81,922	\$ 42,317	\$ 86,996	\$ 83,037	1.36%	(4.55%)
Contribution to City's General Fund	\$ 81,922	\$ 81,922	\$ 54,614	\$ 81,922	\$ 83,037	1.36%	1.36%
Base Rate Surplus (Deficit)	\$ 0	\$ 0	\$ (12,297)	\$ 5,074	\$ 0	NA	(100.00%)
Budget Surplus (Deficit)	\$ 0	\$ 0	\$ (26,113)	\$ 5,074	\$ 0	NA	(99.99%)
MWH Sales (000's)	12,928	12,928	7,973	12,969	13,316	3.00%	2.68%
# of Accounts	422,180	422,180	419,764	419,000	423,190	0.24%	1.00%

JEA
FY 2010/11 Original Budget Vs. FY 2011/12 Proposed Budget
Variance Overview - Electric System

		Increase/(Decrease)
		(\$000's) %
Revenues:		
Fuel Related Revenue	\$ (6,706)	-1.04%
This decrease is attributed to the \$2.90 fuel recovery rate ending in January 2012. The FY 2012 variable fuel rate break down represents \$45.59 per MWh in fuel costs plus \$2.15 charge per MWh, related to the base revenues used to replenish fuel fund reserves (the second of three years for the charge).		
Transfer To Fuel Recovery	\$ (24,852)	-51.25%
This decrease is attributed to the \$2.90 fuel recovery rate ending in January 2012.		
Base Revenue	\$ 39,452	5.33%
This increase is primarily attributed to the Board approved \$2.90 base rate increase for FY 2012 and higher unit sales. Electric (kWh) sales in FY 2011/12 are projected to increase 3.0% from the sales level in the current year's original budget. Less than 1% is expected from account growth with the remainder due to weather impacted consumption.		
Other Revenues	\$ (23,332)	-22.53%
This decrease is attributed to the \$2.90 fuel recovery rate ending in January 2012, which flowed into Other Revenue from the Fuel Fund. Other Revenue includes budget items such as Transmission Service Fees, Billing Late Fees, and Pole Attachment Fees. This also reflects receipt of the second of three annual repayments (approximately \$11M for FY2012) to reimburse the \$35 million borrowed from base revenues in FY 2010.		
Expenses:		
Non-Fuel Purchased Power	\$ 21,976	13.62%
The increase is primarily due to an additional \$17 million budgeted at Plant Scherer for increased debt service and operating expenses.		
Operating Capital Outlay	\$ 6,057	9.84%
Reflects pricing philosophy target of 5% of prior year fuel variable rate and base rate revenues and "PayGo" where JEA will issue no new debt in FY 2012.		
Debt Service	\$ (19,811)	-8.12%
Reflects no new debt and lower bond buy-back in FY 2012. JEA plans a lower reduction of debt from its FY 12 funds over and beyond the required debt service.		
Contracts & Contingencies	-	0.00%
The \$15 million is intended to add approximately 5 days of cash on hand, which is necessary to maintain JEA's liquidity financial metric target of 60 to 90 days. This metric is a key evaluation of the Bond rating agencies where JEA's current projection is to begin FY 12 at the mid range of the 60-90 day liquidity target.		

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
ELECTRIC SYSTEM
FY 2010/11 BUDGET COMPARED TO FY 2011/12 PROPOSED BUDGET
(000's)

	2010/11 Original Budget	2010/11 Revised Budget	Actual Thru May	JEA 2010/11 Projected	2011/12 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2010/11 Original Budget	JEA 2010/11 Projected
Salaries	\$ 118,050	\$ 118,439	\$ 73,223	\$ 112,747	\$ 119,863	1.53%	6.31%
Employee Benefits	39,658	38,443	22,631	35,946	42,364	6.82%	17.85%
Supplies	10,842	12,708	7,616	11,424	12,966	19.59%	13.50%
City Services	3,600	3,600	2,363	3,707	3,840	6.67%	3.59%
Other Intercompany Charges	2,100	2,100	1,098	1,646	2,100	0.00%	27.55%
Other Services & Chgs.	81,362	81,641	41,936	69,904	86,770	6.65%	24.13%
Other Contingencies	2,850	2,732	1,000	1,850	2,700	(5.26%)	45.95%
City Legal Services	1,000	1,000	775	1,000	1,000	0.00%	0.00%
Property & Casualty Insurance	6,311	6,311	2,569	3,853	5,374	(14.85%)	39.46%
Interest on Customer Deposits	400	400	57	86	100	(75.00%)	16.06%
Operating Reserve	2,000	799	-	-	2,000	0.00%	NA
Expense Credits	(63,610)	(63,610)	(40,414)	(60,620)	(66,570)	4.65%	9.81%
Trf. to WIP- Salaries	(17,778)	(17,778)	(12,854)	(19,281)	(18,309)	2.99%	(5.04%)
Trf. to WIP- Emp. Benefits	(6,028)	(6,028)	(4,080)	(6,120)	(6,298)	4.47%	2.90%
O & M Expense	\$ 180,757	\$ 180,757	\$ 95,921	\$ 156,143	\$ 187,900	3.95%	20.34%

JEA
FY 2010/11 Original Budget Vs. FY 2011/12 Proposed Budget
Expenditure Variance Overview - Electric System

