

**COUNCIL AUDITOR'S OFFICE
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**JEA
COMPARISON OF BUDGETS
ELECTRIC AND WATER & SEWER AND DISTRICT ENERGY SYSTEM
APPROVED FY 2014/15 TO PROPOSED FY 2015/16
(000's)**

	<u>Electric</u>		<u>Water & Sewer</u>		<u>District Energy</u>		<u>Transfers In/Out</u>	<u>Total Budget</u>	<u>City Contribution</u>
	<u>Operating Budget</u>	<u>Capital Budget</u>	<u>Operating Budget</u>	<u>Capital Budget</u>	<u>Operating Budget</u>	<u>Capital Budget</u>			
FY 2014/15 Budget	\$ 1,331,879	\$ 150,000	\$ 430,396	\$ 144,000	\$ 9,445	\$ 1,356	\$ (290,993)	\$ 1,776,083	\$ 111,688
FY 2015/16 Proposed	\$ 1,308,635	\$ 170,000	\$ 428,457	\$ 195,000	\$ 9,089	\$ 3,657	\$ (319,491)	\$ 1,795,346	\$ 114,188
\$ Increase (Decrease)	\$ (23,244)	\$ 20,000	\$ (1,939)	\$ 51,000	\$ (356)	\$ 2,301	\$ (28,498)	\$ 19,264	\$ 2,500
% Increase (Decrease)	(1.75%)	13.33%	(0.45%)	35.42%	(3.77%)	169.69%	(9.79%)	1.08%	2.24%

Notes:

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

	<u>Budget FY 2014/15</u>	<u>Proposed FY 2015/16</u>	<u>Increase (Decrease)</u>
Electric System	1,554	1,554	-
Water & Sewer System	599	599	-
District Energy System	5	5	-
Total JEA Employees	2,158	2,158	-
SJRPP Joint Venture	245	245	-
Total JEA/SJRPP	2,403	2,403	-

(2) Detail of City Contribution:

	<u>Budget FY 2014/15</u>	<u>Proposed FY 2015/16</u>	<u>Increase (Decrease)</u>
Electric System	\$ 90,108.598	\$ 91,720.182	\$ 1,611.584
Water & Sewer System	\$ 21,578.940	\$ 22,467.356	\$ 888.416
Totals	\$ 111,687.538	\$ 114,187.538	\$ 2,500.000

Contribution Calculation

(A) Millage Calculation

Electric	\$	67,705,865	80.324%
Water		16,584,919	19.676%
	\$	<u>84,290,784</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
FY 2012/13		2,500,000
FY 2013/14		2,500,000
FY 2014/15		2,500,000
FY 2015/16		2,500,000
	\$	<u>114,187,538</u>

Recommended Budget FY 2015/16

Revenues	Electric	\$	91,720,182	80.324%
	Water		22,467,356	19.676%
		\$	<u>114,187,538</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 \$114,187,538 is greater than the millage calculation of \$84,290,784 therefore, the calculation floor in the amount of \$114,187,538 is the recommended Budget for FY 2015/16 for the Electric and Water/Sewer Systems.

**CALCULATION OF JEA ELECTRIC CONTRIBUTION
FOR FISCAL YEAR 2015/2016**

MONTH	Total KWh Sales (1)	Less Interchange (2) KWh Sales	Net KWh Sales
May 2014	929,860,704	4,161,000	925,699,704
June	1,075,547,938	8,213,000	1,067,334,938
July	1,207,313,279	17,973,000	1,189,340,279
August	1,223,444,199	11,695,000	1,211,749,199
September	1,217,075,926	7,972,000	1,209,103,926
October	1,058,103,351	17,956,000	1,040,147,351
November	818,337,527	16,280,000	802,057,527
December	1,017,853,854	12,154,000	1,005,699,854
January 2015	981,557,285	6,878,000	974,679,285
February	966,001,704	1,729,000	964,272,704
March	995,830,958	23,235,000	972,595,958
April	920,556,413	2,108,000	918,448,413
TOTALS	12,411,483,138	130,354,000	12,281,129,138

Mills Per Contribution Formula	<u>0.005513</u> (3)
Calculation for FY 2015/16	<u>\$ 67,705,865</u>

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 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) Pursuant to Ordinance Code § 106.218, one quarter of a mill or \$3,070,282 has been dedicated to the JPA for port expansion.

**CITY WATER/SEWER CONTRIBUTION FORMULA
FOR FISCAL YEAR 2015/2016**

MONTH	Water Sales (1) (Hundred Cubic Feet)	Sewer Sales (1) (Hundred Cubic Feet)	Total Adjustments (2) (Hundred Cubic Feet)	Total Net Sales (Hundred Cubic Feet)
May 2014	3,733,720	2,611,326	(25,031)	6,320,015
June	4,297,437	2,894,398	(75,337)	7,116,498
July	4,261,911	2,849,713	(101,074)	7,010,550
August	4,156,502	2,794,000	(48,130)	6,902,372
September	4,213,560	2,785,333	(87,918)	6,910,975
October	3,951,800	2,787,504	(80,749)	6,658,555
November	3,507,287	2,329,669	(65,862)	5,771,094
December	3,812,044	2,802,918	(38,721)	6,576,241
January 2015	3,492,253	2,566,469	(13,044)	6,045,678
February	3,093,600	2,355,677	17,922	5,467,199
March	3,342,475	2,560,289	25,699	5,928,463
April	3,755,283	2,736,235	(24,105)	6,467,413
TOTALS	45,617,872	32,073,531	(516,350)	77,175,053

Conversion to Cubic Feet	100
Total Consumption in Cubic Feet	7,717,505,300
Mills Per Contribution Formula	<u>0.002149</u> (3)
Calculation for FY 2015/16	<u>\$ 16,584,919</u>

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

JEA
ANALYSIS OF PROPOSED FY 2015/16 ELECTRIC OPERATING SYSTEM BUDGET
FY 2014/15 BUDGET COMPARED TO FY 2015/16 PROPOSED BUDGET
(000'S)

	2014/15 Original Budget	2014/15 Revised Budget	Actual Thru May	JEA 2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2014/15 Original Budget	JEA 2014/15 Projected
Fuel Related Revenue & Expenses							
Revenue							
Fuel Related Revenue	\$ 542,218	\$ 542,218	\$ 280,686	\$ 483,176	\$ 509,884	(5.96%)	5.53%
Transfer To Fuel Recovery	-	-	-	-	-	NA	NA
Net Fuel Related Revenues	\$ 542,218	\$ 542,218	\$ 280,686	\$ 483,176	\$ 509,884	(5.96%)	5.53%
Expense							
Fuel Related and Purchased Power	\$ 528,254	\$ 528,254	\$ 280,344	\$ 441,388	\$ 483,609	(8.45%)	9.57%
Transfer To/(From) Rate Stabilization	12,879	12,879	(92)	40,961	25,255	96.09%	(38.34%)
Uncollectible Accts.	1,085	1,085	434	827	1,020	(5.99%)	23.34%
Net Fuel Related Expenses	\$ 542,218	\$ 542,218	\$ 280,686	\$ 483,176	\$ 509,884	(5.96%)	5.53%
Fuel Fund Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -		
Base Rate Revenue & Expenses							
Revenues							
Base Rate Revenue	\$ 738,360	\$ 738,360	\$ 462,083	\$ 731,095	\$ 738,360	0.00%	0.99%
Investment Income	2,942	2,942	2,608	3,589	3,777	28.38%	5.24%
Other Revenues	48,359	48,359	22,109	43,584	56,614	17.07%	29.90%
Total Operating Revenues	\$ 789,661	\$ 789,661	\$ 486,800	\$ 778,269	\$ 798,751	1.15%	2.63%
Expenses							
Operating & Maintenance	\$ 196,087	\$ 196,087	\$ 117,777	\$ 189,540	\$ 200,570	2.29%	5.82%
Environmental Charge	7,686	7,686	4,691	7,544	7,686	0.00%	1.88%
Conservation Charge	7,289	7,289	4,142	6,848	7,289	0.00%	6.44%
Natural Gas Pass Through Expense	-	-	-	-	12,141	100.00%	100.00%
Non-Fuel Purchased Power	123,663	123,663	59,136	103,645	113,015	(8.61%)	9.04%
Emergency Contingency	5,000	5,000	-	5,000	5,000	0.00%	0.00%
PSC Fees	203	203	138	206	210	3.45%	1.94%
Uncollectible Accts.	1,494	1,494	702	1,266	1,494	0.00%	18.01%
Total Operating Expenses	\$ 341,422	\$ 341,422	\$ 186,586	\$ 314,049	\$ 347,405	1.75%	10.62%
Net Income From Operations	\$ 448,239	\$ 448,239	\$ 300,214	\$ 464,219	\$ 451,346	0.69%	(2.77%)
Other Deductions							
Debt Service	\$ 208,130	\$ 208,130	\$ 132,910	\$ 225,874	\$ 197,133	(5.28%)	(12.72%)
Operating Contingency	-	-	-	-	-	NA	NA
Operating Capital Outlay	82,714	82,714	62,571	82,714	96,338	16.47%	16.47%
Renewal & Replacement- Elec. Sys.	67,286	67,286	43,681	65,522	66,155	(1.68%)	0.97%
Total Other Deductions	\$ 358,130	\$ 358,130	\$ 239,162	\$ 374,110	\$ 359,626	0.42%	(3.87%)
Net Income Before City Contribution	\$ 90,109	\$ 90,109	\$ 61,052	\$ 90,109	\$ 91,720	1.79%	1.79%
Contribution to City's General Fund	\$ 90,109	\$ 90,109	\$ 60,072	\$ 90,109	\$ 91,720	1.79%	1.79%
Base Rate Surplus (Deficit)	\$ -	\$ -	\$ 980	\$ -	\$ -		
Budget Surplus (Deficit)	\$ -	\$ -	\$ 980	\$ -	\$ -		
MWH Sales (000's)	12,600	12,600	7,696	12,373	12,600	0.00%	1.84%
# of Accounts	436,384	436,384	442,255	443,510	445,728	2.14%	0.50%

JEA
FY 2014/15 Original Budget Vs. FY 2015/16 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	Increase/(Decrease)	
	(\$000's)	%
Fuel Related Revenues:		
Fuel Related Revenue	\$ (32,334)	(5.96%)
This reflects what the JEA Board approved June 23rd for the FY 2015/16 proposed Budget. JEA included a variable fuel rate reduction from \$43.60 to \$41.00 per MWh. On July 21, 2015 the JEA Board reversed the fuel rate request but approved a \$60 million fuel credit for October 2015 billing cycle.		
Fuel Related Expenses:		
Transfer To/(From) Rate Stabilization	\$ 12,376	96.09%
This is due to current projections based on natural gas price forecasts with no major market disruptions.		
Fuel Uncollectibles	\$ (65)	(5.99%)
The decrease was budgeted to reflect the proposed fuel rate reduction and the associated fuel revenues decreasing. JEA's Board rejected the proposed fuel rate reduction.		
Base Related Revenues:		
Investment Income	\$ 835	28.38%
The increase is due to JEA higher market yields over FY 2014/15 from 0.54% which are projected to increase for FY 2015/16 to 0.61%.		
Other Revenues	\$ 8,255	17.07%
Based on addition of natural gas commercial services revenues. JEA's intention is to develop a new revenue opportunity to offset potential declines in traditional utility sales.		
Base Related Expenses:		
Operating & Maintenance	\$ 4,483	2.29%
The net increase is primarily based on increased salaries and benefits cost of approximately \$6.3 million plus facility outage costs of approximately \$4.5 million at Northside Generation Station #1, #2 & #3, offset by increased expense credits of \$2.9 million and transfers to salaries & benefits capital work-in-progress of \$3.3 million.		
Natural Gas Pass Through Expense	\$ 12,141	100.00%
New budget item for FY2016. Under the City Charter and JEA's Fuel Management Services Procurement Directive natural gas service began in FY 2014/15 for Commercial and Industrial Customers.		
Non-Fuel Purchased Power	\$ (10,648)	(8.61%)
The decrease is primarily due to reduced debt service cost for St. Johns River Power Park.		
Debt Service	\$ (10,997)	(5.28%)
Reflects lower principal and interest in FY2016.		
Operating Capital Outlay	\$ 13,624	16.47%
The increase reflects higher capital requirements. The OCO is based on the capital proposed budget of \$170M minus the Renewal & Replacement Deposits.		

**JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
ELECTRIC SYSTEM
FY 2014/15 BUDGET COMPARED TO FY 2015/16 PROPOSED BUDGET
(000's)**

	2014/15 Original Budget	2014/15 Revised Budget	Actual Thru May	JEA 2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2014/15 Original Budget	JEA 2014/15 Projected
Salaries	\$ 113,429	\$ 114,694	\$ 73,019	\$ 111,491	\$ 116,887	3.05%	4.84%
Employee Benefits	54,953	54,967	32,898	53,153	57,835	5.25%	8.81%
Supplies	15,043	14,610	8,535	13,549	15,751	4.70%	16.25%
City Services	4,202	4,202	2,029	3,408	4,016	(4.43%)	17.85%
Other Intercompany Charges	600	600	353	553	550	(8.33%)	(0.54%)
Other Services & Chgs.	91,499	95,328	58,858	93,671	95,981	4.90%	2.47%
Other Contingencies	2,700	0	(331)	(331)	2,700	0.00%	(916.15%)
City Legal Services	1,090	1,090	615	1,000	1,090	0.00%	9.00%
Property & Casualty Insurance	5,717	4,417	2,757	4,663	5,157	(9.80%)	10.60%
Interest on Customer Deposits	50	50	49	66	65	30.00%	(1.97%)
Operating Reserve	2,000	1,458	-	1,558	2,000	0.00%	28.37%
Expense Credits	(71,658)	(71,791)	(45,180)	(69,268)	(74,599)	4.10%	7.70%
Trf. to WIP- Salaries	(16,208)	(16,208)	(10,892)	(16,503)	(18,187)	12.21%	10.21%
Trf. to WIP- Emp. Benefits	(7,330)	(7,330)	(4,933)	(7,470)	(8,676)	18.36%	16.13%
O & M Expense	\$ 196,087	\$ 196,087	\$ 117,777	\$ 189,540	\$ 200,570	2.29%	5.82%

JEA
FY 2014/15 Original Budget Vs. FY 2015/16 Proposed Budget
Expenditure Variance Overview - Electric System

	Increase/(Decrease)	
	(\$000's)	%
Operating & Maintenance		
Salaries		
Primarily attributed to contractual increases. Three groups, IBEW, JSA, & LIUNA are scheduled to increase 2% and a fourth, PEA, is scheduled to increase 3% for FY 2015/16.	\$ 3,458	3.05%
Benefits		
Primarily attributed to increase in Pension budgeted at 33.5% of salaries for FY 2015/2016 vs. 31.9% for FY 2014/2015.	\$ 2,882	5.25%
Supplies		
The increase is primarily due to various reliability and maintenance programs which include an increased outage schedule planned at Northside Generating Station for FY 2016.	\$ 708	4.70%
City Services		
Decreased due to fuel pricing which assumes 1,400,000 gallons at \$2.86 average cost per gallon vs. 1,400,000 gallons budgeted at \$3.00 average cost per gallon in the current year.	\$ (186)	(4.43%)
Other Intercompany Charges		
The decrease is primarily due to reduced rate of interest expense on Inventory Carrying charges. All JEA inventory (Electric, Water & Sewer, and District Energy) is purchased and held within the Water & Sewer System. The carrying charge is calculated by the interest rate applied to the value of the remaining inventory.	\$ (50)	(8.33%)
Other Services & Charges		
Primarily attributed to increased generating unit outage costs.	\$ 4,482	4.90%
Property & Casualty Insurance		
The decrease is based on premium schedule provided by COJ Risk Management.	\$ (560)	(9.80%)
Interest on Customer Deposits		
In FY2015/16 the interest rate has not changed from FY 2014/15 rate of 0.120% but the estimate of actual customer deposits has increased and JEA projects increased interest expense for FY 2015/16.	\$ 15	30.00%
Expense Credits		
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 or capital fund.	\$ (2,941)	4.10%
Transfers to WIP Salaries		
Transfers to WIP Salaries are capitalized salaries captured in the Operating Budget. It represents the salaries charged to capital project work orders and is a credit to the operating fund.	\$ (1,979)	12.21%
Transfers to WIP Emp. Benefits		
Transfers to WIP Employee Benefits are capitalized benefits captured in the Operating Budget. It represents the benefits charged to capital project work orders and is a credit to the operating fund.	\$ (1,346)	18.36%

JEA
ANALYSIS OF PROPOSED FY 2015/16 CAPITAL BUDGET
ELECTRIC SYSTEM
FY 2014/15 BUDGET COMPARED TO FY 2015/16 PROPOSED BUDGET
(000'S)

	2014/15 Original Budget	2014/15 Revised Budget	Actual Thru May	JEA 2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2014/15 Original Budget	JEA 2014/15 Projected
Capital Funds							
Renewal & Replacement Deposits	\$ 67,286	\$ 67,286	\$ 43,681	\$ 65,522	\$ 66,155	(1.68%)	0.97%
Construction Fund Investment Income	-	-	-	-	-	NA	NA
Debt	-	-	-	-	-	NA	NA
Other Proceeds*	-	-	-	-	7,507 *	NA	100%
Operating Capital Outlay	82,714	82,714	62,571	82,714	96,338	16.47%	16.47%
Total Capital Funds	\$ 150,000	\$ 150,000	\$ 106,252	\$ 148,236	\$ 170,000	13.33%	14.68%
Capital Projects							
Generation Projects	\$ 17,098	\$ 17,098	\$ 7,112	\$ 13,589	\$ 27,466 (1)	60.64%	102.11%
Transmission & Distribution	96,902	96,902	36,728	87,390	93,824 (1)	(3.18%)	7.36%
Other	36,000	36,000	13,818	31,424	48,710 (1)	35.31%	55.01%
Total Capital Projects	\$ 150,000	\$ 150,000	\$ 57,658	\$ 132,403	\$ 170,000	13.33%	28.40%
Surplus (Deficit)	\$ -	\$ -	\$ 48,594	\$ 15,833	\$ -		

*funded from prior year remaining balances

NOTE (1) Detail listing of Capital Projects can be seen on the next four pages.