	Increase/(Decrease)	%
	(\$000's)	
Operating & Maintenance		
Benefits	\$ 2,705	6.82%
Primarily attributed to increases in Health Insurance of \$0.4 million and Pension of \$4.7 million offset by a benefits lapse, a reduction in Other Post Employment Benefits and employment taxes .		
Supplies	\$ 2,124	19.59%
Various reliability and maintenance programs including the planned Northside # 1 & # 2 Generating Unit service outage.		
Other Services & Charges	\$ 5,408	6.65%
Strategic initiatives which include: climate change, communications, and various reliability and maintenance programs, i.e. Northside 1&2 Generating Unit outage, transmission structure maintenance, corrosion prevention, and security.		
Expense Credits	\$ (2,959)	4.65%
Expense credit means an amount set aside as an offset against an appropriation, representing an intrafund or interfund transfer of revenues and/or expenses. For example, water billing credits are recorded as an expense credit against the electric operating fund to properly charge the cost spent by electric system employees working on water and sewer related activities to the water and sewer operating fund.		
Transfers to WIP Salaries	\$ (531)	2.99%
Transfers to WIP Salaries are capitalized salaries captured in the Operating Budget. It represents the salaries charged to capital project workorders and is a credit to the operating fund.		
Transfers to WIP Emp. Benefits	\$ (269)	4.47%
Transfers to WIP Employee Benefits are capitalized benefits captured in the Operating Budget. It represents the benefits charged to capital project workorders and is a credit to the operating fund.		

JEA
ANALYSIS OF PROPOSED FY 2011/12 CAPITAL BUDGET
ELECTRIC SYSTEM
FY 2010/11 BUDGET COMPARED TO FY 2011/12 PROPOSED BUDGET
(000'S)

	2010/11 Original Budget	2010/11 Revised Budget	Actual Thru May	JEA 2010/11 Projected	2011/12 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2010/11 Original Budget	JEA 2010/11 Projected
Capital Funds							
Renewal & Replacement Deposits	\$ 72,939	\$ 72,939	\$ 47,721	\$ 71,582	\$ 75,242	3.16%	5.11%
Construction Fund Investment Income	93	93	54	81	40	(56.65%)	(50.08%)
Debt	93,944	93,944	-	-	-	(100.00%)	NA
Other Proceeds	23,200	23,200	-	24,262	22,137	(4.58%)	(8.76%)
Operating Capital Outlay	61,524	61,524	50,777	84,899	67,581	9.84%	(20.40%)
Total Capital Funds	\$ 251,700	\$ 251,700	\$ 98,553	\$ 180,825	\$ 165,000	(34.45%)	(8.75%)
Capital Projects							
Generation Projects	\$ 109,600	\$ 109,600	\$ 41,853	\$ 71,450	\$ 41,927	(61.75%)	(41.32%)
Transmission & Distribution	106,600	106,600	43,289	83,539	83,198	(21.95%)	(0.41%)
Other	35,500	35,500	10,776	25,836	39,875	12.32%	54.34%
Total Capital Projects	\$ 251,700	\$ 251,700	\$ 95,918	\$ 180,825	\$ 165,000	(34.45%)	(8.75%)
Surplus (Deficit)	\$ 0	\$ 0	\$ 2,635	\$ 0	\$ 0	0.00%	0.00%

**JEA
Electric System
FY2012 capital Budget
(000's Omitted)**

	PROPOSED		PROPOSED	
Description	FY12		FY 12	
	SUB TOTAL		TOTAL	
DUKE ENERGY NUCLEAR GENERATION OPTION	5,750			
GEC LIQUID FUEL OIL TANK	3,147			
GREENLAND ENERGY CENTER GENERATING STATION SIMPLE CYCLE	1,947			
EXPANDED GENERATION CAPACITY TOTAL	10,844	(1)	41,927	=(1+4)
NEW ELECTRIC SERVICE ADDITIONS	7,000			
ELECTRIC DISTRIBUTION MAINTENANCE CAPITAL UPGRADES	6,400			
POLE REPLACEMENT PROGRAM	6,000			
ELECTRIC DISTRIBUTION SYSTEM IMPROVEMENTS	4,000			
DEVELOPMENT DRIVEN PROJECTS - E	3,600			
UNDERGROUND CABLE REPLACEMENT PROGRAM - EXISTING DEVELOPMENTS	2,995			
MURRAY HILL 6703, 6704 26KV CONVERSIONS	2,239			
JOINT PARTICIPATION ELECTRIC RELOCATION PROJECTS	2,100			
ELECTRIC METER REPLACEMENT	2,029			
SOUTHBANK 13KV FEEDERS AND FEEDER REBUILD	1,800			
AVENUE "B" 3201, 3202 AND CLEVELAND 3601, 3602 4KV CONVERSIONS	1,503			
GENERAL NETWORK AND DOWNTOWN COMMERCIAL CAPITAL UPGRADES	1,500			
KENNEDY 463, 464, 465, 466 26KV FEEDERS	1,202			
AUTOMATIC RECLOSER DEPLOYMENT	1,200			
DISTRIBUTION SYSTEM - POLE REMOVAL	1,080			
OH-UG CONVERSION IN NEIGHBORHOODS	1,000			
BARTRAM 294, 295, 296, 298, 299 26KV FEEDERS	840			
LANE 438 26KV RECONDUCTOR	771			
PAPER INSULATED CABLE REPLACEMENT PROGRAM	744			
NORTHSIDE 416 26KV RECONDUCTOR STARRATT RD - BONEY RD FROM YELLOW BLUFF TO CEDAR POINT RD	608			
GENERAL DISTRIBUTION IMPROVEMENTS	500			
26KV RELIABILITY IMPROVEMENT - DISTRIBUTION FEEDER RELAY SYSTEM REPLACEMENT	450			
FDOT - 103RD ST - OLD MIDDLEBURG RD TO ORTEGA FARMS BLVD - E	443			
GARDEN CITY 498 26KV RECONDUCTOR BRADDOCK RD FROM TRANSMISSION EASEMENT TO LEM TURNER RD	402			
ELECTRIC METER GROWTH	400			
CECIL FIELD 389 26KV RECONDUCTOR CHAFFEE RD FROM NORMANDY BV TO SWITCH CAB AT 1509 CHAFFEE RD	381			
ELECTRIC CUSTOMER SERVICE RESPONSE LATERAL & QUICK RESPONSE WORK	370			
CAPITAL TOOLS AND EQUIPMENT - E1	250			
BARTRAM 297 26KV FEEDERS	198			
STARRATT SUBSTATION DIST FEEDERS	195			
NORMANDY 363-362 TIE CAHOON ROAD-BEAVER TO RAMONA	186			
HERSCHEL ST 5201, 5202 ST JOHN'S PARK 8201, 8203 MCDUFF AV 6304, 6306 4KV CONVERSIONS	174			
ELECTRIC CUSTOMER SERVICE RESPONSE TOOLS AND EQUIPMENT	132			
CAPITAL TOOLS AND EQUIPMENT - ELECTRIC	125			
4KV CONVERSION - CEDAR HILLS AND OAK HILL	119			
UGCR - OCEANWALK UNITS 1-4	95			
4KV CONVERSION - FAIRFAX AND 21ST & HUBBARD	35			
26KV RECONDUCTOR BEEGHLI 391-OWENS RD FROM DUVAL TO JIA SUB	33			
MURRAY HILL 4KV CONVERSIONS 6701, 6702, AND ST JOHNS 8202, 8204 (W OF US 17) 26KV CONVERSIONS	32			
UGCR - SOUTHERN VILLA APARTMENTS	24			