JEA
Electric System FY 2015/16 Capital Budget
(000's Omitted)

	PROPOSED		PROPOSED	
	SUB-TOTAL		TOTAL	
Description	FY16		FY16	
EXPANDED GENERATION CAPACITY	0			
EXPANDED GENERATION CAPACITY SUBTOTAL	\$0	(1)	\$0	
Brandy Branch Combustion Turbine 2 - Hot Gas Path Inspection	6,072			
Brandy Branch Combustion Turbine 3 - Hot Gas Path Inspection	6,072			
Brandy Branch Steam Turbine 4 - Major Inspection Capital Parts	3,135			
Northside 1 and 2 CFB Cyclone A-B-C Refractory Replacement	2,166			
Northside Units 1, 2, and 3 Capital Improvement Projects	2,150			
Steam Plant General Capital Improvements - Northside Generating Station	1,650			
Kennedy Combustion Turbine 7 - Exhaust Silencer	1,436			
Northside Generating Station - Discharge Basin - Wall	1,346			
Northside Unit 1 - Spray Dryer Absorber Cone Replacement	1,164			
Brandy Branch - Northside - Greenland Energy Center General Capital Improvements	1,100			
Northside 1 and 2 - Distributed Control System Replacement	395			
Brandy Branch and Kennedy Generating Station - Bently Nevada System One Upgrade	310			
Northside 1 and 2 Flyash Diverter Valves	251			
Brandy Branch Generating Station - Low Voltage Ride Through System Installation	211			
Northside Generating Station Tanks 1, 2, and 3 Demolition	8			
ELECTRIC SYSTEM GENERATION PROJECTS SUBTOTAL	\$27,466	(2)	\$27,466	= (1) + (2)
ELECTRIC SYSTEM DISTRIBUTION PROJECTS				
New Electric Service Additions	7,810			
Electric Distribution Maintenance Capital Upgrades	7,480			
13KV Electric Distribution Network Improvements	6,270			
Streetlight Improvements	5,500			
Electric Meter Replacement	4,926			
Development Driven Projects	4,400			
Joint Participation Electric Relocation Projects	3,494			
CEMI-5 Electric Distribution Betterment	3,300			
General Underground Network and Commercial Repair and Upgrades	1,650			
Electric Meter Growth	1,469			
Pole Replacement Program	1,430			

JEA
Electric System FY 2015/16 Capital Budget
(000's Omitted)

Description	FY16		FY16	
Electric Distribution System Improvements	1,320			
Automatic Recloser Deployment	1,320			
Hamilton 26KV Reconductor - Ortega Bv from Verona to Robert Gordon Rd	1,320			
Blount Island Circuit Reconductor	1,310			
Underground Cable Replacement Program - Existing Developments	1,100			
Distribution System - Pole Removal	660			
Point Meadows Substation Distribution Feeders	640			
Herschel - 4KV Reconductor	636			
General Distribution Improvements	550			
26KV Reliability Improvement - Distribution Feeder Relay System Replacement	495			
Electric Customer Service Response Lateral and Quick Response Work	275			
Oakwood and Robinwood - 26 KV Reconductor	272			
Sutton Lakes Unit Residential Development Tie	225			
Capital Tools and Equipment - Distribution Maintenance	138			
Rosselle 4KV Substation Getaway Rebuild	105			
Ortega Substation 26KV Feeds and 4KV Getaways	94			
McDuff 13/4 KV Getaway Rebuild	66			
26KV Reconductor - Woodley Rd from New Kings Rd to Old Kings Rd	60			
Capital Tools and Equipment - Electric Customer Service Response	60			
Dinsmore Distribution Feeders	55			
Blount Island - JaxPort Substation Interconnect	50			
Cecil Commerce Center North Distribution Feeders	13			
ELECTRIC SYSTEM DISTRIBUTION PROJECTS SUBTOTAL	\$58,493	(3)		
ELECTRIC SYSTEM SUBSTATION & TRANSMISSION				
Point Meadows - 26 KV Substation	5,665			
Cecil Commerce Center North - 26KV Substation	3,753			
JaxPort 26 KV to 13/2 KV Stepdown Substation	3,292			
Southside Gas Insulated Switchgear 69KV Controller Replacement	2,493			
McDuff 13/4 KV Substation Rebuild	1,958			
Ortega 26/4 KV Substation Rebuild	1,932			
Kennedy Substation 13KV Switchgear Replacement	1,628			
500 KV Transmission Line Upgrades	1,430			
Substation Repair and Replace Project - Transformer Replacements	1,430			
Transmission - Circuits 821 - 822 - 853 Structure Rebuild	1,416			

JEA
Electric System FY 2015/16 Capital Budget
 (000's Omitted)

Description	FY16		FY16	
Rosselle 26/4 KV Substation Rebuild	1,362			
Dinsmore - 26 KV Substation	946			
Normandy Substation Protection Improvement	924			
Transmission Lines Protection and Control Updates - System Protection and Controls Project	825			
230KV - 138KV - 69KV Insulator Refurbishment	770			
Transformer Paper Insulated Lead Cable Replacement - Network Substations	715			
Greenland Substation Protection Improvement	579			
230KV - 138KV - 69KV Pole Refurbishment	550			
General Substation Improvements	550			
Energy Management System - Situational Awareness Mapboard Project	440			
General Transmission Improvements	330			
General Protection System Improvements Transmission	330			
Cecil Commerce Center North - Interconnect	296			
Transmission - Point Meadows 230KV Circuit Interconnect	254			
Nocatee 230KV Transmission Interconnect Easement - ROW Acquisition	220			
Energy Management System - Base Upgrade Project	201			
Dinsmore - 26KV Substation - System Protection and Controls Project	200			
Energy Management System - Remote Terminal Unit Upgrade	161			
Capital Tools and Equipment - Transmission and Substation Maintenance	143			
Dinsmore 230KV Circuit - Interconnect	110			
General Transmission Improvements	110			
College St Substation 13KV Protection and Arc Flash Upgrade	105			
Northside Substation Improvements	85			
Southeast Substation Protection Improvement	73			
Transmission - Replace Structures 31, 32, 33, 34, 35 36 and 37 - Storm Hardening	55			
ELECTRIC SYSTEM SUBSTATION & TRANSMISSION SUBTOTAL	\$35,331	(4)	\$93,824	= (3) + (4)
ELECTRIC OTHER CAPITAL PROJECTS				
Capital Administrative Overhead	11,537			
General Administration Office Building	10,000			
Technology Services - Projects	9,935			
Fleet - Replacement	6,800			
Security - 69KV Substations Security Enhancements	2,219			
Southside Service Center - HVAC Safety Restroom and Door Upgrades	1,662			
Westside Service Center - Administrative and Warehouse Space	1,072			

JEA
Electric System FY 2015/16 Capital Budget
 (000's Omitted)

Description	FY16		FY16	
Facilities Security	644			
Westside Service Center - Paving Upgrades	550			
Facilities - Heating, Ventilation, and Air	473			
Facilities Improvements - Building Upgrades	468			
Fleet - Expansion	451			
Facilities Improvements - Lighting	435			
Critical Infrastructure Protection Version 5 - Implementation	330			
Southside Substation - Geotechnical Upgrades	271			
Facilities - Paving and Site Improvements	253			
Demand Response Pilot	240			
Security - Fire System Sprinklers	220			
Security - Key Upgrade Project	203			
Charging Stations Deployment - North Florida Transportation Planning Org.	165			
Critical Infrastructure Protection Version 5 - Electronic Access Points	156			
Security - Fencing	143			
Critical Infrastructure Protection Version 5 - Remote Access	124			
Facilities Roof Replacement	121			
Laboratory Equipment Upgrades	83			
Facilities Improvements, Plumbing, and Fire System Upgrades	72			
Facilities Improvements - Elevators	55			
Utility Locate Group - Capital Equipment	28			
ELECTRIC OTHER CAPITAL PROJECTS SUBTOTAL	\$48,710	(5)	\$48,710	= (5)
ELECTRIC TOTAL			\$170,000	

JEA
ANALYSIS OF PROPOSED FY2014/15 WATER & SEWER SYSTEM OPERATING BUDGET
FY 2014/15 BUDGET COMPARED TO FY 2015/16 PROPOSED BUDGET
(000's)

	2014/15 Original Budget	2014/15 Revised Budget	Actual Thru May	JEA 2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2014/15 Original Budget	JEA 2014/15 Projected
Revenues							
Water & Sewer Revenues	\$ 401,528	\$ 401,528	\$ 256,179	\$ 387,202	\$ 393,928	(1.89%)	1.74%
Investment Income	2,485	2,485	1,992	2,831	2,760	11.07%	(2.51%)
Capacity & Extension Fees	15,000	15,000	12,576	17,576	17,000	13.33%	(3.28%)
Contributed Capital	-	-	277	277	-	NA	(100.00%)
Other Revenues	11,383	11,383	9,138	12,933	14,769	29.75%	14.20%
Total Revenues	\$ 430,396	\$ 430,396	\$ 280,162	\$ 420,819	\$ 428,457	(0.45%)	1.82%
Operating Expenses							
Operating & Maintenance	\$ 136,523	\$ 136,523	\$ 78,953	\$ 127,338	\$ 138,368	1.35%	8.66%
Uncollectibles	846	846	440	715	859	1.54%	20.14%
Emergency Contingency	1,000	1,000	-	1,000	1,000	0.00%	0.00%
Total Operating Expenses	\$ 138,369	\$ 138,369	\$ 79,393	\$ 129,053	\$ 140,227	1.34%	8.66%
Other Deductions							
Debt Service	\$ 129,853	\$ 129,853	\$ 72,064	\$ 137,688	\$ 109,655	(15.55%)	(20.36%)
Interlocal Payments	630	630	-	630	-	(100.00%)	(100.00%)
Capacity Fee Transfer	15,000	15,000	12,576	17,576	17,000	13.33%	(3.28%)
Operating Capital Outlay	104,496	104,295	84,971	93,623	118,329	13.24%	26.39%
Renewal & Replacement Fund	20,469	20,670	13,780	20,670	20,779	1.51%	0.53%
Total Other Deductions	\$ 270,448	\$ 270,448	\$ 183,391	\$ 270,187	\$ 265,763	(1.73%)	(1.64%)
Contribution to City's General Fund	\$ 21,579	\$ 21,579	\$ 14,386	\$ 21,579	\$ 22,467	4.12%	4.12%
Budget Surplus (Deficit)	\$ -	\$ -	\$ 2,992	\$ -	\$ -		
Water Sales (ccf)	49,131,016	49,131,016	29,548,920	45,064,747	46,323,529	(5.71%)	2.79%
Sewer Sales (ccf)	36,112,299	36,112,299	23,122,365	35,205,164	36,076,203	(0.10%)	2.47%
Number of Accounts	570,036	570,036	579,543	581,351	584,258	2.49%	0.50%

JEA
FY 2014/15 Original Budget Vs. FY 2015/16 Proposed Budget
Revenue Variance Overview - Water and Sewer System

	Increase/(Decrease)	
	(\$000's)	%
Revenues:		
Water & Sewer Revenues Reflects decreased water/sewer sales.	\$ (7,600)	(1.89%)
Investment Income The increase is due to JEA higher market yields over FY 2014/15 from 0.47% which are projected to increase for FY 2015/16 to 0.58%.	\$ 275	11.07%
Capacity & Extension Fees Reflects current construction activity and trend.	\$ 2,000	13.33%
Other Revenues The increase reflects inclusion of \$1 million projected timber sales and \$2.0 million projected in Water Quality Trading Credits.	\$ 3,386	29.75%
Expenses:		
Uncollectibles The rate increased from 0.21% to 0.22% based on actual uncollectible trend.	\$ 13	1.54%
Debt Service This is due to debt defeasance that occurred in September 2014 which paid off some of the FY16 maturities and reflects lower principal and interest payments in FY2016.	\$ (20,198)	(15.55%)
Interlocal Payments These payments reflect the true-up of estimated future revenues related to the previously acquired water and sewer systems in St. Johns County as required under an inter-local agreement. The agreement provides for potential annual payments to St. Johns County through calendar year 2021 using a true-up process. The actual true-up for FY 2014/15 resulted in a JEA credit balance but JEA may owe a minimal amount at the end of FY16.	\$ (630)	-100.00%
Capacity Fee Transfer Reflects current construction activity and trend.	\$ 2,000	13.33%
Operating Capital Outlay Reflects higher capital requirements. The OCO is based on the capital proposed budget of \$195M minus the Renewal & Replacement Deposits.	\$ 13,833	13.24%

**JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
WATER & SEWER SYSTEM
FY 2014/15 BUDGET COMPARED TO FY 2015/16 PROPOSED BUDGET
(000's)**

	<u>2014/15 Original Budget</u>	<u>2014/15 Revised Budget</u>	<u>Actual Thru May</u>	<u>JEA 2014/15 Projected</u>	<u>2015/16 Proposed Budget</u>	<u>% Increase (Decrease) Proposed Budget Over</u>	
						<u>2014/15 Original Budget</u>	<u>JEA 2014/15 Projected</u>
Salaries	\$ 41,696	\$ 41,999	\$ 27,762	\$ 41,856	\$ 42,807	2.66%	2.27%
Employee Benefits	20,399	20,399	12,526	20,095	21,154	3.70%	5.27%
Supplies	12,303	12,303	7,286	11,443	12,929	5.08%	12.99%
Other Services & Charges	74,495	74,495	42,558	68,569	74,632	0.18%	8.84%
Contracts and Contingencies	500	197	-	197	500	0.00%	153.81%
Purchased Water & Treatment	50	50	31	48	50	(0.00%)	4.17%
Property Insurance	2,079	2,079	(1,192)	(499)	1,597	(23.18%)	(420.04%)
Operating Reserves	1,250	1,250	0	1,250	1,250	0.00%	0.00%
Interest on Customer Deposits	-	-	0	0	0	NA	(100.00%)
Expense Credits	(5,315)	(5,315)	(2,919)	(4,737)	(5,850)	10.06%	23.49%
Transfers to WIP Salaries	(7,324)	(7,324)	(4,974)	(7,509)	(7,322)	(0.02%)	(2.48%)
Transfers to WIP Emp. Benefits	(3,610)	(3,610)	(2,125)	(3,375)	(3,379)	(6.40%)	0.13%
Total O & M Expense	<u>\$ 136,523</u>	<u>\$ 136,523</u>	<u>\$ 78,953</u>	<u>\$ 127,338</u>	<u>\$ 138,368</u>	<u>1.35%</u>	<u>8.66%</u>

JEA
FY 2014/15 Original Budget Vs. FY 2015/16 Proposed Budget
Expenditure Variance Overview - Water and Sewer System

	Increase/(Decrease)	(\$000's)	%
Operating & Maintenance			
Salaries		\$ 1,111	2.66%
Primarily attributed to contractual increases. Three groups, IBEW, JSA, & LIUNA are scheduled to increase 2% and a fourth, PEA, is scheduled to increase 3% for FY 2015/16.			
Employee Benefits		\$ 755	3.70%
Primarily attributed to increase in Pension budgeted at 33.5% of salaries for FY 2015/2016 vs. 31.9% for FY 2014/2015.			
Supplies		\$ 626	5.08%
Reflects increase to chemicals budget, primarily glycerin. Glycerin, used to control nitrogen levels in sewage treatment, had an 11% price increase over prior year.			
Property Insurance		\$ (482)	(23.18%)
Based upon the FY2016 Property & Casualty Insurance and Self-Insurance Budget provided by Risk Management.			
Expense Credits		\$ 535	10.06%
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 or capital fund.			
Transfers to WIP Salaries		\$ 1	(0.02%)
Transfers to WIP Salaries are capitalized salaries captured in the Operating Budget. It represents the direct salaries charged to capital project work orders and is a credit to the operating fund.			
Transfers to WIP Emp. Benefits		\$ (231)	(6.40%)
Primarily due to increased pension contributions. Transfers to WIP Employee Benefits are capitalized benefits captured in the Operating Budget. It represents the benefits charged to capital project work orders and is a credit to the operating fund.			

JEA
ANALYSIS OF PROPOSED FY 2015/16 CAPITAL BUDGET
WATER & SEWER SYSTEM
(000's)

	2014/15 Original Budget	2014/15 Revised Budget	Actual Thru May	2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2014/15 Original Budget	JEA 2014/15 Projected
Capital Funds							
Debt	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
Other Proceeds*	4,035	4,035	-	-	38,892 *	863.87%	NA
Renewal & Replacement Deposits	20,469	20,670	13,780	20,670	20,779	1.51%	0.53%
Operating Capital Outlay	104,496	104,295	84,971	93,623	118,329	13.24%	26.39%
Contributed Capital	-	-	277	277	-	NA	(100.00%)
Capacity Fees	15,000	15,000	12,576	17,576	17,000	13.33%	(3.28%)
Total Capital Funds	\$ 144,000	\$ 144,000	\$ 111,604	\$ 132,146	\$ 195,000	35.42%	47.56%
Capital Projects							
Water	\$ 45,156	\$ 45,156	\$ 19,203	\$ 34,428	\$ 67,128 (1)	48.66%	94.98%
Sewer	74,975	74,975	21,719	54,871	105,644 (1)	40.91%	92.53%
Other	23,869	23,869	8,154	21,110	22,228 (1)	(6.88%)	5.30%
Total Capital Projects	\$ 144,000	\$ 144,000	\$ 49,076	\$ 110,409	\$ 195,000	35.42%	76.62%
Surplus (Deficit)	\$ -	\$ -	\$ 62,528	\$ 21,737	\$ -		

*funded from prior year remaining balances

NOTE (1) Detail listing of Capital Projects can be seen on the next six pages.