**JEA
Electric System
FY2012 capital Budget
(000's Omitted)**

	PROPOSED		PROPOSED	
	FY12		FY 12	
Description	SUB TOTAL		TOTAL	
UGCR - BARRINGTON OAKS	10			
POINT MEADOWS SUBSTATION DIST FEEDERS	9			
UGCR - CUNNINGHAM CREEK UNITS 1-3	8			
ELECTRIC SYSTEM DISTRIBUTION PROJECTS TOTAL	53,182	(2)	83,198	=(2+3)
TRANSMISSION - DUVAL TO JAX HEIGHTS 230 KV CIRCUIT 954 ADDITION	7,854			
FIRESTONE 230 - 69 KV AUTOTRANSFORMER ADDITION	6,953			
TRANSMISSION – CIRCUITS 821 - 822 - 853 STRUCTURE REBUILD – ELECTRIC IMPROVEMENTS	1,694			
SUBSTATION - JAX HEIGHTS 230 KV CIRCUIT 954 INTERCONNECT AND TERMINATION BAY	1,690			
SUBSTATION R&R PROJECT - TRANSFORMER REPLACEMENTS	1,500			
STARRATT ROAD 230 - 26 KV SUBSTATION	1,448			
KENNEDY SUBSTATION T-14 ADDITIONS AND T-12 UPGRADE	1,087			
230KV_138KV_69 KV INSULATOR REFURBISHMENT	865			
CIRCUIT BREAKER UPGRADE AT GEORGIA STREET 69 KV SUBSTATION	843			
POINT MEADOWS 230 - 26 KV SUBSTATION	801			
CIRCUIT BREAKER UPGRADE AT FIRESTONE 69 KV SUBSTATION	716			
GENERAL SUBSTATION IMPROVEMENTS	675			
230 KV_138KV_69 KV POLE REFURBISHMENT	629			
GENERAL TRANSMISSION IMPROVEMENTS	500			
TRANSMISSION - NOCATEE 230 KV CIRCUIT INTERCONNECT	450			
RANDALL ST & KENNEDY PIPE-TYPE CABLE PUMPING STATIONS REPLACEMENTS	350			
RANDALL ST CT PT CONTROL CABLE AND PROTECTION SYSTEM	330			
TRANSMISSION ADDITIONS - NOCATEE TO BARTRAM 230KV	300			
GENERAL PROTECTION SYSTEM IMPROVEMENTS TRANSMISSION	300			
MCDUFF SUBSTATION 13 KV SWITCHGEAR CUBICLE RETROFILL	290			
EMS HOT STANDBY	260			
CIRCUIT BREAKER UPGRADE AT RANDALL STREET 69 KV SUBSTATION	158			
SYSTEM OPERATOR AWARENESS ENHANCEMENTS	150			
TRANSMISSION - STARRATT ROAD 138 KV CIRCUIT INTERCONNECT	119			
CIRCUIT BREAKER UPGRADE AT DILLON 69 KV SUBSTATION	39			
BYPASS OF TRANSMISSION CIRCUITS 934 AND 939 FROM CENTER PARK	15			
ELECTRIC SYSTEM SUBSTATION & TRANSMISSION TOTAL	30,016	(3)		
NS 1 & 2 A INTREX TUBE REPLACEMENT	5,954			
KCT7 - MAJOR INSPECTIONS (CI, HGPI, MAJOR)	5,700			
STEAM PLANT GENERAL CAPITAL IMPROVEMENTS	4,000			
NORTHSIDE UNITS 1, 2, & 3 CAPITAL IMPROVEMENT PROJECTS	2,860			
NS POTABLE WATER SYSTEM INSTALLATION +1,368,000	2,526			
BB - NS - KS GENERAL CAPITAL IMPROVEMENTS	1,500			
KENNEDY GENERATING STATION - DEMOLITION OF OBSOLETE STRUCTURES	1,335			
NGS PERIMETER SECURITY	1,326			
KENNEDY GENERATING STATION SECURITY ENHANCEMENTS	949			
NS 1 CONDENSER PIPING REPLACEMENT	576			
NS 1 & 2 VORTEX FINDER UPGRADE	557			

**JEA
Electric System
FY2012 capital Budget
(000's Omitted)**

	PROPOSED		PROPOSED	
	FY12		FY 12	
Description	SUB TOTAL		TOTAL	
BRANDY BRANCH GENERATING STATION SECURITY ENHANCEMENTS	530			
BBCC HRSG ISOLATION VALVES	500			
BBGS SHARED SERVICES BUILDING ADDITION	450			
NSCTS ATOMIZING AIR COMPRESSOR CM/U UPGRADE	425			
BBGS HP & HRH DESUPERHEATER SPRAY VALVE UPGRADE	400			
NS-1 REHEAT DESUPERHEATER SYSTEM REPLACEMENT	286			
NS-1 FEEDWATER HEATER CONTROL REFURBISHMENT	261			
NS 1 & 2 SDA NORMAL AND EMERGENCY CONVEYOR TAILSHAFT SYSTEM UPGRADE	184			
NS 1 & 2 DCS SERVERS REPLACEMENT AND HISTORIAN UPGRADE	148			
NS 1 & 2 TURBINE CONTROL SYSTEMS REPLACEMENT	133			
NS 1 & 2 AQCS ATOMIZING AIR SYSTEM MOISTURE REMOVAL	133			
NS-1 CONDENSATE POLISHER CONTROLS REPLACEMENT	116			
NS 1 & 2 ID FAN LUBE OIL CONDITIONING SKIDS INSTALLATION	97			
NS-3 A,B,C&D CIRCULATOR MOTOR UPGRADE WITH REDUCED VOLTAGE MOTOR STARTERS	88			
NS 1 & 2 PSH TEMPERATURE CONTROL DAMPER DRIVE REPLACEMENT (11-32)	43			
LIMESTONE DRYER & CHUTE MODIFICATION	6			
ELECTRIC SYSTEM GENERATION PROJECTS TOTAL	31,083	(4)		
TS - PROJECTS - E	13,230			
CAPITAL ADMINISTRATIVE OVERHEAD- ELECTRIC	10,800			
FLEET REPLACEMENT - ELECTRIC	10,650			
WETLANDS MITIGATION BANK	2,350			
FACILITIES PAVING, FENCING & SITE IMPROVEMENTS – ELECTRIC	500			
FACILITIES IMPROVEMENTS - LIGHTING - ELECTRIC	475			
FACILITIES HEATING, VENTILATION, & AIR - ELECTRIC	417			
FACILITIES IMPROVEMENTS - BUILDING UPGRADES - ELECTRIC	415			
FACILITIES ROOF REPLACEMENT - E	330			
FACILITIES SECURITY - ELECTRIC	313			
FACILITIES IMPROVEMENTS - ELEVATORS - ELECTRIC	150			
FACILITIES IMPROVEMENTS, PLUMBING AND FIRE SYSTEM UPGRADES - ELECTRIC	145			
LABORATORY EQUIPMENT UPGRADES - E	75			
UTILITY LOCATE GROUP - CAPITAL EQUIPMENT - ELECTRIC	25			
ELECTRIC OTHER CAPITAL PROJECTS TOTAL	39,875	(5)	39,875	=(5)
GRAND TOTAL	165,000		165,000	

JEA
ANALYSIS OF PROPOSED FY2011/12 WATER & SEWER SYSTEM OPERATING BUDGET
FY 2010/11 BUDGET COMPARED TO FY 2011/12 PROPOSED BUDGET
(000's)

	2010/11 Original Budget	2010/11 Revised Budget	Actual Thru May	JEA 2010/11 Projected	2011/12 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2010/11 Original Budget	JEA 2010/11 Projected
Revenues							
Water & Sewer Revenues	\$ 330,121	\$ 330,121	\$ 227,015	\$ 345,198	\$ 382,152	15.76%	10.71%
Investment Income	1,277	1,277	1,055	1,522	1,932	51.33%	26.99%
Capacity & Extension Fees	10,000	10,000	6,223	9,602	8,000	(20.00%)	(16.68%)
Contributed Capital	100	100	285	357	-	(100.00%)	(100.00%)
Other Revenues	12,769	21,969	17,252	21,554	11,748	(8.00%)	(45.49%)
Total Revenues	\$ 354,267	\$ 363,467	\$ 251,830	\$ 378,232	\$ 403,832	13.99%	6.77%
Operating Expenses							
Operating & Maintenance	114,926	114,926	70,808	111,339	119,199	3.72%	7.06%
WSEA	800	800	404	671	-	(100.00%)	(100.00%)
Uncollectibles	1,695	1,695	623	1,188	1,911	12.73%	60.89%
Emergency Reserve	1,000	1,000	-	-	1,000	0.00%	NA
Contributed Capital Transfer	10,100	10,100	6,508	9,959	8,000	(20.79%)	(19.67%)
Operating Capital Outlay	41,777	41,777	42,106	54,165	81,590	95.30%	50.63%
Total Operating Expenses	\$ 170,298	\$ 170,298	\$ 120,449	\$ 177,321	\$ 211,700	24.31%	19.39%
Other Deductions							
Debt Service	148,884	158,084	100,496	150,748	138,358	(7.07%)	(8.22%)
Contracts & Contingencies	-	-	-	-	14,700	NA	NA
Renewal & Replacement Fund	15,319	15,319	10,609	15,716	17,924	17.00%	14.05%
Total Other Deductions	\$ 164,203	\$ 164,203	\$ 111,105	\$ 166,464	\$ 170,982	4.13%	2.71%
Contribution to City's General Fund	19,766	19,766	13,177	19,766	21,150	7.00%	7.00%
Budget Surplus (Deficit)	\$ 0	\$ 0	\$ 7,099	\$ 14,682	\$ (0)	(253.16%)	(100.00%)
Water Sales (ccf)	46,456,531	46,456,531	32,859,305	49,701,299	48,974,307	5.42%	(1.46%)
Sewer Sales (ccf)	32,077,540	32,077,540	23,844,543	33,701,775	33,994,360	5.98%	0.87%
Number of Accounts	542,370	542,370	543,367	543,867	544,989	0.48%	0.21%