JEA
Water Sewer System FY 2015/16
Capital Budget
(000's Omitted)

	PROPOSED		PROPOSED
	SUB-TOTAL		TOTAL
Description	FY16		FY16
WATER TREATMENT			
Greenland Water Treatment Plant - Sulfide Removal	8,064		
Northwest Regional - New 6 Million Gallons per Day Water Treatment Plant	6,443		
Ponce de Leon Water Treatment Plant - Pump Building and Reservoir Replacement	2,030		
Norwood Water Treatment Plant Reservoir Rehab	2,000		
St Johns North Water Treatment Plant - Packed Tower Replacement	1,622		
Southeast Water Treatment Plant - High Service Pump and Pump Building - Upgrades	1,310		
Main St Water Treatment Plant - Well 8A	1,286		
Main St Water Treatment Plant - Well 14 - New Lower Florida Aquifer Well	1,265		
West Nassau Regional - Expansion from 1.0 to 5.0 Million Gallons per Day	1,250		
Fairfax Water Treatment Plant - High Service Plant Rehabilitation	1,247		
Main St Well 6A	1,021		
Water Plant Capital Renewal and Replacement	1,000		
South Grid Water Quality - Well Improvement	1,000		
Well Rehabilitation and Maintenance - McDuff Wells	800		
Brierwood Water Treatment Plant - Well 4 and 5 Backplugging	600		
Well Field Repair and Replace	500		
Well Rehabilitation and Maintenance - Fairfax Wells	359		
Brierwood Water Treatment Plant - Sodium Hypochlorite Upgrades	300		
Cecil Commerce Center - Sodium Hypochlorite Upgrades	240		
Main St Water Treatment Plant - High Service Pump Routing	175		
Water Treatment Plant Reservoir - Repair and Rehabilitation	100		
Marietta Water Treatment Plant - High Service Pump - Upgrade	90		
Otter Run Water Treatment Plant Renewal and Replacement	90		
McDuff Water Treatment Plant - High Service Pump Replacement	62		
Woodmere Water Treatment Plant - Well 1	36		
Woodmere Water Treatment Plant - Storage Tank Replacement	35		
Arlington Water Treatment Plant - High Service Pump Replacement	26		
WATER TREATMENT SUBTOTAL	\$32,951	(1)	
WATER DISTRIBUTION			
Water Meter Replacement	10,944		
Operations and Maintenance - Water Delivery System Repair and Replace	4,200		
Kings Rd - Cleveland St to Darrow Rd	3,976		
Joint Participation Projects	3,500		
Water Meter Growth	1,893		
River Crossing Influenced Water Supply - Evaluation & Rehabilitation	1,500		

JEA
Water Sewer System FY 2015/16
Capital Budget
(000's Omitted)

Description	FY16		FY16	
Joint Participation - FDOT - Pecan Park Rd - I-95	1,025			
Water Distribution - Repair and Replace	1,000			
Main Extensions and Taps	750			
Joint Participation - City of Jacksonville - Lower Eastside Drainage Improvements	700			
Joint Participation - JTA - Collins Rd	652			
Joint Participation - FDOT - Emerson St	579			
Roosevelt Blvd - Birmingham Gate to Collins Rd - Transmission	500			
Joint Participation - FDOT - Beach Blvd and University Blvd Intersection Improvements	474			
Yellow Bluff Rd - Marshland Dr to Tisons Bluff Rd - Transmission	327			
Ponte Vedra - San Juan Dr - Pablo Rd - Transmission	311			
Joint Participation - FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Section 1	310			
Grid - Cost Participation - New	250			
Nocatee - Crosswater Pkwy - Coastal Oaks to South Village	193			
Joint Participation - FDOT - Beaver Street - McDuff Ave to Stockton Street	150			
Rivertown - SR13 - Landings to Parcel 46	138			
Joint Participation - JTA - Girvin Rd - Atlantic Blvd to Wonderwood Dr	135			
Development Driven - Nocatee	113			
Development Driven - RiverTown	100			
Joint Participation - City of Jacksonville - 11th and 12th Street Connector - Boulevard to Davis	87			
Joint Participation - FDOT - State and Union St - Resurfacing - (I-95 to Main St)	82			
Nocatee - North South Road (Town Center North)	65			
Rivertown - Parcel 13 - Southern Plan of Development	39			
Joint Participation - FDOT - SR 200 (A1A) Still Quarters Rd to Scott Rd - Section 2	36			
Joint Participation - FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3	35			
Nocatee - Twenty Mile Village Phase 4A - 4B	32			
Joint Participation - FDOT - SR 202 (JTB) Interchange Improvements - I-95 and JTB	24			
Joint Participation - JTA - Bus Rapid Transit - Phase 1	20			
Joint Participation - FDOT - SR 9A (I-295) - Managed Lanes - JTB - 9B Extension	12			
Joint Participation - FDOT - SR 9B - Duval - St Johns County Line to CR2209	10			
Joint Participation - FDOT - Atlantic Blvd at Arlington Expressway	9			
Joint Participation - FDOT - SR 23 Outerbeltway	6			
WATER DISTRIBUTION SUBTOTAL	\$34,177	(2)	\$67,128	= (1) + (2)
SEWER COLLECTION				
South Shores Second Sub-Aqueous FM Crossing	11,332			
Sewer Collection - Repair and Replace	4,000			
Joint Participation Projects - Sewer	3,250			
Operations and Maintenance - Sewer Collection System Trenchless Repair and Replace	3,200			
Operations and Maintenance - Sewer Collection System Repair and Replace	3,000			
Kings Rd - Cleveland St to Darrow Rd	2,385			

JEA
Water Sewer System FY 2015/16
Capital Budget
(000's Omitted)

Description	FY16		FY16	
Huffman Blvd - Tulip Circle North to St Johns Bluff Rd - Force Main	1,819			
Key Haven to Harts Road	1,502			
Ductile Iron Force Main Replacement - Repair and Replace	1,500			
Timuquana Road at Ortega River	1,039			
Joint Participation - FDOT - Pecan Park Rd - I-95	1,025			
Lane Ave - Alachua Master Pump Station to Wilson Blvd - Transmission - Force Main	750			
Philips Hwy - Emerson St to Spring Park Rd - Force Main	587			
Dunn Ave - Key Haven Blvd to Wingate Rd S - Transmission - Force Main	583			
T-Line to Busch Dr - Transmission - Force Main	516			
Development Driven - RiverTown	500			
Grid - Cost Participation - Force Main	500			
Main Extensions and Taps	500			
Operations and Maintenance - Turberculated Iron Gravity Pipe Repair and Replace	500			
Development Driven - Nocatee	500			
T-Line - Pulaski Rd Master Pump Station to Noah Rd - Transmission - Force Main	488			
Joint Participation - City of Jacksonville - Lower Eastside Drainage Improvements	485			
Joint Participation - FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Section 1	466			
William Burgess Rd - SR200 to Harts Rd - Transmission - Force Main	400			
Ponte Vedra - San Juan Dr - Pablo Rd - Transmission - Replacement - Force Main	390			
Septic Tank Phase Out - Tributary Remediation - Right of Way Lateral Installations	372			
Joint Participation - JTA - Collins Rd	201			
Main St - New Berlin Rd to T-Line - Transmission - Force Main	177			
Nocatee - Crosswater Pkwy - Coastal Oaks to South Village	174			
Joint Participation - FDOT - Beach Blvd and University Blvd Intersection Improvements	156			
Joint Participation - FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3	132			
Jacksonville Landing - Distribution - Upgrade	131			
Air Relief Valves - Repair and Replace	100			
Joint Participation - JTA - Girvin Rd - Atlantic Blvd to Wonderwood Dr	66			
Manhole Supervisory Control and Data Acquisition - Repair and Replace	50			
Nocatee - North South Road (Town Center North)	50			
Joint Participation - State St and Union St - Main St to Liberty St - Replacement - Gravity Sewer	45			
Joint Participation - City of Jacksonville - 11th and 12th Street Connector - Boulevard to Davis	30			
Rivertown - Parcel 13 - Southern Plan of Development	27			
Joint Participation - FDOT - SR 117 Norwood Av - Alder St and Carrollton Rd	20			
Joint Participation - FDOT - SR 9A (I-295) - Managed Lanes - JTB - 9B Extension	12			
Joint Participation - FDOT - SR 200 (A1A) Still Quarters Rd to Scott Rd - Section 2	12			
Joint Participation - FDOT - SR 9B - Duval - St Johns County Line to CR2209	11			
Joint Participation - FDOT - SR 202 (JTB) Interchange Improvements - I-95 and JTB	10			
Joint Participation - FDOT - SR 23 Outerbeltway	5			
Joint Participation - FDOT - State and Union St - Resurfacing - (I-95 to Main St)	2			

JEA
Water Sewer System FY 2015/16
Capital Budget
(000's Omitted)

Description	FY16		FY16
SEWER COLLECTION SUBTOTAL	\$43,000	(3)	
SEWAGE PUMP STATIONS			
Pumping Stations - Capital Equipment Replacement	3,000		
Argyle Forest Pump Station Rehabilitation	2,419		
Pumping Stations - Class I and 2 Station Rehabilitation	2,114		
Bradley Road Pump Station Improvements	1,450		
2304 McMillan - Class 3 and 4 Pump Stations	1,274		
Alachua Master Pump Station Improvements	1,200		
Supervisory Control and Data Acquisition - Remote Terminal Units and Control Panel Upgrades	1,000		
Bay St Bar Screens - Class 3 and 4 Pump Stations	511		
Diesel-driven Backup Pumps	300		
4511 Spring Park Rd Lift Station	271		
3641 Dunn Booster Wastewater Pump Station	185		
Teate Rd Booster Wastewater Pump Station	185		
Rivertown - Parcel 13 - Southern Plan of Development	157		
Nocatee - North South Road (Town Center North)	150		
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100		
Diesel-driven Backup Pump Repair and Replace	100		
Arlington East (Ponte Vedra Beach) 201 Ponte Vedra Blvd Pump Station Replacement	96		
11308 Harts Rd - Class 3 and 4 Pump Stations	87		
2740 CR 210 SJC - Class 3 and 4 Pump Stations	25		
SEWAGE PUMP STATIONS SUBTOTAL	\$14,624	(4)	
WASTEWATER TREATMENT			
Blacks Ford Water Reclamation Facility - Expansion from 3.0 to 6.0 Million Gallons per Day	21,516		
Mandarin Water Reclamation Facility - Bio-Filter Bed Replacement	2,409		
Wastewater Treatment Facilities - Capital Equipment Replacement	2,000		
Mandarin Water Reclamation Facility - Headworks Channels Rehab	1,766		
Mandarin Water Reclamation Facility - High Level Ultraviolet Upgrade	1,474		
Arlington East Secondary Clarifier Addition	1,310		
Blacks Ford Water Reclamation Facility - Temporary Treatment Plant	1,225		
Buckman Ultraviolet Disinfection System Replacement	946		
Arlington East Water Reclamation Facility - Bar Screen Replacement	899		
Mandarin Water Reclamation Facility - Headworks Bar Screen Replacement and Grit System Remo	891		
Nassau Regional Water Reclamation Facility Bandscreen Replacement with Drum Screens	833		
Ponte Vedra Influent Pump Station Replacement	818		
Biosolids Process Renewal and Replacement	800		
Ponte Vedra Water Reclamation Facility Bar Screen Replacement	733		
Digesters 1 and 2 - Cover Replacement	664		

JEA
Water Sewer System FY 2015/16
Capital Budget
(000's Omitted)

Description	FY16		FY16	
Buckman Water Reclamation Facility Primary Clarifier Access Walkways and Railing Rehabilitation	617			
Arlington East Onsite Reuse Pump Upgrade	550			
Wastewater Odor Control - All Plants and Pump Stations	250			
Supervisory Control and Data Acquisition Renewal and Replacement	150			
Monterey Supervisory Control and Data Acquisition Renewal and Replacement	150			
Buckman Septage Wet Well Rehabilitation and Pump Replacement	129			
Ponce De Leon Water Reclamation Facility Structural Walkway Repair	117			
Buckman Biosolds Reuse Line Replacement	103			
Buckman Aeration System Main Header Replacement	100			
District II Wastewater Treatment Plant - Engineering Study, Piping, Tanks, and Pumps	100			
Arlington East Water Reclamation Facility - Influent Channel Rehabilitation	86			
Southwest Water Reclamation Facility Screening Conveyance and Grit Removal System Replacement	84			
Reuse Facility - Capital Equipment Replacement	50			
Southwest Water Reclamation Facility Modifications to Train Number 1	43			
Southwest - 5104 118th St Ventilation	26			
WASTEWATER TREATMENT SUBTOTAL	\$40,839	(5)		
RECLAIM WATER DISTRIBUTION				
Broward River Crossing Replacement	3,144			
Mandarin Water Reclamation Facility - Equalization Storage Tank and Transfer Pump Station	1,075			
Grid - Cost Participation	800			
RG Skinner - 9B to T-Line	616			
RG Skinner - 9B to Parcels 10A - 11	557			
Nocatee North - Reclaim Water Storage Tank	320			
Nocatee - Crosswater Parkway - Coastal Oaks to South Village	193			
Development Driven - Nocatee	110			
Development Driven - RiverTown	100			
CR210 - South Hampton to Ashford Mills - Transmission	75			
Nocatee - North South Road (Town Center North)	60			
Operations and Maintenance - Reuse Delivery Repair and Replace	50			
Rivertown - Parcel 13 - Southern Plan of Development	30			
Nocatee - Twenty Mile Village Phase 4A - 4B	26			
Joint Participation - FDOT - SR 9A (I-295) - Managed Lanes - JTB - 9B Extension	12			
Joint Participation - FDOT - SR 9B - Duval - St Johns County Line to CR2209	11			
Joint Participation - FDOT - Wonderwood Drainage Improvement	2			
RECLAIM WATER DISTRIBUTION SUBTOTAL	\$7,181	(6)	\$105,644	= (3)+(4)+(5)+(6)
WATER OTHER CAPITAL PROJECTS				
Technology Services - Projects	6,850			
Capital Administrative Overhead	5,750			

JEA
Water Sewer System FY 2015/16
Capital Budget
(000's Omitted)

Description	FY16		FY16	
Fleet - Replacement	3,490			
Pearl Street Service Center - New HVAC and Locker Room Upgrade	1,060			
Facilities Security	1,000			
Facilities Generators	820			
Facilities Roof Replacement	600			
Facilities Heating, Ventilation, and Air	310			
Facilities Improvements, Building Upgrades	305			
Security - Fire Alarm and Sprinkler Systems	300			
Laboratory Equipment Upgrades	221			
Facilities Improvements, Electric and Lighting Systems	220			
Facilities - Paving and Site Improvements	210			
Security - Key Upgrade Project	180			
Facilities Improvements and Plumbing Upgrades	170			
Easement Location and Acquisitions	150			
Security - Fencing	100			
JEA Tower - Building Renovations	100			
Plaza 1 (Tower) - Restroom and Plumbing Upgrades	100			
Tower I New Fire Alarm System	100			
Plaza III - HVAC Upgrades (4 Phases)	50			
Facilities Improvements - Elevators	50			
Buckman - Building 3 Improvements	44			
Utility Locate Group - Capital Equipment	25			
Disposal of Radio Frequency Meter Interface Units	23			
WATER OTHER CAPITAL PROJECTS SUBTOTAL	\$22,228	(7)	\$22,228	= (7)
WATER WASTEWATER SYSTEM TOTAL			\$195,000	

JEA
ANALYSIS OF PROPOSED FY 2015/16 DISTRICT ENERGY SYSTEM OPERATING BUDGET
FY 2014/15 BUDGET COMPARED TO FY 2015/16 PROPOSED BUDGET
(000'S)

	2014/15 Original Budget	2014/15 Revised Budget	Actual Thru May	JEA 2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2014/15 Original Budget	JEA 2014/15 Projected
OPERATING BUDGET:							
REVENUES:							
Revenues	\$ 9,445	\$ 9,445	\$ 5,296	\$ 8,988	\$ 9,089	(3.77%)	1.12%
Investment Income	\$ -	\$ -	3	4	-		
Total Operating Revenues	<u>\$ 9,445</u>	<u>\$ 9,445</u>	<u>\$ 5,299</u>	<u>\$ 8,992</u>	<u>\$ 9,089</u>	<u>(3.77%)</u>	<u>1.08%</u>
EXPENSES:							
Operating and Maintenance	\$ 5,397	\$ 5,397	\$ 2,907	\$ 5,238	\$ 5,175	(4.11%)	(1.20%)
Total Expenses	<u>\$ 5,397</u>	<u>\$ 5,397</u>	<u>\$ 2,907</u>	<u>\$ 5,238</u>	<u>\$ 5,175</u>	<u>(4.11%)</u>	<u>(1.20%)</u>
NET REVENUES FROM OPERATIONS	<u>\$ 4,048</u>	<u>\$ 4,048</u>	<u>\$ 2,392</u>	<u>\$ 3,754</u>	<u>\$ 3,914</u>	<u>(3.31%)</u>	<u>4.26%</u>
OTHER DEDUCTIONS:							
Debt Service	\$ 3,019	\$ 3,019	\$ 2,013	\$ 3,019	\$ 3,024	0.17%	0.17%
Renewal & Replacement	\$ 450	\$ 450	290	440	457	1.56%	3.86%
Operating Capital Outlay	\$ 579	\$ 579	-	295	433	(25.22%)	46.78%
Total Other Deductions	<u>\$ 4,048</u>	<u>\$ 4,048</u>	<u>\$ 2,303</u>	<u>\$ 3,754</u>	<u>\$ 3,914</u>	<u>(3.31%)</u>	<u>4.26%</u>
Budget Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ -</u>		

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
DISTRICT ENERGY SYSTEM
FY 2014/15 BUDGET COMPARED TO FY 2015/16 PROPOSED BUDGET
(000's)

	<u>2014/15 Original Budget</u>	<u>2014/15 Revised Budget</u>	<u>Actual Thru May</u>	<u>JEA 2014/15 Projected</u>	<u>2015/16 Proposed Budget</u>	<u>% Increase (Decrease) Proposed Budget Over</u>	
						<u>2014/15 Original Budget</u>	<u>JEA 2014/15 Projected</u>
Salaries	\$ 388	\$ 388	\$ 244	\$ 374	\$ 373	(3.87%)	(0.27%)
Employee Benefits	163	163	107	161	159	(2.45%)	(1.24%)
Supplies	120	120	70	110	130	8.33%	18.18%
Other Services & Chgs.	4,541	4,589	2,385	4,384	4,275	(5.86%)	(2.49%)
Intercompany Charges	-	-	75	75	100	100.00%	33.33%
Property Insurance	44	44	26	41	38	(13.64%)	(7.32%)
Operating Reserve	141	93	-	93	100	(29.08%)	7.53%
Expense Credits	-	-	-	-	-	NA	NA
O & M Expense	<u>\$ 5,397</u>	<u>\$ 5,397</u>	<u>\$ 2,907</u>	<u>\$ 5,238</u>	<u>\$ 5,175</u>	<u>(4.11%)</u>	<u>(1.20%)</u>

JEA
FY 2014/15 Original Budget Vs. FY 2015/16 Proposed Budget
District Energy System
Expenditure Variance Overview

	Increase/(Decrease)	
	(\$000's)	%
Operating & Maintenance		
Other Services and Charges		
Primarily due to decrease in electricity expense from the reduced Fuel Rate.	\$ (266)	(5.86%)

JEA
ANALYSIS OF PROPOSED FY 2015/16 DISTRICT ENERGY SYSTEM CAPITAL BUDGET
FY 2014/15 BUDGET COMPARED TO FY 2015/16 PROPOSED BUDGET
(000'S)

	2014/15 Original Budget	2014/15 Revised Budget	Actual Thru May	JEA 2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) Proposed Budget Over	
						2014/15 Original Budget	JEA 2014/15 Projected
CAPITAL FUNDS							
Debt	\$ -	\$ -	\$ -	\$ -	\$ -	NA	NA
Other Proceeds*	327	327	31	250	2,767	746.18%	1006.80%
Renewal & Replacement	450	450	290	440	457	1.56%	3.86%
Operating Capital Outlay	579	579	-	295	433	(25.22%)	46.78%
	\$ 1,356	\$ 1,356	\$ 321	\$ 985	\$ 3,657	169.69%	271.27%
CAPITAL PROJECTS							
District Energy System Projects	\$ 1,356	\$ 1,356	\$ 321	\$ 985	\$ 3,657	169.69%	271.27%
Budget Surplus (Deficit)	-	-	-	-	-		

*funded from prior year remaining balances

CAPITAL BUDGET:

Description	FY16
District Energy System - Future Downtown Development	2,000
District Energy System - Facilities	858
Springfield - Additional Chiller to service Shands	799
DISTRICT ENERGY TOTAL	\$3,657

**JACKSONVILLE TRANSPORTATION AUTHORITY
COMPARISON OF BUDGETS
2014/15 TO PROPOSED 2015/16**

OPERATING AND CAPITAL BUDGETS

	BUS		Mass Transit				FERRY		Engineering		Transfers Out	Total
	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital		
2014/15 Original	\$ 83,797,474	\$ 35,842,036	\$ 5,982,970	\$ 1,787,232	\$ 13,973,036	\$ 1,143,000	\$ -	\$ -	\$ 78,000,430	\$ 100,550,000	\$ (90,306,897)	\$ 230,769,281
2015/16 Proposed	\$ 85,546,220	\$ 17,448,174	\$ 6,304,505	\$ 5,506,452	\$ 13,943,819	\$ 1,194,872	\$ 2,459,045	\$ 2,757,895	\$ 82,043,931	\$ 0	\$ (94,921,719)	\$ 122,283,194
\$ Incr(Decr)	\$ 1,748,746	\$ (18,393,862)	\$ 321,535	\$ 3,719,220	\$ (29,217)	\$ 51,872	\$ 2,459,045	\$ 2,757,895	\$ 4,043,501	\$ (100,550,000)	\$ 4,614,822	\$ (108,486,087) (a)
% Incr(Decr)	2.09%	(51.32%)	5.37%	208.10%	(0.21%)	4.54%	N/A	N/A	5.18%	(100.00%)	5.11%	(47.01%)

Number of Employees

	Original 2014/15 F/T	Proposed 2015/16 F/T	Increase (Decrease)
Bus	626	629	3
Skyway	40	42	2
CTC	51	49	(2)
Engineering	12	14	2
Ferry	0	2	2
Total Agency	729	736	7 (b)

Amounts flowing from City of Jacksonville to JTA:

Local Option Gas Tax (Bus)	\$ 28,631,168
Sales Tax (Engineering)	1,899,339
Sales Tax (Bus)	34,768,922
City Contribution (CTC)	1,363,002
Total	<u>\$ 66,662,431</u>

FY 2016 Budget Key Metrics

- The FY 2016 proposed budget incorporates the St. Johns River Ferry as a new JTA transit mode.

- Mechanics wage increase of 2.5% plus a .5% retroactive increase for FY 2015 and fringe increase based on contractual agreement. Union bus operators wage and fringe increase of 3.8% plus a 1.8% retroactive increase for FY 2015 based on most recent JTA proposal. The Bus Operator contract was approved by a vote on July 8, 2015.

- Non-union average 3% performance based wage increase.

- The FY 2016 proposed operating budget reflects an approximate \$1.5 million reduction in Bus and CTC fuel costs from the prior year as a result of fuel hedging. By hedging the fuel prices, the fuel prices for both diesel and unleaded are locked in for one year (July 1, 2015 - June 30, 2016).

- The number of vehicles in JTA's fleet is as follows:

	<u>FY 2014/15</u>	<u>FY 2015/16</u>
Buses -	158	159
Community Shuttles -	26	26
CTC Connexion Vehicles -	97	100
JTA Support Vehicles -	77	77

(a) The total agency budget decrease is primarily because the current year budget included \$100,550,000 of Local Option Gas Tax funding for road projects.

(b) The increase in full-time employees is attributed to enhancing bus service with First Coast Flyer (Bus Rapid Transit), safety and security oversight, and supporting the Oracle IT system.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION
 BUS OPERATIONS BUDGET
 ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule # 2

	2014/15 Approved Budget	Actual Thru April	2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) FY 16 Proposed Budget Over	
					FY 15 Approved Budget	Projected
REVENUES						
Federal, State & Local Grants	\$ 9,148,088	\$ 5,553,805	\$ 9,004,000	\$ 9,337,123	2.07%	3.70%
Local Option Gas Tax	28,275,683	16,631,979	28,551,965	28,631,168	1.26%	0.28%
Sales Tax (BJP)	33,991,215	21,456,611	35,118,935	34,768,922	2.29%	(1.00%)
Passenger Fares	11,448,988	6,342,641	11,225,353	12,171,871	6.31%	8.43%
Non-Transportation	912,500	716,599	1,002,500	637,136	(30.18%)	(36.45%)
Interest Income	21,000	1,219	1,980	-	(100.00%)	(100.00%)
Total Revenues	\$ 83,797,474	\$ 50,702,854	\$ 84,904,733	\$ 85,546,220	2.09%	0.76%
Salaries and Wages	\$ 28,630,479	\$ 17,261,498	\$ 29,391,140	\$ 30,374,902	6.09%	3.35%
Fringe Benefits	16,876,471	9,593,447	16,401,410	17,511,936	3.77%	6.77%
Fuel and Lubricants	7,377,048	3,637,812	6,236,250	5,904,105	(19.97%)	(5.33%)
Materials & Supplies	4,127,472	2,436,664	4,152,139	4,244,142	2.83%	2.22%
Insurance (Casualty&Liability)	493,917	362,901	622,116	660,069	33.64%	6.10%
Services	7,973,669	5,179,490	8,879,126	8,459,805	6.10%	(4.72%)
Travel/Training/Dues & Subscriptions	92,516	161,502	351,861	382,063	312.97%	8.58%
Contribution to St. Johns River Ferry	200,000	116,669	200,000	-	(100.00%)	(100.00%)
Transfer To:						
ADA Expense	9,417,037	4,890,741	8,387,586	9,188,756	(2.42%)	9.55%
CTC	-	486,255	833,580	-	N/A	(100.00%)
Skyway	4,685,620	2,799,019	4,702,823	5,003,890	6.79%	6.40%
Ferry	-	-	-	728,973	N/A	N/A
Other Direct Operating Costs	1,666,655	888,260	1,522,732	1,837,579	10.26%	20.68%
Operating Contingency	2,256,590	-	-	1,250,000	(44.61%)	N/A
Total Expenditures	\$ 83,797,474	\$ 47,814,261	\$ 81,680,763	\$ 85,546,220	2.09%	4.73%
Surplus (Deficit)	\$ -	\$ 2,888,593	\$ 3,223,970	\$ -	N/A	(100.00%)

NOTE: Subsequent to JTA filing their budget, the City received updated projections from the State for the LOGT. See Recommendation #1.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 BUS OPERATIONS
 2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

BUS OPERATIONS VARIANCE

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Passenger Fares	\$ 722,883	6.31%	The FY 2016 farebox projection increase is primarily due to the Route Optimization Initiative. This project was a complete restructuring of the Authority's Bus and Community Shuttle service to make it more appealing to current and potential riders.
Non-Transportation	\$ (275,364)	(30.18%)	This decrease is attributable to reduced advertising revenue as a result of a program change regarding advertising on JTA buses.
Interest Income	\$ (21,000)	100%	JTA has converted its' operational checking accounts from Public Funds Interest accounts to Earnings Credit accounts. Any interest income earned is credited against bank service fee expenses instead of posting to revenue.

EXPENDITURE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Salaries and Wages	\$ 1,744,423	6.09%	This increase is due to: 1) union contractual increases for bus operators (3.8%) plus 1.8% retroactive increase for FY 2015, mechanics and maintenance workers (2.5%) plus .5% retroactive increase for FY 2015; 2) higher wages due to increased revenue hours to support Bus Rapid Transit (BRT) service; 3) non-union 3% average performance based wage increase.
Fringe Benefits	\$ 635,465	3.77%	The increase is due to increases in tool and uniform allowances for union members as well as increases in pension and health insurance costs.
Fuel & Lubricants	\$ (1,472,943)	(19.97%)	The reduction in fuel costs is a result of fuel hedging and savings related to the Compressed Natural Gas conversion. The Compressed Natural Gas conversion is anticipated to be fully operational on or before December 1, 2015.
Materials & Supplies	\$ 116,670	2.83%	This line item includes parts for the buses and service vehicles. It also includes office supplies, print shop supplies, etc.
Insurance (Casualty & Liability)	\$ 166,152	33.64%	This projection is based on the prior years claims reserve requirement as determined by an actuary and includes existing policy annual increases, and new insurance for Cyber Security and the Armsdale Park n' Ride.

Services \$ 486,136

6.10%

This increase is primarily attributed to the NextBus maintenance agreement (the NextBus system allows JTA to give customers the estimated time of arrival for the next bus through the internet, smartphone applications or standard phone. It also allows customers to obtain up-to-the-minute bus estimated arrival times through text or phone call), Motorola Radio maintenance costs, and community outreach efforts to support initiatives including Compressed Natural Gas, Bus Rapid Transit, and MobilityWorks (Consists of 13 roadway and 14 mobility corridor projects funded by the LOGT revenue bonds).

Travel/Training/Dues & Subscriptions \$ 289,547

312.97%

The increase is due to JTA consolidating the costs of Travel/Training/Dues & Subscriptions within one line item. Previously some of the costs in this line item were also budgeted and accounted for in "Other Direct Operating Costs".

Contribution to St. Johns River Ferry \$ (200,000)

(100.00%)

The JTA is in the process of transitioning ownership of the St. Johns River Ferry from the City of Jacksonville to JTA. This is expected to be completed by no later than 9/30/15. The JTA has budgeted for a Ferry Operations Fund in the FY 2016 budget.

Transfer to Skyway	\$	318,270	6.79%	This funding is necessary to balance the Skyway budget and support expenses in Skyway operations.
Transfer to Ferry	\$	728,973	N/A	This funding is necessary to balance the Ferry budget and support expenses in Ferry operations.
Other Direct Operating Costs	\$	170,924	10.26%	The increase is primarily due to rental costs for JTA's 121 Atlantic downtown location, rental and anticipated repair costs to the Star Card trailer, portable restrooms located at the Rosa Parks terminal, and instituting a workplace wellness program promoting a healthy lifestyle.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION (Including Administration)
 BUS CAPITAL PROJECTS BUDGET
 ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule # 3

	<u>2014/15 Original Budget</u>	<u>2015/16 Proposed Budget</u>	<u>% Increase (Decrease) 2016 Budget Over 2015 Budget</u>
<u>REVENUES</u>			
Federal Section 5307 (Footnote 1)	\$ 3,665,806	\$ 5,010,290	36.68%
Federal Section 5310 (Footnote 2)	160,000	-	(100.00%)
Federal Section 5339 (Footnote 3)	1,393,230	1,393,230	0.00%
Federal Section 5311 (Footnote 4)	60,000	-	(100.00%)
Federal Section 5311f (Footnote 5)	-	4,720,000	N/A
Florida Department of Transportation	13,250,000	590,000	(95.55%)
North Florida Transportation Planning Organization	1,000,000	1,000,000	0.00%
Local JTA Match	16,313,000	4,734,654	(70.98%)
Total Revenues	<u><u>\$ 35,842,036</u></u>	<u><u>\$ 17,448,174</u></u>	<u><u>(51.32%)</u></u>
<u>EXPENDITURES</u>			
Bus Rapid Transit (BRT) - North Corridor Project	\$ 300,000	\$ 300,000	0.00%
Bus Rapid Transit (BRT) - East Corridor Project	750,000	600,000	(20.00%)
Bus Rapid Transit (BRT) - Southwest Corridor Project	450,000	600,000	33.33%
Bus Transfer Facility (JRTC)	21,000,000	5,900,000	(71.90%)
CAD/AVL	-	1,400,000	N/A
CNG Facility Conversion	6,363,000	-	(100.00%)
Computer Equipment (Hardware and Software)	270,000	1,072,490	297.22%
Shop Equipment	-	80,000	N/A
Enhancements (Landscaping)	138,000	130,400	(5.51%)
Miscellaneous Support Equipment	100,000	135,000	35.00%
Office Furnishings & Equipment	34,244	-	(100.00%)
Program Administration	30,000	100,000	233.33%
Purchase Transit Vehicles (10 Buses)	4,763,230	5,566,884	16.87%
Purchase Transit Vehicles (CCCoA Vehicles)	-	172,200	N/A
Rehab/Renovate Passenger Shelters	-	240,000	N/A
Security	160,000	161,200	0.75%
Support Vehicles	175,000	179,000	2.29%
Facilities Improvements	1,204,562	516,000	(57.16%)
Training	-	15,000	N/A
Transit Satellite Transfer Amenities	104,000	280,000	169.23%
Total Expenditures	<u><u>\$ 35,842,036</u></u>	<u><u>\$ 17,448,174</u></u>	<u><u>(51.32%)</u></u>

Footnotes:

- 1 - Annual funding for urbanized areas to transit agencies from the Federal Transit Administration (FTA).
- 2 - Federal funding for ADA facilities improvements.
- 3 - Federal funding for buses and bus facilities.
- 4 - Annual funding for non urbanized (rural areas) from the FTA.
- 5 - FTA funding for intercity bus service program administered by the Florida Department of Transportation to support the JRTC project.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION
 2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

BUS CAPITAL PROJECTS VARIANCE SCHEDULE

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Federal Section 5307	\$ 1,344,484	36.68%	Funding is based on the amount of capital expenditures requested. Requests for FY2015/16 includes CNG replacement vehicles, security equipment, project administration, passenger shelters, shop equipment, support equipment (i.e. HVAC replacement) and required computer equipment upgrades.
Federal Section 5310	\$ (160,000)	(100.00%)	There are no Mass Transit-related capital requests for Federal Section 5310 (grant funding for the Enhanced Mobility of Seniors and Individuals with Disabilities) for FY 2015/16.
Federal Section 5311f	\$ 4,720,000	N/A	This represents new Federal Transit Administration Section 5311f (grant funding for Intercity Bus Service Program) administered by the Florida Department of Transportation to support the JRTC project.
Florida Department of Transportation	\$ (12,660,000)	(95.55%)	Funding for FY2014/15 included \$10.5 million from Strategic Intermodal Systems (SIS) funding for the Bus Transfer Facility (JRTC) and \$2.7 million in Transportation Regional Incentive Program (TRIP) funds for the CNG Facility Conversion. JTA does not anticipate receiving SIS or TRIP funding in FY 2015/16.
Local JTA Match	\$ (11,578,346)	(70.98%)	Funding is based on the amount of grant revenue received and the match percentage required. For FY 2014/15 JTA was obligated to provide a 50% match for all state SIS and Trip funds. JTA does not anticipate receiving SIS or TRIP funding in FY 2015/16, resulting in a substantial decrease in Local JTA Match.

EXPENDITURE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Bus Rapid Transit (BRT) - East Corridor Project	\$ (150,000)	(20.00%)	The FY 2014/15 budget included \$750,000 for preliminary engineering associated with the BRT East Corridor. The JTA budgeted for \$600,000 in FY 2015/16 for final design associated with the project.
Bus Rapid Transit (BRT) - Southwest Corridor Project	\$ 150,000	33.33%	The FY 2014/15 budget included \$450,000 for preliminary engineering associated with the BRT Southwest Corridor. The JTA budgeted for \$600,000 for FY 2015/16 for final design associated with the project.
Bus Transfer Facility (JRTC)	\$ (15,100,000)	(71.90%)	The FY 2014/15 budget included \$21.0 million from Strategic Intermodal Systems (SIS) funding for the Bus Transfer Facility (JRTC). SIS funding is not expected for FY 2015/16; however the FY 2015/16 budget includes \$4,720,000 in Federal Section 5311f funding for the JRTC project.
Computer Aided Dispatch/Automated Vehicle Locator (CAD/AVL)	\$ 1,400,000	N/A	The current Computer Aided Dispatch/Automated Vehicle Locator (CAD/AVL) system is at the end of its useful life. A new CAD/AVL system will be implemented in two phases over two fiscal years. The FY 2015/16 budget includes \$1.4 million for Phase I of the new system implementation.
CNG Facility Conversion	\$ (6,363,000)	(100.00%)	The FY 2014/15 budget included Transportation Regional Incentive Program (TRIP) funds for the Compressed Natural Gas (CNG) Facility Conversion. The CNG facility is expected to be completed in December 2015 and JTA does not anticipate additional capital funding needs for FY 2015/16.
Computer Equipment (Hardware and Software)	\$ 802,490	297.22%	Additional funding is needed in FY 2015/16 for required hardware and software upgrades, including HASTUS (software used for planning, vehicle and operator scheduling, operations, passenger information and analysis), fiber infrastructure, Disaster Recovery, barcoding for asset management, and a new backup system for JTA files.