JEA
FY 2010/11 Original Budget Vs. FY 2011/12 Proposed Budget
Variance Overview - Water and Sewer System

	Increase/(Decrease)	
	(\$000's)	%
Revenues:		
Water & Sewer Revenues	\$ 52,031	15.76%
Reflects increased rates and increased consumption. The proposed FY 2011/12 budget contains a 12.0% rate increase for water, sewer and reclaimed water sales. JEA is in the 3rd year of 4 increases to W&S Rates. The approximate increase next year will be 9%.		
Capacity & Extension Fees	\$ (2,000)	(20.00%)
Reflects current construction trends.		
Other Revenue	\$ (1,021)	(8.00%)
Reflects the current trend plus \$2.7 million in Build America Bonds. Build America Bonds were authorized under the Economic Recovery and Reinvestment Act. Accounting methodology of the interest rate subsidy is classified as other revenues.		
Expenses:		
Contributed Capital Transfer	\$ (2,100)	(20.79%)
Reflects current construction trends and reduced contributed capital as a result of a reduction in Better Jacksonville projects.		
Operating Capital Outlay (OCO)	\$ 39,813	95.30%
Environmental capital transfer & fully funded OCO. Our target for revenue based OCO is \$58.2 million plus another \$23.4 million is budgeted for environmental related OCO.		
Debt Service	\$ (10,526)	(7.07%)
Reflects no new debt and no bond buy-back in FY 2012. There are no planned reductions of debt from FY 12 funds over and beyond the required debt service. If JEA were to have a budget surplus at the end of FY11 we would buy back debt with these prior year funds.		
Renewal & Replacement Fund (R&R)	\$ 2,605	17.00%
Reflects bond covenant requirements to contribute a minimum of 5% of prior year gross Water and Sewer revenues. R&R is used to fund capital projects.		
Contracts & Contingencies	\$ 14,700	NA
This reflects payments related to the JEA 2001 interlocal agreements with St. John's and Nassau county for future payments associated with prior water utility acquisitions.		

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
WATER & SEWER SYSTEM
FY 2010/11 BUDGET COMPARED TO FY 2011/12 PROPOSED BUDGET
(000's)

	2010/11 Original Budget	2010/11 Revised Budget	Actual Thru May	JEA 2010/11 Projected	2011/12 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2010/11 Original Budget	JEA 2010/11 Projected
Salaries	\$ 33,619	\$ 35,687	\$ 22,630	\$ 35,364	\$ 37,414	11.29%	5.80%
Employee Benefits	11,590	11,603	7,101	11,325	13,079	12.85%	15.49%
Supplies	9,532	9,795	7,027	10,204	11,327	18.84%	11.00%
Other Services & Charges	63,083	65,663	39,929	61,456	66,022	4.66%	7.43%
Contracts and Contingencies	7,100	2,675	2,674	5,040	500	(92.96%)	(90.08%)
Purchased Water & Treatment	100	100	15	48	50	(50.00%)	3.66%
Property Insurance	1,939	1,939	338	985	1,879	(3.12%)	90.79%
Operating Reserves	500	0	0	0	1,000	100.00%	NA
Interest on Customer Deposits	0	0	3	3	0	NA	(100.00%)
Expense Credits	(2,003)	(2,003)	(1,455)	(2,123)	(2,190)	9.33%	3.16%
Transfers to WIP Salaries	(7,131)	(7,131)	(5,358)	(7,735)	(7,131)	(0.00%)	(7.80%)
Transfers to WIP Emp. Benefits	(2,603)	(2,603)	(1,691)	(2,559)	(2,751)	5.68%	7.51%
Total O & M Expense	\$ 115,726	\$ 115,726	\$ 71,212	\$ 112,010	\$ 119,199	3.00%	6.42%

JEA
FY 2010/11 Original Budget Vs. FY 2011/12 Proposed Budget
Expenditure Variance Overview - Water and Sewer System

	Increase/(Decrease)	%
	(\$000's)	
Operating & Maintenance		
Employee Salaries	\$ 3,795	11.29%
Primarily attributed to the inclusion of 42 United Water personnel and bargaining unit increases.		
Employee Benefits	\$ 1,489	12.85%
Primarily attributed to increases of in Health Insurance and Pension.		
Supplies	\$ 1,796	18.84%
Primarily due to increase in chemical costs associated with increased water production		
Contracts & Contingencies	\$ (6,600)	(92.96%)
Primarily due to elimination of United Water Contract. The United Water outsource contract ended in January 2011. The contract covered services of 42 UW employees, materials, and supplies.		
Expense Credits	\$ (187)	9.33%
Expense credit means an amount set aside as an offset against an appropriation, representing an intrafund or interfund transfer of revenues and/or expenses. For example, electric billing credits are recorded as an expense credit against the water and sewer operating fund to properly charge the cost spent by Water & Sewer employees working on electric system related activities to the electric system operating fund.		
Transfers to WIP Salaries	\$ 0	0.00%
Transfers to WIP Salaries are capitalized salaries captured in the Operating Budget. It represents the salaries charged to capital project workorders and is a credit to the operating fund.		
Transfers to WIP Emp. Benefits	\$ (148)	5.68%
Transfers to WIP Employee Benefits are capitalized benefits captured in the Operating Budget. It represents the benefits charged to capital project workorders and is a credit to the operating fund.		