Shop Equipment	\$	80,000	N/A This line item includes, but not limited to battery lift carts, auto lifts, hydraulic scissor jacks, transmission jacks, heavy duty work benches etc.
Program Administration	\$	100,000	233.33% This line item includes but not limited to: funding over a five year period in order to allow JTA staff to hire temporary staff for grant program administration or to conduct necessary vendor site visits. Funding would also be dedicated toward allowing Grants staff, Civil Rights staff, Procurement staff and required Executive Leadership Team staff to attend FTA seminars and quarterly reviews at FTA regional offices.
Purchase Transit Vehicles	\$	803,654	16.87% This funding increase supports the purchase of 10 new CNG buses.
Purchase Transit Vehicles (CCCoA Vehicles)	\$	172,200	N/A The JTA has committed funding in the FY 2015/16 budget to assist the Clay County Council on Aging with the purchase of vehicles for use in providing public transportation in the Clay County portion of the Jacksonville Urbanized Area.
Rehab/Renovate Passenger Shelters	\$	240,000	N/A Funding increase in FY 2015/16 will be used for bus stop shelter maintenance and repairs.
Facilities Improvements	\$	(688,562)	(57.16%) This funding was reduced for the major facility project initiatives due to the lower required costs in FY 2015/16 for the O'Steen Lot renovation and improvements to the Myrtle Avenue complex. The majority of improvements are being funded by prior year funding as part of the JTA's Campus Master Plan.
Transit Satellite Transfer Amenities	\$	176,000	169.23% This funding represents an increase in order to purchase up to 50 new shelters to be installed at various bus stops in Duval County; including spare parts for existing inventory.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION
 AUTOMATED SKYWAY EXPRESS OPERATIONS BUDGET
 ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule # 4

	<u>2014/15 Original Budget</u>	<u>Actual Thru April</u>	<u>2014/15 Projected</u>	<u>2015/16 Proposed Budget</u>	<u>% Increase (Decrease) FY 16 Proposed Budget Over FY 15 Approved</u>	
					<u>Budget</u>	<u>Projected</u>
<u>REVENUES</u>						
Federal Preventative Maint.	\$ 1,100,000	\$ 641,669	\$ 1,100,000	\$ 1,100,000	0.00%	0.00%
Non-Transportation Revenue	195,500	121,330	197,994	200,615	2.62%	1.32%
Interest Income	1,850	57	98	-	(100.00%)	(100.00%)
Transfer from Bus Ops	4,685,620	2,799,019	4,702,823	5,003,890	6.79%	6.40%
Total Revenues	\$ 5,982,970	\$ 3,562,075	\$ 6,000,915	\$ 6,304,505	5.37%	5.06%
<u>EXPENDITURES</u>						
Salaries and Wages	\$ 2,109,126	\$ 1,316,441	\$ 2,156,756	\$ 2,278,469	8.03%	5.64%
Fringe Benefits	1,093,912	668,457	1,145,927	1,198,550	9.57%	4.59%
Fuel and Lubricants	15,000	5,682	9,740	12,923	(13.85%)	32.68%
Materials & Supplies	816,918	526,226	902,101	922,553	12.93%	2.27%
Insurance	426,488	262,802	445,017	445,268	4.40%	0.06%
Services	987,469	542,362	929,763	970,948	(1.67%)	4.43%
Travel/Training/Dues & Subscriptions	5,538	20,652	32,204	32,237	482.11%	0.10%
Other Direct Operating Costs	528,519	219,454	379,406	443,557	(16.08%)	16.91%
Total Expenditures	\$ 5,982,970	\$ 3,562,075	\$ 6,000,914	\$ 6,304,505	5.37%	5.06%
Surplus (Deficit)	\$ -	\$ 0	\$ 0	\$ -	N/A	(100.00%)

**JACKSONVILLE TRANSPORTATION AUTHORITY
 SKYWAY OPERATIONS
 2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

SKYWAY OPERATIONS VARIANCE

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Interest Income	\$ (1,850.00)	100%	JTA is converting its' operational checking accounts from Public Funds Interest accounts to Earnings Credit accounts. Interest income earned is credited against bank service fee expenses, instead of posting to revenue.
Transfer from Bus Ops	318,270	6.79%	This funding is necessary to balance the budget and support expenses in Skyway operations.
EXPENDITURE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Salaries & Wages	\$ 169,343	8.03%	This increase is due to: 1) union contractual increases for mechanics and maintenance workers to include retroactive FY 2015 pay (2.5% salary increase and .50% retro); 2) non-union 3% average performance based wage increase; 3) increase of 2 staff members (1 additional mechanic to support preventative maintenance & 1 transportation safety specialist to support new safety & security oversight requirements).
Fringe Benefits	\$ 104,638	9.57%	This increase is based on YTD trends, increase of 2 staff members, and accounts for an increase in pension and insurance funding requirements.
Material & Supplies	\$ 105,635	12.93%	This increase is based on YTD trends, and projected costs to support required inspection/maintenance of the Skyway trains.
Travel/Training/Dues & Subscriptions	\$ 26,699	482.11%	The increase is due to JTA consolidating the costs of Travel/Training/Dues & Subscriptions within one line item. Previously some of the costs in this line item were also budgeted and accounted for in "Other Direct Operating Costs".

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION
 AUTOMATED SKYWAY EXPRESS CAPITAL BUDGET
 ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule # 5

	2014/15 Original Budget	2015/16 Proposed Budget	% Increase (Decrease) 2016 Budget Over 2015 Budget
<u>REVENUES</u>			
Federal Section 5307 Funding (Footnote 1)	\$ 1,155,000	\$ 722,320	(37.46%)
Federal Section 5337 Funding (Footnote 2)	632,232	632,232	0.00%
Local JTA Match	-	4,151,900	N/A
Total Revenues	\$ 1,787,232	\$ 5,506,452	208.10%
<u>EXPENDITURES</u>			
Computer Equipment	\$ 225,540	\$ 175,000	(22.41%)
Shop Equipment	-	128,000	N/A
Miscellaneous Support Equipment	250,000	234,232	(6.31%)
Associated Capital Maintenance Parts	631,692	460,000	(27.18%)
Program Administration	250,000	-	(100.00%)
Security Equipment	200,000	-	(100.00%)
Support Vehicles	30,000	-	(100.00%)
Facilities Improvement	200,000	4,509,220	2154.61%
Total Expenditures	\$ 1,787,232	\$ 5,506,452	208.10%

Footnotes:

1 - Annual funding for urbanized areas to transit agencies from the Federal Transit Administration (FTA).

2 - Federal funding to maintain a system in good repair. This is a new Federal Funding Section, Skyway State of Good Repairs which replaces Section 5309 Fixed Guideway Modernization Program.

**JACKSONVILLE TRANSPORTATION AUTHORITY
SKYWAY OPERATIONS
2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

SKYWAY OPERATIONS CAPITAL VARIANCE

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Federal Section 5307 Funding	\$ (432,680)	(37.46%)	Funding is based on the amount of capital expenditures requested.
Local JTA Match	\$ 4,151,900	100.00%	This is JTA funding and represents funding needed in FY 2015/16 for necessary equipment and facility upgrades for the Skyway. This includes escalator replacements, elevator upgrades, shop equipment, Acosta Bridge and guideway lighting, roof replacement, computer equipment, and other improvements.
EXPENDITURE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Shop Equipment	\$ 128,000	N/A	This increase represents funding requested in FY 2015/16 for shop equipment, including portable pressure washer, meters, and special torque wrenches.
Associated Capital Maintenance Parts	\$ (171,692)	(27.18%)	This funding was reduced for FY 2015/16 due to a lesser number of requests for associated capital maintenance parts, including propulsion motors, APUs and inverters.
Program Administration	\$ (250,000)	(100.00%)	Prior fiscal year funds will be used to do the Guideway inspections for the North line & South line per FDOT guidelines, resulting in a reduction in budgeted program administration funding for FY 2015/16.
Security Equipment	\$ (200,000)	(100.00%)	There were no capital requests for security equipment for Skyway for FY 2015/16.
Facilities Improvements	\$ 4,309,220	2154.61%	This increase represents funding needed in FY 2015/16 for necessary facility upgrades for the Skyway. This includes escalator replacements, elevator upgrades, Acosta Bridge and guideway lighting, roof replacement, and other improvements.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION
 CTC OPERATIONS BUDGET
 ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule # 6
 8/14/2015

	2014/15 Original Budget	Actual Thru April	2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease)	
					FY 15 Approved Budget	FY 16 Proposed Budget Over Projected
<u>REVENUES</u>						
Passenger Fares	\$ 897,230	\$ 601,211	\$ 1,030,647	\$ 1,097,294	22.30%	6.47%
State TD Contribution	1,494,767	871,626	1,494,767	1,494,767	0.00%	0.00%
Transfer from Bus Ops	9,417,037	5,376,996	9,221,166	9,188,756	(2.42%)	(0.35%)
City of Jacksonville Contribution	1,363,002	794,555	1,363,002	1,363,002	0.00%	0.00%
Federal Preventive Maintenance	800,000	466,669	800,000	800,000	0.00%	0.00%
Other Income	1,000	9,541	11,444	-	(100.00%)	(100.00%)
Total Revenues	\$ 13,973,036	\$ 8,120,598	\$ 13,921,025	\$ 13,943,819	(0.21%)	0.16%
<u>EXPENDITURES</u>						
Salaries and Wages	\$ 2,773,769	\$ 1,676,613	\$ 2,874,194	\$ 2,851,603	2.81%	(0.79%)
Fringe Benefits	1,185,347	729,093	1,249,875	1,285,732	8.47%	2.87%
Fuel and Lubricants	1,515,625	874,311	1,498,819	1,474,301	(2.73%)	(1.64%)
Materials & Supplies	950,671	472,499	809,999	878,003	(7.64%)	8.40%
Insurance	78,764	11,196	19,193	30,629	(61.11%)	59.58%
Services	7,212,900	4,173,470	7,154,520	7,189,257	(0.33%)	0.49%
Travel/Training/Dues & Subscription	7,966	46,977	65,532	67,017	741.29%	2.27%
Other Direct Operating Costs	247,994	136,437	248,892	167,277	(32.55%)	(32.79%)
Total Expenditures	\$ 13,973,036	\$ 8,120,598	\$ 13,921,025	\$ 13,943,819	(0.21%)	0.16%
Surplus (Deficit)	\$ -	\$ 0	\$ 0	\$ -	N/A	(100.00%)

**JACKSONVILLE TRANSPORTATION AUTHORITY
CTC OPERATIONS
2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

CTC OPERATIONS VARIANCE

JTA is designated as the Duval County Transportation Coordinator (CTC). The Americans with Disabilities Act (ADA) of 1990 requires public transit agencies that provide fixed-route service to provide "complementary para-transit" services to people with disabilities who cannot use the fixed-route bus or rail service because of a disability. The ADA regulations specifically define a population of customers who are entitled to this service as a civil right. The amount budgeted is a contribution from Bus Operations necessary to pay for this mandate.

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Passenger Fares	\$ 200,064	22.30%	This projection is based on current revenue collection trends and anticipated FY 2016 ridership.
Other Income	\$ (1,000)	(100.00%)	JTA is converting its' operational checking accounts from Public Funds Interest accounts to Earnings Credit accounts. Interest income earned is credited to bank service fee expenses, instead of posting to revenue.

EXPENDITURE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Salaries	\$ 77,834	2.81%	The increase is primarily due to the salary increase for mechanics and maintenance union workers of 2.5% and an additional 0.5% retroactive FY 2015 pay. The increase also includes a non-union 3% average performance based wage increase.
Fringe Benefits	\$ 100,385	8.47%	This increase is based on YTD trends, increased staff participation in health insurance program and accounts for an increase in pension and insurance funding requirements.
Insurance	\$ (48,135)	(61.11%)	The decrease is due to reduced property insurance as the CTC will no longer fund the Richards Street location since JTA has moved the CTC operations to the Myrtle Street location. Vehicle insurance is also decreasing as the allocation of insurance is based on net book value, as the fleet becomes older less vehicle insurance will be expensed.
Training/Travel/Dues & Subscriptions	\$ 59,051	741.29%	The increase is due to JTA consolidating the costs of Travel/Training/Dues & Subscriptions within one line item. Previously some of the costs in this line item were also budgeted and accounted for in "Other Direct Operating Costs".
Other Direct Operating Costs	\$ (80,717)	(32.55%)	The decrease is primarily due to a reduction in rental and utility costs as the CTC will not fund the Richards Street location due to JTA moving the CTC operations to the Myrtle Street location.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION
 CTC CAPITAL BUDGET
 ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule # 7

	2014/15 Original Budget	2015/16 Proposed Budget	% Increase (Decrease) 2016 Budget Over 2015 Budget
<u>REVENUES</u>			
Federal Section 5307 Funding (Footnote 1)	\$ 571,000	\$ 550,795	(3.54%)
Federal Section 5310 Funding (Footnote 2)	457,600	579,669	26.68%
Local JTA Match	114,400	64,408	(43.70%)
Total Revenues	\$ 1,143,000	\$ 1,194,872	4.54%
<u>EXPENDITURES</u>			
Computer Equipment (Hardware and Software)	\$ 450,000	\$ 252,597	(43.87%)
Facilities Improvement	50,000	-	(100.00%)
Shop Equipment	-	8,795	N/A
Associated Capital Maintenance Parts	111,000	42,000	(62.16%)
Paratransit Vehicles (9 vans)	532,000	891,480	67.57%
Total Expenditures	\$ 1,143,000	\$ 1,194,872	4.54%

Footnotes:

1 - Annual funding for urbanized area to transit agencies from the Federal Transit Administration (FTA).

2 - Federal funding for ADA facilities improvements.

**JACKSONVILLE TRANSPORTATION AUTHORITY
CTC OPERATIONS
2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

CTC CAPITAL VARIANCE

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Federal Section 5310 Funding	\$ 122,069	26.68%	This represents Federal Transit Administration Section 5310 funding administered by the Florida Department of Transportation that the JTA was awarded based on requested capital expenditures.
EXPENDITURE OVERVIEW			
Computer Equipment (Hardware and Software)	\$ (197,403)	(43.87%)	This funding was reduced for FY 2015/16 due to a lesser number of requests for computer equipment for Connexion vehicles as the new vehicles being purchased already have an in vehicle computer installed and is part of the purchase price.
Paratransit Vehicles (9 vans)	\$ 359,480	67.57%	JTA expects to replace nine (9) vans in the coming year as compared to six (6) vans in FY 2015. These vehicles are replaced at 5 years or 200,000 miles per FDOT guidelines.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION
 FERRY OPERATIONS BUDGET
 ANALYSIS OF PROPOSED 2015/16 BUDGET**

**Schedule # 8
 8/14/2015**

	2014/15 Original Budget	Actual Thru April	2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease)	
					FY 16 Proposed Budget	FY 15 Approved Budget Over Projected
<u>REVENUES</u>						
Federal, State & Local Grants	\$ -	\$ -	\$ -	\$ 450,000	N/A	N/A
Passenger Fares				1,280,072	N/A	N/A
Transfer from Bus Ops				728,973	N/A	N/A
Total Revenues	\$ -	\$ -	\$ -	\$ 2,459,045	N/A	N/A
<u>EXPENDITURES</u>						
Salaries and Wages	\$ -	\$ -	\$ -	\$ 148,537	N/A	N/A
Fringe Benefits				45,981	N/A	N/A
Fuel and Lubricants				266,344	N/A	N/A
Materials & Supplies				4,883	N/A	N/A
Insurance				37,597	N/A	N/A
Services				1,920,303	N/A	N/A
Travel/Training/Dues & Subscription				10,414	N/A	N/A
Other Direct Operating Costs				24,986	N/A	N/A
Total Expenditures	\$ -	\$ -	\$ -	\$ 2,459,045	N/A	N/A
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	N/A	N/A

**JACKSONVILLE TRANSPORTATION AUTHORITY
FERRY OPERATIONS
2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

FERRY OPERATIONS VARIANCE

The JTA is in the process of transitioning ownership of the St. Johns River Ferry from the City of Jacksonville to JTA. This is expected to be completed by no later than September 30, 2015.

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Federal, State, & Local Grants	450,000	N/A	This represents the second year of the Federal Lands Access Program (FLAP Grant) funding to support ferry operations.
Passenger Fares	1,280,072	N/A	This represents projected passenger and vehicle revenue taking into account an estimated 45 days out of service for US Coast Guard inspection and maintenance.
Transfer from Bus Ops	728,973	N/A	This funding is necessary to balance the budget and support expenses in Ferry operations.

EXPENDITURE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Salaries & Wages	\$ 148,537	N/A	This represents a portion of the JTA administration budget.
Fringe Benefits	\$ 45,981	N/A	This represents a portion of the JTA administration budget.
Fuel and Lubricants	\$ 266,344	N/A	This represents projected fuel costs necessary to support ferry operations.
Material & Supplies	\$ 4,883	N/A	This represents a portion of the JTA administration budget.
Insurance	\$ 37,597	N/A	This represents projected insurance costs necessary to support ferry operations. It also includes a portion of the JTA administration budget.
Services	\$ 1,920,303	N/A	This represents projected services costs associated with the HMS Ferries contract, grant writing, security, and marketing. It also includes a portion of the JTA administration budget.
Travel/Training/Dues & Subscriptions	\$ 10,414	N/A	This represents a portion of the JTA administration budget.
Other Direct Operating Costs	\$ 24,986	N/A	This represents a portion of the JTA administration budget.

**JACKSONVILLE TRANSPORTATION AUTHORITY
 MASS TRANSIT DIVISION
 FERRY CAPITAL BUDGET
 ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule # 9

	2014/15 Original Budget	2015/16 Proposed Budget	% Increase (Decrease) 2016 Budget Over 2015 Budget
<u>REVENUES</u>			
Federal, State & Local Grants	\$ -	\$ 2,000,000 *	N/A
Local Match (State)	-	757,895	N/A
Total Revenues	\$ -	\$ 2,757,895	N/A
<u>EXPENDITURES</u>			
Ferry Vessel Haul Out and Engine Repower	\$ -	\$ 2,000,000	N/A
Ferry Rehabilitation - Slipwalls	-	757,895	N/A
Total Expenditures	\$ -	\$ 2,757,895	N/A

* **NOTE:** The Legislature reduced this to \$1,000,000 for the haul out of the Ferry, which Florida Governor Scott then vetoed. See Recommendation #3.

**JACKSONVILLE TRANSPORTATION AUTHORITY
FERRY OPERATIONS
2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

FERRY CAPITAL VARIANCE

The JTA is in the process of transitioning ownership of the St. Johns River Ferry from the City of Jacksonville to JTA. This is expected to be completed by no later than 9/30/15.

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Federal, State & Local Grants	\$ 2,000,000	N/A	This represents new state legislative funding requested for the St. Johns River Ferry in FY 2015/16.
Local Match (State)	\$ 757,895	N/A	This represents new discretionary funding administered by the Florida Department of Transportation for the St. Johns River Ferry in FY2015/16.
EXPENDITURE OVERVIEW			
Vessel Haul Out and Engine Repower	\$ 2,000,000	N/A	This funding is needed to complete required ferry vessel maintenance and engine repower in FY 2015/16.
Ferry Rehabilitation	\$ 757,895	N/A	This funding is needed to complete rehabilitation for the ferry in FY 2015/16.

**JACKSONVILLE TRANSPORTATION AUTHORITY
ENGINEERING DIVISION
GENERAL FUND BUDGET
ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule # 10

	2014/15 Original Budget	Actual Thru April	2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) FY 16 Proposed Budget Over	
					FY 15 Approved Budget	Projected
REVENUES						
Gross Sales Tax	\$ 76,204,240	\$ 42,862,531	\$ 76,197,418	\$ 80,000,100	4.98%	4.99%
Net Sales Tax	1,665,190	900,121	1,543,065	1,899,339	14.06%	23.09%
Rents & Sale of Plans	111,000	124,240	150,411	85,000	(23.42%)	(43.49%)
Interest Income	20,000	148,007	198,727	59,492	197.46%	(70.06%)
Total Revenues	\$ 78,000,430	\$ 44,034,900	\$ 78,089,621	\$ 82,043,931	5.18%	5.06%
EXPENDITURES						
Administrative Expenses						
Salaries & Wages	\$ 803,735	\$ 381,601	\$ 663,131	\$ 912,595	13.54%	37.62%
Fringe Benefits	445,629	228,276	391,330	500,051	12.21%	27.78%
Supplies	43,869	66,949	96,852	69,029	57.35%	(28.73%)
Insurance	15,550	6,697	11,481	9,239	(40.59%)	(19.52%)
Services	435,357	199,629	342,220	458,756	5.37%	34.05%
Training/Travel/Dues & Subscriptions	30,327	11,462	19,649	32,253	6.35%	64.15%
Other	21,723	24,279	41,622	61,908	184.99%	48.74%
Total Admin. Expenses	\$ 1,796,190	\$ 918,892	\$ 1,566,284	\$ 2,043,831	13.79%	30.49%
Transfers To:						
Fiscal Agent: Debt Service	76,204,240	42,862,531	76,197,418	80,000,100	4.98%	4.99%
Total Expenditures	\$ 78,000,430	\$ 43,781,424	\$ 77,763,702	\$ 82,043,931	5.18%	5.50%
Surplus (Deficit)	\$ -	\$ 253,476	\$ 325,919	\$ -	N/A	(100.00%)

NOTE: Subsequent to JTA filing their budget, the City received updated projections on the Gross Sales Tax amount and the updated amount is part of Recommendation #2.

**JACKSONVILLE TRANSPORTATION AUTHORITY
ENGINEERING OPERATIONS
2014/15 ORIGINAL BUDGET VS. 2015/16 PROPOSED BUDGET**

ENGINEERING OPERATIONS VARIANCE

REVENUE OVERVIEW	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)	JTA EXPLANATION
Net Sales Tax	\$ 234,149	14.06%	This funding is necessary to balance the budget and support expenses in Engineering Operations.
Interest Income	\$ 39,492	197.46%	The increase is due to higher interest rates from a change in investment strategy.

EXPENDITURE OVERVIEW**DOLLAR
INCREASE/
(DECREASE)****PERCENT
INCREASE/
(DECREASE)****JTA EXPLANATION**

NOTE: Mobility Works consists of 13 roadway and 14 mobility corridor projects funded by the LOGT revenue bonds. Per JTA, these projects will create direct jobs from construction projects, improved road capacity through roadway projects, and increased access to jobs through improved transit connectivity in mobility corridors.

Salaries & Wages	\$	108,860	13.54%	This increase is due to: 1) non-union 3% average performance based wage increase; 2) decreased vacancy rate; 3) increased portion of the JTA administration budget allocated to Engineering operations due to increased work by overhead staff to support Mobility Works projects.
Fringe Benefits	\$	54,422	12.21%	The increase is primarily due to higher pension and health insurance funding requirements, as well as an increased portion of the JTA administration budget to support the Mobility Works projects.
Supplies	\$	25,160	57.35%	This line item primarily consists of office supplies, furniture, copying expenses, and bank service fees. The increase is due to a higher portion of the JTA administrative budget to support the Mobility Works projects.
Other	\$	40,185	184.99%	This line item includes funding for rentals, ground maintenance and telephone/postage costs. The increase is primarily due to the mowing and maintenance of JTA's surplus properties. There is also an increased portion of the JTA administration budget to support Mobility Works projects.

**JACKSONVILLE TRANSPORTATION AUTHORITY
ADMINISTRATION*
ANALYSIS OF PROPOSED 2015/16 BUDGET**

Schedule #12

EXPENDITURES	2014/15 Original Budget	Actual Thru April	2014/15 Projected	2015/16 Proposed Budget	% Increase (Decrease) FY 16 Proposed Budget Over	
					FY 15 Approved Budget	Projected
Salaries and Wages	\$ 5,265,390	\$ 3,252,796	\$ 5,476,222	\$ 5,760,769	9.41%	5.20%
Fringe Benefits	1,668,995	1,001,676	1,717,159	1,783,290	6.85%	3.85%
Materials & Supplies	163,500	162,230	233,109	189,383	15.83%	(18.76%)
Insurance	4,500	-	-	13,086	190.80%	N/A
Professional Services	2,558,446	2,126,985	3,146,260	3,096,555	21.03%	(1.58%)
Travel/Training/Dues & Subscriptions	402,905	186,389	364,523	403,885	0.24%	10.80%
Other Direct Operating Costs	340,916	443,971	761,094	969,009	184.24%	27.32%
Total Expenditures	\$ 10,404,652	\$ 7,174,047	\$ 11,698,366	\$ 12,215,977	17.41%	4.42%

1. Contains functional areas such as Accounting, H/R, Procurement, Grants, Customer Service, I.T., etc.
2. Fringe benefits increase is primarily to support health insurance and FRS pension requirements, and increased staff participation in health insurance program.
3. Professional services increase is primarily to support grants consulting, website upgrade, community partnering, and advertising/marketing for major Authority initiatives such as CNG, BRT, MobilityWorks, etc.
4. Other Direct Operating Costs increase is primarily to support rental costs at the 121 Atlantic downtown location.

\$ 190,297,520	Total Appropriations (Operating Budgets)	12.98%	Administrative Percentage
\$ (94,921,719)	Total Transfers Out		
\$ (1,250,000)	Operating Contingency		
\$ 94,125,801			

Allocation Per Division:

Bus	\$ 8,886,226
Skyway	\$ 807,547
CTC	\$ 1,786,070
Engineering	\$ 421,154
Ferry	\$ 314,980
Total	\$ 12,215,977

**COUNCIL AUDITOR’S OFFICE
RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2015/16**

Discussion Items:

As part of Ordinance 2013-820-E which extended the Local Option Gas Tax (LOGT), JTA agreed to assume the operation of the Mayport Ferry from the St Johns River Ferry Commission. This budget incorporates the funding needed for the operation of the Ferry for FY 2015/16.

Recommendations:

1. We recommend decreasing the “Local Option Gas Tax” line item under “Bus” on REVISED Schedule O by \$459,506 from \$28,631,168 to \$28,171,662 in order to properly account for the Interlocal Agreement which beginning September 1, 2016, appropriates to JTA five cents for every six cents collected of the Local Option Gas Tax with the City retaining one cent for City use. This accounts for JTA receiving one month of the five cents rather than the entire LOGT amount. We also recommend decreasing the line item “Contingency” under “Bus” on REVISED Schedule P by \$459,506 from \$1,250,000 to \$790,494 to balance revenues with expenditures. JTA concurs.
2. We recommend increasing the “Gross Sales Tax Proceeds (BJP)” line item under “Engineering” on REVISED Schedule O by \$886,062 from \$80,000,100 to \$80,886,162. This amount will then be in agreement with the amount the City has projected will be paid to JTA. We also recommend increasing the line item “Transfer to COJ for Debt Service (BJP)” under “Engineering” on REVISED Schedule P by \$886,062 from \$80,000,100 to \$80,886,162 to balance revenues with expenditures. In addition, we recommend increasing the “Net Sales Tax – Operating” line item under “Bus” on REVISED Schedule O by \$886,062 from \$34,768,922 to \$35,654,984. We also recommend increasing the line item “Contingency” under “Bus” on REVISED Schedule P by \$886,062 from \$790,494 to \$1,676,556 to balance revenues with expenditures. JTA concurs.
3. We recommend decreasing the “Federal State & Local Grants” line item under “Ferry” on REVISED Schedule Q by \$2,000,000 from \$2,000,000 to \$0 and increasing the “Local Match (JTA)” line item under “Ferry” on Revised Schedule Q by \$900,000 from \$0 to \$900,000 to budget JTA’s portion of the Ferry haul out. We also recommend adding a line item titled “City Contribution for Mayport Ferry Capital Haul Out” on REVISED Schedule Q and increasing the new line item by \$900,000 from \$0 to \$900,000 to budget the City’s portion of the Mayport Ferry haul out. In addition, we recommend decreasing the line item “Ferry Vessel Haul Out and Engine Repower” under “Ferry” on REVISED Schedule R by \$200,000 from \$2,000,000 to \$1,800,000 to balance revenues with expenditures. JTA concurs.
4. We recommend decreasing the “Local Match (State)” line item under “Ferry” on REVISED Schedule Q by \$757,895 from \$757,895 to \$0 and increasing the “Federal, State & Local Grants” line item under “Ferry” on Revised Schedule Q by \$757,895 from \$0 to \$757,895 in order to properly account for these funds. JTA concurs.
5. We recommend removing and replacing Budget Ordinance Schedules O and P with Revised Schedules O and P and replacing Budget Ordinance Schedules Q and R with Revised Schedules Q and R. JTA concurs.

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2015/16**

NOTE:

As filed, JTA's budget provides for the takeover of the St Johns River Ferry on October 1, 2015. At the August 12th St Johns River Ferry Commission/JTA workshop, there was discussion regarding JTA not taking over ferry operations until after the haul out which is in the December/January timeframe. This issue will not be settled until the St Johns River Ferry Commission meeting scheduled for August 24, 2015. We will bring back JTA's Ferry budget changes at the same time the City's Ferry budget is discussed on August 26, 2015.

**JACKSONVILLE TRANSPORTATION AUTHORITY
JACKSONVILLE, FLORIDA
OPERATIONS BUDGET - FISCAL YEAR 2015/2016**

	<u>Bus</u>	<u>CTC</u>	<u>Skyway</u>	<u>Engineering</u>	<u>Ferry</u>	<u>Total</u>
<u>ESTIMATED REVENUES</u>						
Federal, State & Local Grants	\$ 5,933,722				\$ 450,000	\$ 6,383,722
Local Option Gas Tax (BJP)	28,171,662					28,171,662
Gross Sales Tax Proceeds				80,886,162		80,886,162
Net Sales Tax - Operating	35,654,984			1,899,339		37,554,323
Passenger Fares	12,171,871	1,097,294			1,280,072	14,549,237
State TD Funds		1,494,767				1,494,767
Transfer from Bus Operations (ADA Paratransit)		9,188,756				9,188,756
City of Jacksonville (Paratransit Contribution)		1,363,002				1,363,002
Preventative Maintenance Grant - Federal	3,403,401	800,000	1,100,000			5,303,401
Non-Transportation Revenue	637,136		200,615	85,000		922,751
Interest Earnings				59,492		59,492
Transfer from Bus Operations to Skyway			5,003,890			5,003,890
Transfer from Bus Operations to Ferry					728,973	728,973
Total Estimated Revenues	<u>\$ 85,972,776</u>	<u>\$ 13,943,819</u>	<u>\$ 6,304,505</u>	<u>\$ 82,929,993</u>	<u>\$ 2,459,045</u>	<u>\$ 191,610,138</u>

REVISED SCHEDULE O

APPROPRIATIONS

Salaries and Wages	\$ 30,374,902	\$ 2,851,603	\$ 2,278,469	\$ 912,595	\$ 148,537	\$ 36,566,106
Fringe Benefits	17,511,936	1,285,732	1,198,550	500,051	45,981	20,542,250
Fuel and Lubricants	5,904,105	1,474,301	12,923		266,344	7,657,673
Materials and Supplies	4,244,142	878,003	922,553	69,029	4,883	6,118,610
Insurance	660,069	30,629	445,268	9,239	37,597	1,182,802
Services	8,459,805	7,189,257	970,948	458,756	1,920,303	18,999,069
Travel/Training/Dues & Subscriptions	382,063	67,017	32,237	32,253	10,414	523,984
Transfer to CTC (ADA Expense)	9,188,756					9,188,756
Transfer to Skyway	5,003,890					5,003,890
Transfer to Ferry	728,973					728,973
Transfer to COJ for Debt Service (BJP)				80,886,162		80,886,162
All Other/Miscellaneous	1,837,579	167,277	443,557	61,908	24,986	2,535,307
Contingency	1,676,556					1,676,556
Total Appropriations	<u>\$ 85,972,776</u>	<u>\$ 13,943,819</u>	<u>\$ 6,304,505</u>	<u>\$ 82,929,993</u>	<u>\$ 2,459,045</u>	<u>\$ 191,610,138</u>
Full Time Positions	<u>629</u>	<u>49</u>	<u>42</u>	<u>14</u>	<u>2</u>	<u>736</u>
Temporary Employee Hours	<u>144,336</u>	<u>14,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,146</u>

REVISED SCHEDULE P

**JACKSONVILLE TRANSPORTATION AUTHORITY
JACKSONVILLE, FLORIDA
CAPITAL BUDGET - FISCAL YEAR 2015/16**

<u>ESTIMATED REVENUES</u>	<u>Bus</u>	<u>CTC</u>	<u>Skyway</u>	<u>Engineering</u>	<u>Ferry</u>	<u>Total</u>
Federal, State & Local Grants	\$ 12,123,520	\$ 1,130,464	\$ 1,354,552	\$ -	\$ 757,895	\$ 15,366,431
Local Match (State)	590,000					590,000
City Contribution for Mayport Ferry Capital Haul Out					900,000	900,000
Local Match (JTA)	<u>4,734,654</u>	<u>64,408</u>	<u>4,151,900</u>		<u>900,000</u>	<u>9,850,962</u>
Total Estimated Revenues	\$ 17,448,174	\$ 1,194,872	\$ 5,506,452	\$ -	\$ 2,557,895	\$ 26,707,393

REVISED SCHEDULE Q

<u>APPROPRIATIONS</u>	<u>Bus</u>	<u>CTC</u>	<u>Skyway</u>	<u>Engineering</u>	<u>Ferry</u>	<u>Total</u>
Bus Rapid Transit (BRT) - North Corridor Project	\$ 300,000					\$ 300,000
Bus Rapid Transit (BRT) - East Corridor Project	600,000					600,000
Bus Rapid Transit (BRT) - Southwest Corridor Project	600,000					600,000
Bus Transfer Facility (JRTC)	5,900,000					5,900,000
CAD/AVL	1,400,000					1,400,000
Computer Equipment	1,072,490	252,597	175,000			1,500,087
Ferry Vessel Haul Out and Engine Repower					1,800,000	1,800,000
Ferry Dock Ramp Rehabilitation					757,895	757,895
Shop Equipment	80,000	8,795	128,000			216,795
Enhancements (Landscaping)	130,400					130,400
Miscellaneous Support Equipment	135,000					135,000
Associated Capital Maintenance Parts		42,000	460,000			502,000
Paratransit Vehicles (9 Vans)		891,480				891,480
Program Administration	100,000					100,000
Purchase Transit Vehicles (10 Buses)	5,566,884					5,566,884
Purchase Transit Vehicles (CCCoA Vehicles)	172,200					172,200
Rehab/Renovate Passenger Shelters	240,000					240,000
Security Equipment	161,200					161,200
Support Vehicles	179,000					179,000
Facilities Improvements	516,000		4,509,220			5,025,220
Training	15,000					15,000
Transit Satellite Amenities	<u>280,000</u>					<u>280,000</u>
Total Appropriations	\$ 17,448,174	\$ 1,194,872	\$ 5,506,452	\$ -	\$ 2,557,895	\$ 26,707,393

REVISED SCHEDULE R

**JACKSONVILLE AVIATION AUTHORITY
COMPARISON OF BUDGETS
ORIGINAL BUDGET FY 2014/2015 VERSUS PROPOSED BUDGET FY 2015/2016**

	<u>Operating & Non Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Fund Transfers Out</u>	<u>Total</u>
FY 2014/2015 Original	\$ 49,949,745	\$ 16,121,986	\$ 20,688,738	\$ 16,832,936	\$ 103,593,405
FY 2015/2016 Proposed	\$ 52,395,083	\$ 16,077,204	\$ 29,448,517	\$ 22,743,344	\$ 120,664,148
\$ Increase (Decrease)	\$ 2,445,338	\$ (44,782)	\$ 8,759,779	\$ 5,910,408	\$ 17,070,743
% Increase (Decrease)	4.90%	-0.28%	42.34%	35.11%	16.48%

NOTE:

The FY 2015/2016 proposed budget includes 279 full time positions, which is five (5) positions higher than the FY 2014/2015 approved budget. Part-time hours are budgeted at 4,640, which is the same as FY 2014/2015 approved budget part-time hours.

**JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF THE FY 2015/2016 PROPOSED BUDGET**

	2014/2015	2014/2015	2014/2015	2015/2016	% Increase/Decrease of	
	ORIGINAL	ACTUAL		PROPOSED	2015/2016 Proposed Budget Over	2014/2015
	BUDGET	THRU MAY	FORECAST	BUDGET	ORIGINAL	FORECAST
OPERATING REVENUES						
Concessions	14,455,914	10,767,870	16,229,356	17,143,854	18.59%	5.63%
Fees & Charges	13,106,556	9,528,577	13,087,018	13,608,628	3.83%	3.99%
Space & Facility Rentals	24,444,924	17,722,074	24,897,314	26,446,757	8.19%	6.22%
Parking	17,167,976	11,548,009	18,037,582	18,813,281	9.58%	4.30%
Sale of Utilities	1,762,968	1,041,149	1,601,904	1,534,640	-12.95%	-4.20%
Other Miscellaneous Operating Revenue	131,662	140,208	148,480	169,191	28.50%	13.95%
TOTAL OPERATING REVENUES	71,070,000	50,747,887	74,001,654	77,716,351	9.35%	5.02%
OPERATING EXPENDITURES						
Salaries	16,700,365	10,767,783	16,438,319	17,361,365	3.96%	5.62%
Benefits	6,239,713	4,008,826	6,146,887	7,105,826	13.88%	15.60%
Services & Supplies	14,331,402	9,027,459	14,146,725	14,922,064	4.12%	5.48%
Repairs & Maintenance	2,074,514	1,237,237	2,065,486	2,163,546	4.29%	4.75%
Promotion, Advertising and Dues	1,250,827	1,843,938	2,484,057	888,706	-28.95%	-64.22%
Registrations & Travel	307,506	187,996	288,885	350,421	13.96%	21.30%
Insurance Expense	1,304,173	849,741	1,304,871	1,369,752	5.03%	4.97%
Cost of Goods for Sale	701,389	358,809	588,762	583,624	-16.79%	-0.87%
Utilities, Taxes & Gov't Fees	5,387,555	3,515,358	5,128,202	5,303,361	-1.56%	3.42%
Operating Contingency	1,569,579	-	-	2,000,000	27.42%	N/A
TOTAL OPERATING EXPENDITURES	49,867,023	31,797,147	48,592,194	52,048,665	4.37%	7.11%
INCOME FROM OPERATIONS	21,202,977	18,950,740	25,409,460	25,667,686	21.06%	1.02%
NON-OPERATING REVENUES/(EXPENSES)						
Investment Income	925,392	639,711	1,170,909	905,478	-2.15%	-22.67%
Other Revenue	537,271	570,552	623,563	605,436	12.69%	-2.91%
Other Expenditures	(82,722)	(101,468)	(208,395)	(346,418)	318.77%	66.23%
Passenger Facility Charge Revenue	10,372,004	7,086,598	11,811,194	11,988,366	15.58%	1.50%
Debt Service	(16,121,986)	(12,568,679)	(16,132,528)	(16,077,204)	-0.28%	-0.34%
NET INCOME (LOSS) BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	16,832,936	14,577,454	22,674,203	22,743,344	35.11%	0.30%
Transfer (to)/from Operating Capital Outlay	(4,865,738)	(2,168,773)	(883,526)	(15,641,584)	221.46%	1670.36%
Transfer (to)/from Passenger Facility Charge Reserve	(917,274)	(961,415)	(3,419,848)	(2,345,268)	155.68%	-31.42%
Transfer (to)/from Retained Earnings	(11,049,924)	(11,447,266)	(18,370,829)	(4,756,492)	-56.95%	-74.11%
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -	N/A	N/A

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2014/2015 VERSUS PROPOSED BUDGET FY 2015/2016