JEA
ANALYSIS OF PROPOSED FY 2011/12 CAPITAL BUDGET
WATER & SEWER SYSTEM
(000's)

	2010/11 Original Budget	2010/11 Revised Budget	Actual Thru May	2010/11 Projected	2011/12 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2010/11 Original Budget	JEA 2010/11 Projected
Capital Funds							
Debt	\$ 74,910	\$ 74,910	\$ -	\$ -	\$ -	(100.00%)	NA
Other Proceeds	-	-	-	15,062	38,454	NA	155.30%
Renewal & Replacement Deposits	15,319	15,319	10,609	15,716	17,924	17.00%	14.05%
Operating Capital Outlay	41,777	41,777	42,106	54,165	81,590	95.30%	50.63%
Contributed Capital	100	100	285	357	-	(100.00%)	(100.00%)
Capacity Fees	10,000	10,000	6,223	9,602	8,000	(20.00%)	(16.68%)
Investment Income	94	94	55	83	32	(66.41%)	(61.72%)
Total Capital Funds	\$ 142,200	\$ 142,200	\$ 59,278	\$ 94,984	\$ 146,000	2.67%	53.71%
Capital Projects							
Water	\$ 56,447	\$ 56,447	\$ 14,402	\$ 32,312	\$ 57,000	0.98%	76.41%
Sewer	66,753	66,753	20,534	47,663	71,500	7.11%	50.01%
Other	19,000	19,000	6,585	15,009	17,500	(7.89%)	16.59%
Total Capital Projects	\$ 142,200	\$ 142,200	\$ 41,521	\$ 94,984	\$ 146,000	2.67%	53.71%
Surplus (Deficit)	\$ 0	\$ 0	\$ 17,757	\$ (0)	\$ (0)	NA	110.70%

**JEA
Water Sewer System
FY2012 Capital Budget
(000's Omitted)**

Description	Proposed		Proposed	
	FY12		FY12	
	SUB-TOTAL		TOTAL	
MAIN ST WTP - ORANGE ST RESERVOIR REHABILITATION - TWMP - W	7,605			
GROUNDWATER AND WETLAND MONITORING WELLS - CUP SUPPORT	1,000			
WATER PLANT CAPITAL RENEWAL & REPLACEMENT	1,000			
MAIN ST WTP - WELL REHABILITATION AND REPLACEMENT	500			
WELL REHABILITATION & BACKPLUGGING	400			
CORONA WTP IMPROVEMENTS	190			
FAIRFAX WTP RESERVIOR REHAB	125			
WTP RESERVOIR R&R	100			
RIVER OAKS RESERVOIR REHABILITATION - TWMP - W	80			
Water Treatment Total	11,000	(1)	57,000	=1+2
ST. JOHNS RIVER CROSSING HDD- TWMP SEGMENT 2	14,564			
WATER METER REPLACEMENT	6,373			
WATER DELIVERY SYSTEM R&R	8,535			
RIVERSIDE AV - SAN JUAN TO EDISON AV - W	3,208			
FRANKLIN RD TIE IN TO WEST BANK ST. JOHNS RIVER HDD - TWMP SEGMENT 1	2,618			
JOINT PARTICIPATION PROJECTS - W	2,201			
ARLINGTON EXPRESSWAY TO SOUTHSIDE BLVD - TWMP SEGMENT 5	1,651			
WATER METER GROWTH	1,390			
EAST BANK ST. JOHNS RIVER HDD TO ARLINGTON WTP - TWMP SEGMENT 3	1,218			
MAIN EXTENSIONS AND TAPS - W	500			
DEVELOPMENT - MINOR PROJECTS - W	500			
NORMANDY BV - LA MARCHE DR TO VERNA BV - W	488			
SAN JOSE BLVD - ST. AUGUSTINE RD TO MIRUELO CIR N - W	474			
SAN MARCO BLVD - HENDRICKS AVE TO RIVERPLACE AVE - W	317			
FDOT - OLD ROOSEVELT BLVD - DAY AVE TO WILLOW BRANCH	312			
FILL LINE AT ARLINGTON WTP - TWMP - W	250			
FILL LINE AT HENDRICKS WTP - TWMP - W	250			
NOCATEE - NORTH SOUTH ROAD (TOWN CENTER NORTH) - W	200			
UNIVERSITY BV - STETSON RD TO ST AUGUSTINE RD - W	169			
ARLINGTON WTP TO ARLINGTON EXPRESSWAY - TWMP SEGMENT 4	146			
SOUTH GRID WELL RELIABILITY - TWMP - W	120			
GRID CAPACITY DEVELOPMENT COST PARTICIPATION - WATER	100			
COJ - MIRUELO CIRCLE DRAINAGE IMPROVEMENTS - WATER	85			
COM - NEW WATER SERVICE ADDITIONS	75			
DD - RIVERTOWN - WATER	63			
MAIN ST WELLFIELD ADDITIONAL WELLS - TWMP - W	60			
FIRE HYDRANT IN-FILL	50			
BRADLEY RD. FROM SS BLVD TO CORTEZ RD - TWMP SEGMENT 6	48			
JTA - ATLANTIC KERNAN FLYOVER WATER RELOC - W	30			
FDOT - MAIN STREET AT TROUT RIVER BRIDGE - W	5			
Water Distribution Total	46,000	(2)		