REVENUE OVERVIEW	Increase/(Decrease)	
	\$	%
<p>Concessions</p> <p>JAA receives flowage fees for aviation fuel sold by fuel vendors. The fuel flowage fees are budgeted to increase by \$1.13M. \$990K of this increase is fuel sales to the Navy that were not budgeted last year. The Navy is expected to purchase 18 million gallons of fuel at Cecil Airport in FY 2015/16. JAA receives a fuel flowage fee of 5.5 cents on each gallon of fuel sold. The remainder of the increase in fuel flowage revenue is based on FY 2014/15 actuals. Rental car concessions are anticipated to increase by \$1.46M, mostly due to an increase in demand that is being experienced in FY 2014/15. \$1.2M of this increase in demand is due to enplanements being forecasted to finish 6.89% higher than budgeted in FY 2014/15. The remaining \$260K is due to an additional 1.5% increase in enplanements that is budgeted in FY 2015/16.</p>	2,687,940	18.59%
<p>Fees & Charges</p> <p>Landing fees for the Fixed Base Operators (FBO's) who are based at the airports are expected to increase by \$102K due to increases in airfield expenses, which are paid by the operators through the landing fees. Airfield expenses include: safety, administration, utilities and airport fire/rescue services. Landing Fees for non-signatory airlines are expected to increase by \$215K due to a new airline that is operating at JIA (Allegiant). JAA is budgeting an additional \$94K in operating permit revenue from a baggage handling company that provides services to the airlines. Other increases in this line item are: \$35K in badging revenue due to a new requirement that ground transportation companies must be badged, \$22K for common area maintenance fees at Cecil Airport, and \$20K in ground transportation security user fees.</p>	502,072	3.83%
<p>Space & Facility Rentals</p> <p>The airlines sometimes use JAA gates when their own gates are not available. JAA charges a "per use" fee when these gates are used. The per use fee revenue is expected to increase by \$740K in FY 2015/16 based on actual revenues in FY 2014/15. Land rent from the Navy is budgeted to increase by \$657K. This increase is due to the FY 2014/15 revenues being underbudgeted because the lease agreement was not finalized at the time the FY 2014/15 budget was prepared. Hangar rentals are budgeted to increase by \$291K, due to a new hangar rental for Flightstar at Cecil Airport. Aircraft parking revenues are budgeted to increase by \$222K due to increased activity from the new airline (Allegiant) in FY 2014/15. Fixed Base Operating revenue is budgeted to increase by \$138K, due to additional space that is being rented by Jacksonville JetPort at Cecil Airport. These increases are partially offset by a \$53K reduction in cargo building rental revenue at JIA due to two tenants (Quantem and FAA) vacating during 2014.</p>	2,001,833	8.19%
<p>Parking</p> <p>Parking revenue reflects actual revenues for FY 2014/15, which are projected to finish the year \$868K higher than budgeted. FY2015/16 revenues are budgeted to increase by 4.3% (\$776K) over FY2014/15 actuals due to the budgeted increase in enplanements. There are no anticipated changes to parking rates in FY 2015/16.</p>	1,645,305	9.58%
<p>Sale of Utilities</p> <p>This consists of revenue generated from electric sales, water/sewer, garbage service and fuel sales (for vehicles). Electric sales are budgeted to decrease by \$153K in FY 2015/16 due to two tenants (Advanced Disposal and Gate Gourmet) installing their own meters as well as to reflect FY 2014/15 actuals. Fuel sales are also budgeted to decrease by \$55K to reflect FY 2014/15 actuals.</p>	(228,328)	-12.95%
<p>Other Miscellaneous Operating Revenue</p> <p>This revenue line consists primarily of maintenance agreements with JAA tenants including FDOT, Gate, TSA and the Florida Air National Guard. The Florida Air National Guard agreement is budgeted to increase by \$18K in FY 2015/16 due to a combination of new rates and additional space which will be maintained. JAA has also expanded their preferred parking area, which is expected to generate an additional \$14K in revenues from the sale of parking pass decals.</p>	37,529	28.50%

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2014/2015 VERSUS PROPOSED BUDGET FY 2015/2016

EXPENDITURE OVERVIEW	Increase/(Decrease)	
	\$	%
Salaries	661,000	3.96%
<p>Total salaries are increasing by \$661K, primarily due to the addition of five new full-time employees (4 funded, 1 unfunded) worth \$255K. The increase in salaries also includes a 4% pay increase for non-union employees of \$261K and a 3% pay increase for union employees of \$65K. There is also an increase in overtime of \$37K and an increase in additional compensation of approximately \$21K. The budget also includes a reclassified position with a salary increase of \$19K.</p>		
Benefits	866,113	13.88%
<p>Employee benefits are increasing mainly due to an increase in health insurance rates totaling \$795K. Most of this increase is due to health insurance expenses being underbudgeted in FY 2014/15, while the remaining increase is due to the new positions. Vacation accrual is budgeted to increase by \$189K based on FY 2014/15 actuals. Pensions are budgeted to increase by \$174K due to an increase in rates. FICA taxes are budgeted to increase by approximately \$65K due to an increase in wages, while dental insurance is budgeted to increase by \$33K due to anticipated increases in rates and new employees. These increases are partially offset by a decrease in deferred compensation of \$434K. In FY 2014/15, the post-employment benefit accrual was overbudgeted due to an error by the actuary who determined the accrual amount.</p>		
Services & Supplies	590,662	4.12%
<p>The increase in FY 2015/16 is mainly due to budgeted increases in contractual services totaling \$545K, consisting mainly of increases in the JIA fire-rescue services contract with the City, the baggage handling service provider contract and various IT contracts. Operating supplies are budgeted to increase by \$141K, mainly due to many of these expenses being moved here from Repairs & Maintenance. Security fees are budgeted to increase by \$134K, due to a new contract with Giddens Security which includes higher rates. Temporary staff is increasing by \$119K relating to special projects in IT. IT is establishing a new data center and has continuous projects relating to security cameras and monitors at the airport. These increases are partially offset with decreases of \$266K for operating equipment under \$5000, due to the FY 2014/15 budget including costs for the replacement of old IT equipment that will not need to be replaced in the upcoming year. Expenses for the temporary Navy relocation at Cecil Airport are decreasing by \$70K. Audit fees have decreased by \$40K due to a new contract which includes lower rates.</p>		
Repairs & Maintenance	89,032	4.29%
<p>The FY 2015/16 budget is increasing mainly due to an increase in repair & maintenance costs for Hold Baggage Screening (HBS) equipment of \$57K, as well as R&M projects at Cecil Airport totaling \$53K. These are partially offset by decreases to R&M costs in Planning & Engineering of \$26K.</p>		
Promotion, Advertising and Dues	(362,121)	-28.95%
<p>This line is decreasing mainly due to a budgeted decrease in airline incentives of \$320K. Airline incentives generally last between 1-2 years and the budgeted decrease is mainly due to the expiration of the Silver Airways incentive during fiscal year 2014/15. Airline incentives include such items as reduced rent for airlines' terminal space and other areas, in order to encourage increased air service and an expansion of markets serviced from Jacksonville. Promotional advertising is also decreasing by \$41K.</p>		
Insurance Expense	65,579	5.03%
<p>Insurance expense is increasing mainly due to a \$30K increase in Workers Compensation Insurance, and a \$27K increase in Property & Casualty Insurance.</p>		
Cost of Goods for Sale	(117,765)	-16.79%
<p>Fuel is purchased for resale to companies that operate vehicles on the airfield. Costs were budgeted to increase slightly in FY 2014/15, but actual costs in FY 2014/15 are forecasted to finish approximately 16% under budget. The FY 2015/16 budgeted amount is based on FY 2014/15 actuals. Revenues from fuel sales are included in the "Sale of Utilities" line on the previous page.</p>		
Utilities, Taxes & Gov't Fees	(84,194)	-1.56%
<p>Electricity costs are budgeted to decrease by \$96K, due to continued efforts to reduce the use of electricity by JAA.</p>		
Operating Contingency	430,421	27.42%
<p>Instead of budgeting for future airline incentives in the Promotion, Advertising & Dues line, JAA is now budgeting these funds under the Operating Contingency, and will move the funds to the Promotion, Advertising & Dues line in the event that an airline qualifies for incentives in the future.</p>		

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2014/2015 VERSUS PROPOSED BUDGET FY 2015/2016**

NON-OPERATING REVENUE (EXPENSE) OVERVIEW	<u>Increase/(Decrease)</u>	
	<u>\$</u>	<u>%</u>
Investment Income	(19,914)	-2.15%
Interest rates are budgeted to remain relatively constant compared to FY 2014/15. Revenues are only budgeted to decrease slightly overall.		
Other Revenue	68,165	12.69%
The increase in other revenue is primarily due to a budgeted increase in timber sales revenue of \$108K. Timber sales tend to vary from year-to-year. This increase is partially offset with a \$42K decrease in Federal contributions from the K-9 program. This program reimburses JAA for the salaries and benefits of officers who handle the K-9 dogs.		
Other Expenditures	263,696	318.77%
This line item is increasing mainly due to the budgeting of \$250K for expensing the design costs of capital projects that JAA may decide not to move forward with. In the past JAA has not budgeted for these costs.		
Passenger Facility Charge (PFC) Revenue	1,616,362	15.58%
PFC revenue is derived from a per passenger charge of \$4.50 less an administrative fee of \$.11. The budgeted amount reflects projected PFC revenues for FY 2014/15 plus an additional 1.5%.		
Debt Service	(44,782)	-0.28%
Debt service has decreased slightly due to lower interest payments.		

JACKSONVILLE AVIATION AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2016

Airport	Description	FUNDING SOURCES					Budget 2016 Total Capital Commitments
		JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER	
Jacksonville International Airport	Maint and Warehouse Facility (Final Phase of Funding)	2,700,300			2,700,000		5,400,300
	Main Parking Plaza	2,500,000					2,500,000
	CCTV JIA (Phase 2 of 2)	238,000	1,462,000				1,700,000
	(2) Terminal Air Handler Unit Replacements (PH 1 of 5)	800,000					800,000
	Purchase ARFF Vehicle (Crash 18)		800,000				800,000
	Taxiway and G1 Reconstruction	187,500		562,500			750,000
	Garage Signage	750,000					750,000
	JAX Imaginary Surface Survey	125,000		375,000			500,000
	Access Control Doors and Door Hardware		350,000				350,000
	Teleconferencing and A/V Equipment (ICR, AOCC, Cecil Bd)	250,000					250,000
	JIA Roadway Signage	200,000					200,000
	Finance Budget Software	200,000					200,000
	Blue Phone IP	200,000					200,000
	GIS Program Implementation	200,000					200,000
	Admin Office Suites	200,000					200,000
	Advertisement Boards	100,000					100,000
	Police Booth in Ticketing Area	100,000					100,000
	Remote Access (Replace VPN)	100,000					100,000
	Small Capital Under \$100,000	847,800					847,800
			9,698,600	2,612,000	937,500	2,700,000	0
Cecil Airport	Space Florida Hangar	2,800,000				2,800,000	5,600,000
	Airfield Drainage Rehab (Ph 4 of 7)	1,097,784			1,515,558		2,613,342
	Rehab North Apron and Taxiway D- Concrete (A1-A2)	175,000		1,575,000			1,750,000
	Rehab Taxiway B Spall Repair	100,000		900,000			1,000,000
	Rehab Taxiway C-Joint Seal and Pavement Rehab	50,000		450,000			500,000
	USCG Hangar 13, Bus Duct, Doors, Lighting & Panels	495,000					495,000
	Rehab Utilities (Fire Main) Phase 2	225,000			225,000		450,000
	Landside Drainage (Ph 1 of 2)	200,000					200,000
	Duct Bank Assessment	100,000					100,000
	Small Capital Under \$100,000	136,000					136,000
		5,378,784	0	2,925,000	1,740,558	2,800,000	12,844,342
Jacksonville Executive at Craig Airport	Runway 14/32 Rehab- Crack Seal & Paint Markings	91,875			91,875		183,750
	Small Capital Under \$100,000	92,325					92,325
		184,200	0	0	91,875	0	276,075
Herlong Recreational Airport	Hangar H-4 and FBO Roof Rehab	250,000					250,000
	Small Capital Under \$100,000	130,000					130,000
		380,000	0	0	0	0	380,000
		15,641,584	2,612,000	3,862,500	4,532,433	2,800,000	29,448,517

SCHEDULE H

**Council Auditor's Office
Recommendations
Jacksonville Aviation Authority
Proposed FY 2015/16 Budget**

RECOMMENDATIONS:

1. Revise budget ordinance Schedule G (Operating Budget) to increase the expenditure line "Services and Supplies" by \$18,981 for a revised total of \$14,941,045, and to decrease the expenditure line "Operating Contingency" by \$18,981 for a revised total of \$1,981,019. Because JAA's budget was approved by its board of directors more than two weeks before the City budget was finalized, JAA did not have the most up-to-date cost estimate used by the City in preparing its budget for fire/rescue services at JIA. This amendment will result in JAA's budgeted cost for fire/rescue services equaling the City's budgeted revenues for providing the services. Because this amendment results in the increase of one operating expense and a decrease in another operating expense for the same amount, there is no change to JAA's total appropriations budget.

2. Revise budget ordinance Schedule H (Capital Budget) to increase JAA capital funding under Jacksonville International Airport (JIA) small projects by \$40,000 for a revised total of \$887,800, due to this amount being erroneously left off of the schedule. This will result in JAA's overall capital budget increasing to \$29,488,517. This change will also impact JAA's operating budget (Schedule G). Transfers to Operating Capital Outlay will increase by \$40,000 for a revised total of \$15,681,584. Transfers to Retained Earnings will decrease by \$40,000, for a revised total of \$4,716,492.

3. Make various technical corrections to budget ordinance Schedule H (JAA Capital Budget). These changes include correcting capital project titles to reflect JAA's records, as well as other technical corrections. These changes will have no budgetary impact.

JAA concurs with each of our recommendations.

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2015/2016 BUDGET**

OPERATING REVENUES	
Concessions	\$ 17,143,854
Fees & Charges	13,608,628
Space & Facility Rentals	26,446,757
Parking	18,813,281
Sale of Utilities	1,534,640
Other Miscellaneous Operating Revenue	169,191
TOTAL OPERATING REVENUES	\$ 77,716,351
OPERATING EXPENDITURES	
Salaries	\$ 17,361,365
Benefits	7,105,826
Services and Supplies	14,941,045
Repairs & Maintenance	2,163,546
Promotion, Advertising and Dues	888,706
Registrations & Travel	350,421
Insurance Expense	1,369,752
Cost of Goods for Sale	583,624
Utilities, Taxes & Gov't Fees	5,303,361
Operating Contingency	1,981,019
TOTAL OPERATING EXPENDITURES	\$ 52,048,665
OPERATING INCOME	\$ 25,667,686
NON-OPERATING REVENUES	
Passenger Facility Charge	\$ 11,988,366
Investment Income	905,478
Other Revenues	605,436
TOTAL NON-OPERATING REVENUES	\$ 13,499,280
NON-OPERATING EXPENDITURES	
Debt Service	\$ 16,077,204
Other Expenditures	346,418
TOTAL NON-OPERATING EXPENDITURES	\$ 16,423,622
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$ 22,743,344
Transfer (to)/from Operating Capital Outlay	\$ (15,681,584)
Transfer (to)/from Passenger Facility Charge Reserve	(2,345,268)
Transfer (to)/from Retained Earnings	(4,716,492)
SURPLUS/(DEFICIT)	\$ -
TOTAL REVENUES	\$ 91,215,631
TOTAL APPROPRIATIONS	\$ 91,215,631
FULLTIME POSITIONS	279
TEMPORARY EMPLOYEE HOURS	4,640

REVISED SCHEDULE G

JACKSONVILLE AVIATION AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2016

Airport	Description	FUNDING SOURCES					Budget 2016 Total Capital Commitments
		JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER	
Jacksonville International Airport	Maintenance and Warehouse Facility (Final Phase of Funding)	2,700,300			2,700,000		5,400,300
	Main Parking Plaza & Office Improvements	2,500,000					2,500,000
	Video System Replacement (Phase 2 of 2)	238,000	1,462,000				1,700,000
	(2) Terminal Air Handler Unit Replacements (Phase 1 of 5)	800,000					800,000
	Purchase ARFF Vehicle (Crash 18)		800,000				800,000
	Taxiway G1 Reconstruction	187,500		562,500			750,000
	Garage Signage	750,000					750,000
	JAX Imaginary Surface Survey	125,000		375,000			500,000
	Access Control Doors and Door Hardware		350,000				350,000
	Teleconferencing and A/V Equipment (ICR, AOCC, Cecil Bd)	250,000					250,000
	JIA Roadway Signage	200,000					200,000
	Finance Budget Software	200,000					200,000
	Blue Phone IP Upgrade	200,000					200,000
	GIS Program Implementation	200,000					200,000
	Administration Office Suites and Board Entry Modifications	200,000					200,000
	Digital Advertisement Boards	100,000					100,000
	New Police Booth in Ticketing Area	100,000					100,000
	Remote Access (Replace VPN)	100,000					100,000
	Small Capital Under \$100,000	887,800					887,800
	Total JIA	\$9,738,600	\$2,612,000	\$937,500	\$2,700,000	\$0	\$15,988,100
Cecil Airport	Spaceport Hangar and Infrastructure	2,800,000				2,800,000	5,600,000
	Airfield Drainage Rehab (Ph 4 of 7)	1,097,784			1,515,558		2,613,342
	Rehab North Apron and Taxiway D- Concrete (A1-A2)	175,000		1,575,000			1,750,000
	Rehab Taxiway B Spall Repair	100,000		900,000			1,000,000
	Rehab Taxiway C-Joint Seal and Pavement Rehab	50,000		450,000			500,000
	USCG Hangar 13, Bus Duct, Doors, Lighting & Panels	495,000					495,000
	Rehab Utilities (Fire Main) Phase 2	225,000			225,000		450,000
	Landside Drainage (Ph 1 of 2)	200,000					200,000
	Duct Bank Assessment	100,000					100,000
	Small Capital Under \$100,000	136,000					136,000
	Total Cecil	\$5,378,784	\$0	\$2,925,000	\$1,740,558	\$2,800,000	\$12,844,342
Jacksonville Executive at Craig Airport	Runway 14/32 Rehab- Crack Seal, Paint Markings & Rehabilitation of Airfield Pavement	91,875			91,875		183,750
	Small Capital Under \$100,000	92,325					92,325
	Total Craig	\$184,200	\$0	\$0	\$91,875	\$0	\$276,075
Herlong Recreational Airport	Hangar H-4 and Terminal Roof Rehab	250,000					250,000
	Small Capital Under \$100,000	130,000					130,000
	Total Herlong	\$380,000	\$0	\$0	\$0	\$0	\$380,000
	Total Capital	\$15,681,584	\$2,612,000	\$3,862,500	\$4,532,433	\$2,800,000	\$29,488,517