**JEA
Water Sewer System
FY2012 Capital Budget
(000's Omitted)**

Description	Proposed		Proposed	
	FY12		FY12	
	SUB-TOTAL		TOTAL	
SEWER COLLECTION SYSTEM R&R	7,067			
SEWER COLLECTION SYSTEM TRENCHLESS R&R	3,200			
CR210 - TWIN CREEKS MPS TO RUSSELL SAMPSON RD - S	2,221			
LINCOLN VILLA SERVICE AREA 2 S T P O	1,731			
JOINT PARTICIPATION PROJECTS - SEWER	1,664			
ROYAL LAKES PHASE OUT FORCE MAIN	1,349			
TURBERCULATED IRON GRAVITY PIPE R&R	1,000			
ROYAL LAKES SOUTHSIDE BV - JTB EAST RAMP	807			
NASSAU FORCE MAIN - NASSAU REGIONAL WRF TO WILLIAM BURGESS BLVD	722			
SAN JOSE PHASE OUT - TIE TO ROYAL LAKES OUTFALL (16")	700			
N JAX FM - I-95 - T-LINE TO BUSCH DR - S	631			
N JAX FM - PULASKI TO MAIN ST	519			
DEVELOPMENT - MINOR PROJECTS - S	454			
ORTEGA FARMS BV - S	400			
PARKWAY SHOPS - SKYMARKS DR FM	388			
GREGORY DR - GREGORY WAY APARTMENTS TO DAVIE RD - FM	300			
JAX HEIGHTS - 103RD & RICKER SEWER UPGRADES	282			
AIR RELIEF VALVES	250			
MAIN EXTENSIONS AND TAPS - S	200			
SAN JOSE BLVD - ST. AUGUSTINE RD TO MIRUELO CIR N - FM - S	158			
EASEMENT LOCATION AND ACQUISITIONS	150			
COJ - MIRUELO CIRCLE DRAINAGE IMPROVEMENTS - SEWER	150			
MANHOLE SCADA R&R	110			
GRID CAPACITY DEVELOPMENT COST PARTICIPATION - SEWER	100			
JAX HEIGHTS PHASE OUT WWTF - WHEAT RD - FIRESTONE RD FM - SEWER	99			
NOCATEE - NORTH SOUTH ROAD (TOWN CENTER NORTH) - S	75			
CARDER ST. TO KINGSBURY FM REPLACEMENT - S	61			
COM - NEW SEWER SERVICE ADDITIONS	58			
DD - RIVERTOWN - SEWER	58			
NOCATEE - HIGHLAND LAKE - S	34			
UTILITY LOCATE GROUP - CAPITAL EQUIPMENT - WATER	25			
MCCOY'S CREEK POND C DRAINAGE IMPROVEMENT PROJECT	22			
FDOT - MAIN STREET AT TROUT RIVER BRIDGE - S	15			
Sewer Collection Total	25,000	(3)	71,500	=3+4+5+6
PUMPING STATIONS - CAPITAL EQUIPMENT REPLACEMENT	2,500			
ALACHUA MASTER PUMP STATION IMPROVEMENTS	3,704			
ROYAL LAKES PUMP STATION	2,135			
SCADA RTU AND CONTROL PANEL UPGRADES	2,000			
PUMPING STATIONS - CLASS I II STATION REHABILITATION	1,900			
KINGSBURY MASTER PUMP STATION IMPROVEMENTS	1,047			
SAN JOSE PHASE OUT - PLANT MASTER PUMP STATION	620			
WATER STREET MASTER PUMP STATION IMPROVEMENTS	550			
SCADA RENEWAL & REPLACEMENT	500			
STANDISH PLACE PUMP UPGRADES	450			
NOCATEE - HIGHLAND LAKE - PUMP STATION	393			
DIESEL-DRIVEN BACKUP PUMPS	360			
SAN JOSE PHASE OUT - CONVERT SAN CLERC PS TO BOOSTER STATION	271			

**JEA
Water Sewer System
FY2012 Capital Budget
(000's Omitted)**

	Proposed FY12		Proposed FY12	
Description	SUB-TOTAL		TOTAL	
NOCATEE - NORTH SOUTH ROAD (TOWN CENTER NORTH) - PS	250			
DIESEL-DRIVEN BACKUP PUMP R&R	200			
PRESSURE RECORDING INSTALLATION	120			
Sewage Pump Stations Total	17,000	(4)		
BUCKMAN WWTF BNR - PH 1	7,913			
BIOSOLIDS PROCESSING SYSTEM EXPANSION - 3RD BIOSOLIDS DIGESTER	5,860			
BUCKMAN WRF GRIT REMOVAL SYSTEM	5,661			
WASTEWATER TRT FACILITIES - CAPITAL EQUIPMENT REPLACEMENT	2,000			
MANDARIN WRF RECLAIMED HIGH SERVICE PUMP UPGRADE	1,800			
BUCKMAN WRF TURBO BLOWER IMPROVEMENTS	1,597			
ARLINGTON EAST WWTF UV	1,269			
DIGESTERS 1 & 2 - COVER REPLACEMENT	750			
BIOSOLIDS PROCESS RENEWAL & REPLACEMENT	728			
YULEE WRF OUTFALL	570			
BUCKMAN WRF EXISTING BLOWER IMPROVEMENTS	552			
WASTEWATER ODOR CONTROL - ALL PLANTS AND PUMP STATIONS	250			
REUSE FACILITY - CAPITAL EQUIPMENT REPLACEMENT	50			
Wastewater Treatment Total	29,000	(5)		
NOCATEE - NORTH SOUTH ROAD (TOWN CENTER NORTH) - R	200			
DD - RIVERTOWN - RECLAIMED	200			
OM - REUSE DELIVERY R&R	50			
TIE IN SUPPLEMENTAL WATER AT BARTRAM REPUMP	30			
NOCATEE RIVERWOOD - R	20			
Reclaim Water Distribution Total	500	(6)		
TS - PROJECTS - W	4,225			
FLEET REPLACEMENT – WATER	2,907			
CAPITAL ADMINISTRATIVE OVERHEAD - W	5,213			
PLAZA III PARKING GARAGE CONCRETE RESTORATION	1,607			
FACILITIES IMPROVEMENTS, BUILDING UPGRADES - W	415			
FACILITIES HEATING, VENTILATION, & AIR - W	405			
FACILITIES IMPROVEMENTS, ELECTRIC AND LIGHTING SYSTEMS	400			
FACILITIES PAVING, FENCING & SITE IMPROVEMENTS – WATER	395			
FACILITIES ROOF REPLACEMENT - W	307			
FACILITIES GENERATORS - W	300			
FACILITIES SECURITY - WATER	290			
JEA PLAZA I HVAC UPGRADE PROJECT	240			
FACILITIES IMPROVEMENTS - ELEVATORS - W	230			
FACILITIES IMPROVEMENTS, PLUMBING AND FIRE SYSTEM UPGRADES	215			
LABORATORY EQUIPMENT UPGRADES - W	146			
FACILITIES SECURITY - HIGHLANDS WTP SITE HARDENING GRANT PROJECT	98			
WATER - WASTEWATER SERVICE RESPONSE TOOLS AND EQUIPMENT	66			
TALLEYRAND LS VENTILATION IMPROVEMENTS - W	41			
Water Other Capital Projects Total	17,500	(7)	17,500	=7
Grand Total	146,000		146,000	

JEA
ANALYSIS OF PROPOSED FY 2011/12 DISTRICT ENERGY SYSTEM OPERATING AND CAPITAL BUDGET
FY 2010/11 BUDGET COMPARED TO FY 2011/12 PROPOSED BUDGET
(000'S)

	2010/11 Original Budget	2010/11 Revised Budget	Actual Thru May	JEA 2010/11 Projected	2011/12 Proposed Budget	Proposed Budget Over 2010/11 Original Budget	JEA 2010/11 Projected
OPERATING BUDGET:							
REVENUES:							
Revenues	\$ 8,984	\$ 8,984	\$ 4,719	\$ 8,256	\$ 9,106	1.36%	10.30%
Investment Income	-	-	-	-	-	NA	NA
Total Operating Revenues	<u>\$ 8,984</u>	<u>\$ 8,984</u>	<u>\$ 4,719</u>	<u>\$ 8,256</u>	<u>\$ 9,106</u>	<u>1.36%</u>	<u>10.30%</u>
EXPENSES:							
Operating and Maintenance	\$ 5,254	\$ 5,254	\$ 2,376	\$ 4,611	\$ 5,500	4.69%	19.30%
Operating Capital Outlay	301	301	-	265	-	(100.00%)	(100.00%)
Total Expenses	<u>5,555</u>	<u>5,555</u>	<u>2,376</u>	<u>4,876</u>	<u>5,500</u>	<u>(0.98%)</u>	<u>12.81%</u>
NET REVENUES FROM OPERATIONS	<u>3,430</u>	<u>3,430</u>	<u>2,343</u>	<u>3,380</u>	<u>3,606</u>	<u>5.15%</u>	<u>6.67%</u>
OTHER DEDUCTIONS:							
Debt Service	3,092	3,092	1,894	3,053	3,191	3.22%	4.54%
Contracts & Contingencies	-	-	-	-	-	NA	NA
Renewal & Replacement	338	338	218	328	415	22.85%	26.71%
Total Other Deductions	<u>3,430</u>	<u>3,430</u>	<u>2,112</u>	<u>3,380</u>	<u>3,606</u>	<u>5.16%</u>	<u>6.68%</u>
Budget Surplus (Deficit)	0	0	231	-	0		
CAPITAL BUDGET:							
CAPITAL FUNDS							
Debt Proceeds and Other	\$ -	\$ -	\$ -	\$ -	\$ 1,435	NA	NA
Renewal & Replacement	338	338	218	279	415	22.85%	48.56%
Operating Capital Outlay	301	301	-	265	-	(100.00%)	(100.00%)
	<u>638</u>	<u>638</u>	<u>218</u>	<u>545</u>	<u>1,850</u>	<u>189.78%</u>	<u>239.70%</u>
CAPITAL PROJECTS							
District Energy System Projects	<u>\$ 638</u>	<u>\$ 638</u>	<u>\$ 218</u>	<u>\$ 545</u>	<u>\$ 1,850</u>	<u>189.78%</u>	<u>239.70%</u>

**JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
DISTRICT ENERGY SYSTEM
FY 2010/11 BUDGET COMPARED TO FY 2011/12 PROPOSED BUDGET
(000's)**

	2010/11 Original Budget	2010/11 Revised Budget	Actual Thru May	JEA 2010/11 Projected	2011/12 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2010/11 Original Budget	JEA 2010/11 Projected
Salaries	\$ 372	\$ 372	\$ 185	\$ 313	\$ 357	(4.06%)	14.06%
Employee Benefits	106	106	49	86	116	9.75%	35.53%
Supplies	90	90	66	96	65	(27.78%)	(31.95%)
Other Services & Chgs.	4,260	4,260	2,048	3,946	4,285	0.59%	8.60%
Contracts and Contingencies	-	-	-	-	434	NA	NA
Property Insurance	46	46	29	44	43	(6.52%)	(2.32%)
Operating Reserve	380	380	-	127	200	(47.37%)	57.89%
O & M Expense	<u>\$ 5,254</u>	<u>\$ 5,254</u>	<u>\$ 2,376</u>	<u>\$ 4,611</u>	<u>\$ 5,500</u>	<u>4.69%</u>	<u>19.30%</u>

**JEA
District Energy System
FY2012 Capital Budget
(000's Omitted)**

	Proposed
	FY12
Description	TOTAL
DES - TOWER CONNECTION	750
DES - HOGAN'S CREEK CHILLER	700
DES - SHANDS BYPASS PUMPING SYSTEM	345
FACILITIES - DISTRICT ENERGY SYSTEM (DES)	55
DES Total	1,850
Grand Total	1,850