REVISED SCHEDULE H

**JACKSONVILLE PORT AUTHORITY
COMPARISON OF BUDGETS
ANALYSIS OF FY 2015/2016 PROPOSED BUDGET**

	<u>Operating & Non-Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total</u>
FY 2014/2015 Original	\$ 39,760,307	\$ 22,312,001	\$ 172,545,341	\$ 234,617,649
FY 2015/2016 Proposed	\$ 41,823,289	\$ 21,104,859	\$ 94,618,389	\$ 157,546,537
\$ Increase (Decrease)	\$ 2,062,982	\$ (1,207,142)	\$ (77,926,952)	\$ (77,071,112)
% Increase (Decrease)	5.19%	-5.41%	-45.16%	-32.85%

**JACKSONVILLE PORT AUTHORITY
ANALYSIS OF FY 2015/2016 OPERATING BUDGET**

	2014/2015 ORIGINAL BUDGET	2014/2015 YTD as of May 31, 2015	2014/2015 PROJECTED (per JPA)	2015/2016 PROPOSED BUDGET	% Increase (Decrease) of 2015/2016 JPA Budget Over 2014/2015 ORIGINAL	
OPERATING REVENUES						
Autos	\$ 17,087,928	\$ 11,097,627	\$ 16,954,906	\$ 18,552,688	\$ 1,464,760	8.57%
Containers	25,525,515	15,963,554	23,515,483	25,390,329	(135,186)	-0.53%
Break Bulk	4,222,674	2,553,772	3,909,991	4,063,562	(159,112)	-3.77%
Cruise	4,321,540	3,033,844	4,275,655	4,487,953	166,413	3.85%
Liquid Bulk	1,402,300	807,891	1,215,571	1,303,171	(99,129)	-7.07%
Dry Bulk	1,950,284	1,185,523	1,749,456	1,809,493	(140,791)	-7.22%
Other Operating Revenues	2,239,471	1,854,212	3,438,634	2,079,485	(159,986)	-7.14%
TOTAL OPERATING REVENUES	\$ 56,749,712	\$ 36,496,422	\$ 55,059,696	\$ 57,686,681	\$ 936,969	1.65%
OPERATING EXPENDITURES						
Salaries	\$ 11,544,956	\$ 7,427,894	\$ 11,138,612	\$ 11,749,018	\$ 204,062	1.77%
Employee Benefits	4,576,936	2,721,835	4,344,058	4,704,121	127,185	2.78%
Services & Supplies	4,776,294	2,797,605	4,252,032	4,246,520	(529,774)	-11.09%
Security Services	3,825,000	2,464,212	3,688,384	4,150,000	325,000	8.50%
Business Travel & Training	542,847	282,516	492,868	542,791	(56)	-0.01%
Promotion, Advertising, Dues	1,076,501	742,034	1,007,614	1,064,092	(12,409)	-1.15%
Utility Services	1,144,389	667,878	1,075,858	1,104,748	(39,641)	-3.46%
Repairs & Maintenance Projects	1,629,894	934,130	1,499,710	1,610,453	(19,441)	-1.19%
Dredging	2,250,000	2,102,142	2,250,000	2,435,000	185,000	8.22%
Miscellaneous	144,282	123,639	157,213	156,271	11,989	8.31%
TOTAL OPERATING EXPENDITURES	\$ 31,511,099	\$ 20,263,885	\$ 29,906,349	\$ 31,763,014	\$ 251,915	0.80%
OPERATING INCOME	\$ 25,238,613	\$ 16,232,537	\$ 25,153,346	\$ 25,923,667	\$ 685,054	2.71%
NON-OPERATING REVENUES/(EXPENSES)						
Debt Service	\$ (22,312,001)	\$ (15,382,316)	\$ (21,939,397)	\$ (21,104,859)	1,207,142	-5.41%
Investment Income	111,732	90,269	127,278	121,603	9,871	8.83%
Shared Revenue from Primary Govt	5,207,004	3,592,526	5,356,070	5,116,004	(91,000)	-1.75%
Contributions to Tenants	-	(286,438)	(1,700,000)	(1,901,700)	(1,901,700)	100.00%
Other Claims & Recoveries	(1,650,000)	(1,437,005)	(2,487,881)	(2,050,000)	(400,000)	24.24%
Other Revenue	3,860	4,673	658,225	3,860	-	0.00%
Other Expense	(22,575)	(18,421)	(7,775)	(8,575)	14,000	-62.02%
NET INCOME BEFORE CAPITAL CONTRIBUTION AND CONTINGENCY	\$ 6,576,633	\$ 2,795,825	\$ 5,159,866	\$ 6,100,000	\$ (476,633)	-7.25%
TRANSFER TO OPERATING CAPITAL OUTLAY	\$ (6,576,633)	\$ (2,795,825)	\$ (5,159,866)	\$ (6,100,000)	476,633	-7.25%
CAPITAL PROJECT RESERVE	\$ -	\$ -	\$70-	\$ -	\$ -	-

JACKSONVILLE PORT AUTHORITY
FY 2014/2015 ORIGINAL BUDGET VS. FY 2015/2016 PROPOSED BUDGET

OPERATING REVENUE OVERVIEW	Increase/(Decrease)	
	\$	%
Autos	\$ 1,464,760	8.57%
The increase is primarily due to the addition of Volkswagen import business at Blount Island.		
Cruise	\$ 166,413	3.85%
The increase is due to the Carnival ship in dry dock for three cruises in March of 2015 and no dry docking is expected for FY 2015-2016.		
Liquid Bulk	\$ (99,129)	-7.07%
The decrease is primarily due to a reduction of estimated quantities for Westway. The liquid bulk consists primarily of fructose and caustic soda (cleaning agent) imports.		
Dry Bulk	\$ (140,791)	-7.22%
The decrease is primarily due to a reduction of estimated quantities for Martin Marietta. The dry bulk consists primarily of rock and gravel.		
Other Operating Revenues	\$ (159,986)	-7.14%
The decrease is primarily due to a reduction to Talleyrand Terminal Rail as a result of reduced caustic soda volumes which is used in the production of paper.		
OPERATING EXPENDITURE OVERVIEW	\$	%
Salaries	\$ 204,062	1.77%
Represents a proposed 3% salary increase for both union and non-union employees.		
Employee Benefits	\$ 127,185	2.78%
The increase is primarily due to increases in health insurance and base pay increases for FICA, Medicare and Pension costs.		
Services & Supplies	\$ (529,774)	-11.09%
The decrease is due to projections for gas, oil and grease decreasing by \$259,394 and property and casualty insurance decreasing by \$131,520 as calculated by JPA's Risk Manager based on information from the City of Jacksonville Risk Management Division.		
Security	\$ 325,000	8.50%
The initial three year contract will expire on October 1, 2015. JPA is opting to use one of its two one year renewal periods with re-negotiated rates. Negotiation for the new rates are on-going and have been estimated for budgetary purposes.		
Dredging	\$ 185,000	8.22%
The increase is due to cubic yards for dredging increasing from 150,000 to 165,000 cubic yards for FY 2015-16.		
Miscellaneous	\$ 11,989	8.31%
The increase is primarily due to an increase in lease payments from \$5,500 per month to \$6,000 per month on December 1, 2016 for the Annex property at Hecksher and August Dr.		

JACKSONVILLE PORT AUTHORITY
FY 2014/2015 ORIGINAL BUDGET VS. FY 2015/2016 PROPOSED BUDGET

NON-OPERATING REVENUES/(EXPENSES) OVERVIEW	Increase/(Decrease)	
	\$	%
Debt Service	\$ (1,207,142)	-5.41%
The decrease is due to the reduction of Line of Credit (LOC) payments. One of the uses of the LOC is to provide bridge financing for State Funded capital projects. As such, principal pay-downs on the LOC vary year to year in relation to state grant reimbursements.		
Investment Income	\$ 9,871	8.83%
Expectation of higher yields due to higher cash balances on hand for the purchase of cranes which will not be paid out until late in fiscal year 2015/16.		
Shared Revenue from Primary Government	\$ (91,000)	-1.75%
The decrease is due to lower projected telecommunication tax revenue for FY 2015/16.		
Contributions to Tenants	\$ 1,901,700	N/A
As part of the Volkswagen (VW) deal, JPA is receiving \$16 million of FDOT capital grants over five years to support the VW contract. The incentive payments to VW are based on volumes handled by JPA, which are estimated at \$1,901,700 for FY 2015-16.		
Other Claims & Recoveries	\$ 400,000	24.24%
These are fees associated with ongoing litigation costs for claims against a contractor. Jaxport expects to recover all or a portion of these expenses upon resolution.		
Other Expense	\$ (14,000)	-62.02%
The decrease is mainly due to a decrease in trustee payments associated with JPA debt obligations.		

Jacksonville Port Authority

Capital Projects - Budget 2015-2016 PROPOSED

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	JPA Financing	JPA Bonds	Amount
Blount Island	Rehabilitate Wharf Structures (Berth 35)	16,428,644				8,144,356	5,427,000	\$ 30,000,000
	Design and Purchase of 100 Gauge Container Cranes & Avtron Parts	15,000,000					10,700,000	\$ 25,700,000
	USMC Property (25 Acres)					2,500,000		\$ 2,500,000
	Tenant Parking Improvements				1,500,000			\$ 1,500,000
	Top End Overhaul for the engines of Cranes 8811 and 8841 (Hanjungs)				180,000			\$ 180,000
	Tenant Asphalt Facility Rehab (2016)				100,000			\$ 100,000
	Total Blount Island		\$ 31,428,644	\$ -	\$ -	\$ 1,780,000	\$ 10,644,356	\$ 16,127,000
Dames Point	ICTF	5,940,000	3,060,000					\$ 9,000,000
	Offsite Storm Water			4,500,000				\$ 4,500,000
	Wetland Mitigation					1,200,000		\$ 1,200,000
	August Drive Bridge Rehab				250,000			\$ 250,000
	Environmental Permitting				200,000			\$ 200,000
	Total Dames Point	\$ 5,940,000	\$ 3,060,000	\$ 4,500,000	\$ 450,000	\$ 1,200,000	\$ -	\$ -
Talleyrand	Tenant Improvements				1,500,000			\$ 1,500,000
	Warehouse 1 Demo			750,000				\$ 750,000
	Pile Inspection & Rehab - Berths 4 & 5				750,000			\$ 750,000
	Pump & Treat System for Environmental Compliance				100,000			\$ 100,000
	Asphalt Rehab				100,000			\$ 100,000
	Total Talleyrand	\$ -	\$ -	\$ 750,000	\$ 2,450,000	\$ -	\$ -	\$ -
Port Related	Harbor Deepening GRRII	11,600,000						\$ 11,600,000
	Bartram Island Spoil Sites (Cell A & B2)	2,519,639						\$ 2,519,639
	Capitalize In-House Engineering Services				400,000			\$ 400,000
	PSGP (Round 15)		270,000		90,000			\$ 360,000
	TWIC Continuation (Round 14)		243,750		81,250			\$ 325,000
	Mile Point	100,000						\$ 100,000
	Bartram Island Cell B Pump-out Structure				83,750			\$ 83,750
	Total Miscellaneous	\$ 14,219,639	\$ 513,750	\$ -	\$ 655,000	\$ -	\$ -	\$ -
Total Other Capital (detail below)	\$ -	\$ 135,000	\$ -	\$ 765,000	\$ -	\$ -	\$ -	\$ 900,000
TOTAL CAPITAL PROJECTS	\$ 51,588,283	\$ 3,708,750	\$ 5,250,000	\$ 6,100,000	\$ 11,844,356	\$ 16,127,000	\$ -	\$ 94,618,389

OTHER CAPITAL PROJECTS

Rebuild Hanjung Gen Set				200,000				\$ 200,000
PCOB Generator			135,000	45,000				\$ 180,000
Trolley Motors (3 Hanjungs)				150,000				\$ 150,000
Trolley Sheaves (3 Hanjungs)				105,000				\$ 105,000
Head Block - Hanjung				85,000				\$ 85,000
Elevator Safety Devices				50,000				\$ 50,000
Weight Load System - Paceco				50,000				\$ 50,000
Refurbish Electrical Room (3 Hanjungs)				30,000				\$ 30,000
(IT) Hardware/Software Upgrades				20,000				\$ 20,000
4 Wheeler Utility Vehicles (Used)				20,000				\$ 20,000
(IT) Network Overhaul				10,000				\$ 10,000
Total Other Capital	\$ -	\$ 135,000	\$ -	\$ 765,000	\$ -	\$ -	\$ -	\$ 900,000

SCHEDULE J

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED BUDGET FY 2015/2016**

RECOMMENDATIONS:

We recommend removing and replacing Budget Ordinance Schedule I and Schedule J with Revised Schedule I and Revised Schedule J (attached) in order to correct the following:

1. To increase the "Shared Revenue from Primary Govt" line under the "Non-Operating Revenues" by \$47,484 from \$5,116,004 to \$5,163,488. This amount will be in agreement with the amount the City Council Finance Committee amended and has projected will be paid to JPA. We also recommend that JPA increase the "Debt Service" line item under "Non-Operating Expenditures" by \$47,484 from \$21,104,859 to 21,152,343. This will balance the revenues and expenditures for JPA's budget. JPA concurs.
2. We recommend removing and replacing Schedule J with Revised Schedule J to include formatting changes made for consistency purposes. JPA concurs.

**JACKSONVILLE PORT AUTHORITY
FY 2015/2016 BUDGET**

OPERATING REVENUES	
Autos	\$ 18,552,688
Containers	25,390,329
Break Bulk	4,063,562
Cruise	4,487,953
Liquid Bulk	1,303,171
Dry Bulk	1,809,493
Other Operating Revenues	<u>2,079,485</u>
TOTAL OPERATING REVENUES	<u>\$ 57,686,681</u>
OPERATING EXPENDITURES	
Salaries	\$ 11,749,018
Employee Benefits	4,704,121
Services & Supplies	4,246,520
Security Services	4,150,000
Business Travel & Training	542,791
Promotion, Advertising, Dues	1,064,092
Utility Services	1,104,748
Repairs & Maintenance Projects	1,610,453
Dredging	2,435,000
Other Operating Expenditures	<u>156,271</u>
TOTAL OPERATING EXPENDITURES	<u>\$ 31,763,014</u>
OPERATING INCOME	<u>\$ 25,923,667</u>
NON-OPERATING REVENUES	
Investment Income	\$ 121,603
Shared Revenue from Primary Govt	5,163,488
Other Revenue	3,860
TOTAL NON-OPERATING REVENUES	<u>\$ 5,288,951</u>
NON-OPERATING EXPENDITURES	
Debt Service	\$ 21,152,343
Contributions to Tenant	1,901,700
Other Claims and Recoveries	2,050,000
Other Expenditures	8,575
TOTAL NON-OPERATING EXPENDITURES	<u>\$ 25,112,618</u>
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	<u>\$ 6,100,000</u>
Transfer to Operating Capital Outlay	<u>\$ (6,100,000)</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>
TOTAL REVENUES & TRANSFERS IN	<u>\$ 62,975,632</u>
TOTAL APPROPRIATIONS	<u>\$ 62,975,632</u>
Full Time Positions	<u>170</u>
Temporary Employee Hours	<u>7,867</u>

Jacksonville Port Authority

Capital Projects - Budget 2015-2016 PROPOSED

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	JPA Financing	JPA Bonds	Amount
Blount Island	Rehabilitate Wharf Structures (Berth 35)	16,428,644				8,144,356	5,427,000	\$ 30,000,000
	Design and Purchase of 100 Gauge Container Cranes & Avtron Parts	15,000,000					10,700,000	\$ 25,700,000
	USMC Property (25 Acres)					2,500,000		\$ 2,500,000
	Tenant Parking Improvements				1,500,000			\$ 1,500,000
	Top End Overhaul for the engines of Cranes 8811 and 8841 (Hanjungs)				180,000			\$ 180,000
	Tenant Asphalt Facility Rehab (2016)				100,000			\$ 100,000
	Total Blount Island	\$ 31,428,644	\$ -	\$ -	\$ 1,780,000	\$ 10,644,356	\$ 16,127,000	\$ 59,980,000
Dames Point	Intermodal Container Transfer Facility	5,940,000	3,060,000					\$ 9,000,000
	Offsite Storm Water			4,500,000				\$ 4,500,000
	Wetland Mitigation					1,200,000		\$ 1,200,000
	August Drive Bridge Rehab				250,000			\$ 250,000
	Environmental Permitting				200,000			\$ 200,000
	Total Dames Point	\$ 5,940,000	\$ 3,060,000	\$ 4,500,000	\$ 450,000	\$ 1,200,000	\$ -	\$ 15,150,000
Talleyrand	Tenant Improvements				1,500,000			\$ 1,500,000
	Warehouse 1 Demo			750,000				\$ 750,000
	Pile Inspection & Rehab - Berths 4 & 5				750,000			\$ 750,000
	Pump & Treat System for Environmental Compliance				100,000			\$ 100,000
	Asphalt Rehabilitation				100,000			\$ 100,000
	Total Talleyrand	\$ -	\$ -	\$ 750,000	\$ 2,450,000	\$ -	\$ -	\$ 3,200,000
Port Related	Harbor Deepening GRRII	11,600,000						\$ 11,600,000
	Bartram Island Spoil Sites (Cell A & B2)	2,519,639						\$ 2,519,639
	Capitalize In-House Engineering Services				400,000			\$ 400,000
	Port Security Grant Program (Round 15)			270,000	90,000			\$ 360,000
	Transportation Workers Identification Credentials Continuation (Round 14)			243,750	81,250			\$ 325,000
	Mile Point	100,000						\$ 100,000
	Bartram Island Cell B Pump-out Structure				83,750			\$ 83,750
	Total Miscellaneous	\$ 14,219,639	\$ 513,750	\$ -	\$ 655,000	\$ -	\$ -	\$ 15,388,389
Other Capital	Rebuild Hanjung Gen Set				200,000			\$ 200,000
	PCOB Generator		135,000		45,000			\$ 180,000
	Trolley Motors (3 Hanjungs)				150,000			\$ 150,000
	Trolley Sheaves (3 Hanjungs)				105,000			\$ 105,000
	Head Block - Hanjung				85,000			\$ 85,000
	Elevator Safety Devices				50,000			\$ 50,000
	Weight Load System - Paceco				50,000			\$ 50,000
	Refurbish Electrical Room (3 Hanjungs)				30,000			\$ 30,000
	(IT) Hardware/Software Upgrades				20,000			\$ 20,000
	4 Wheeler Utility Vehicles (Used)				20,000			\$ 20,000
	(IT) Network Overhaul				10,000			\$ 10,000
	Total Other Capital	\$ -	\$ 135,000	\$ -	\$ 765,000	\$ -	\$ -	\$ 900,000
TOTAL CAPITAL PROJECTS		\$ 51,588,283	\$ 3,708,750	\$ 5,250,000	\$ 6,100,000	\$ 11,844,356	\$ 16,127,000	\$ 94,618,389

REVISED SCHEDULE J