

**COUNCIL AUDITOR'S OFFICE
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**JEA
COMPARISON OF BUDGETS
ELECTRIC AND WATER & SEWER AND DISTRICT ENERGY SYSTEM
APPROVED FY 2017/18 TO PROPOSED FY 2018/19
(000's)**

	Electric		Water & Sewer		District Energy		Transfers In/Out	Total Budget	City Contribution
	Operating Budget	Capital Budget	Operating Budget	Capital Budget	Operating Budget	Capital Budget			
FY 2017/18 Budget	\$ 1,268,534	\$ 205,195	\$ 516,797	\$ 236,511	\$ 9,126	\$ 3,241	\$ (421,609)	\$ 1,817,794	\$ 116,620
FY 2018/19 Proposed	\$ 1,286,304	\$ 334,588	\$ 528,379	\$ 248,461	\$ 9,257	\$ 5,108	\$ (468,692)	\$ 1,943,404	\$ 117,648
\$ Increase (Decrease)	\$ 17,770	\$ 129,393	\$ 11,582	\$ 11,950	\$ 131	\$ 1,867	\$ (47,083)	\$ 125,610	\$ 1,028
% Increase (Decrease)	1.40%	63.06%	2.24%	5.05%	1.43%	57.61%	(11.17%)	6.91%	0.88%

Notes:

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

	Budget FY 2017/18	Proposed FY 2018/19	Increase (Decrease)
Electric System	1,553	1,553	-
Water & Sewer System	599	599	-
District Energy System	6	6	-
Total JEA Employees	2,158	2,158	-
SJRPP Joint Venture*	230	-	(230)
Total JEA/SJRPP	2,388	2,158	(230)

***SJRPP decommissioned January 5, 2018**

(2) Detail of City Contribution:

	Budget FY 2017/18	Proposed FY 2018/19	Increase (Decrease)
Electric System	\$ 91,471.80	\$ 92,952.15	\$ 1,480.35
Water & Sewer System	\$ 25,148.02	\$ 24,695.39	\$ (452.63)
Totals	\$ 116,619.82	\$ 117,647.54	\$ 1,027.72

**CALCULATION OF JEA ELECTRIC CONTRIBUTION
FOR FISCAL YEAR 2018-2019**

	Total	Less Interchange	Net kWh
Month	kWh Sales (1)	kWh Sales (2)	Sales
May 2017	1,023,722,747	27,625,000	996,097,747
June	1,124,692,202	17,020,000	1,107,672,202
July	1,218,725,839	1,095,000	1,217,630,839
August	1,261,139,743	2,983,000	1,258,156,743
September	1,194,764,988	15,345,000	1,179,419,988
October	1,106,590,688	11,698,000	1,094,892,688
November	896,595,191	7,579,000	889,016,191
December	871,262,038	1,904,000	869,358,038
January 2018	1,212,654,561	2,925,000	1,209,729,561
February	899,171,878	3,174,000	895,997,878
March	862,074,863	300,000	861,774,863
April	842,553,797	2,298,000	840,255,797
Totals	<u>12,513,948,535</u>	<u>93,946,000</u>	<u>12,420,002,535</u>
		(3)	0.007468
			<u><u>\$ 92,752,579</u></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 7.468 mills times total electric kWh sales less interchange sales for the twelve months (12) ending April 30 of each year.
(4) Pursuant to Ordinance § 106.218, one quarter of a mill or \$3,105,001 has been dedicated to the JPA for port expansion.

**CITY WATER/SEWER CONTRIBUTION FORMULA
FOR FISCAL YEAR 2018-2019**

	Water Consumption	Sewer Consumption	Adjustments Total	Total Net Consumption
MONTH	kGals (1)	kGals (1)	kGals (3)	kGals
May 2017	3,917,505	2,497,403	(220,481)	6,194,428
June	3,536,219	2,337,703	(162,388)	5,711,534
July	3,328,047	2,235,986	(161,082)	5,402,952
August	3,292,884	2,212,377	(150,343)	5,354,917
September	3,183,026	2,205,249	(128,808)	5,259,467
October	3,159,552	2,135,242	(140,936)	5,153,858
November	3,087,128	2,078,183	(149,934)	5,015,377
December	3,004,688	2,072,495	(120,168)	4,957,015
January 2018	3,188,513	2,295,426	(96,569)	5,387,370
February	2,563,981	1,927,257	(58,126)	4,433,112
March	3,177,868	2,212,945	(133,515)	5,257,298
April	3,184,608	2,154,344	(150,845)	5,188,106
Totals	<u>38,624,019</u>	<u>26,364,609</u>	<u>(1,673,193)</u>	<u>63,315,435</u>
			(2)	0.3892000
				<u><u>\$ 24,642,367</u></u>

Notes:

(1) Consumption information taken from JEA's CMFTR124 monthly reports.
(2) The current City contribution is based on multiplying 389.20 mills times total water/sewer kGal sales less reuse sales for the twelve (12) months ending April 30 of the prior year.
(3) Adjustments include Summer Discount, Water Large (large industrial customer), Sewer LTD (wholesale sewer rate) and Water Reuse Consumption.

JEA Contribution Calculation

A Millage Calculation

Electric	\$	92,752,579	79%
Water		24,642,367	21%
	\$	<u>117,394,946</u>	

B Floor (prior Year plus 1%)

Base Year	FY 2015/16	\$	114,187,538
	FY 2016/17		115,329,413
	FY 2017/18		116,482,708
	FY 2018/19		117,647,535
	FY 2019/20		118,824,010
	FY 2020/21		120,012,250

Conclusion

The millage calculation of \$117,394,946 is less than the minimum payment of \$117,647,535 therefore, the minimum payment of \$117,647,535 is the contribution for FY 2018/19 for the Electric and Water/Sewer Systems.

Recommended Budget FY 2018/19

Electric	\$	92,952,147	79%
Water		24,695,388	21%
	\$	<u><u>117,647,535</u></u>	

Notes:

A = Calculated as 7.468 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 389.20 mills by the number of kGals 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, JEA shall pay the City each fiscal year, from 2016/2017 through 2020/2021, an additional amount if necessary, to ensure a minimum annual increase of 1% using the fiscal year 2015-2016 combined assessment of \$114,187,538 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).

JEA
ANALYSIS OF PROPOSED FY 2018/19 ELECTRIC OPERATING SYSTEM BUDGET
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000'S)

	2017/18 Original Budget	8 months Actual Thru May	JEA 12 months 2017/18 Projected	2018/19 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2017/18 Original Budget	2017/18 Original Budget
Fuel Related Revenue & Expenses						
Revenue						
Fuel Related Revenue	\$ 417,649	\$ 245,457	\$ 396,967	\$ 422,782	\$ 5,133	1.23%
Net Fuel Related Revenues	\$ 417,649	\$ 245,457	\$ 396,967	\$ 422,782	\$ 5,133	1.23%
Expense						
Fuel Related and Purchased Power	\$ 449,614	\$ 295,235	\$ 448,502	\$ 438,299	\$ (11,315)	(2.52%)
Transfer To/(From) Rate Stabilization	(32,800)	(50,003)	(51,957)	(16,151)	16,649	(50.76%)
Uncollectible Accts.	835	225	423	634	(201)	(24.08%)
Net Fuel Related Expenses	\$ 417,649	\$ 245,457	\$ 396,967	\$ 422,782	\$ 5,133	1.23%
Fuel Fund Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	
Base Rate Revenue & Expenses						
Revenues						
Base Rate Revenue	\$ 811,235	\$ 479,598	\$ 773,906	\$ 821,193	\$ 9,959	1.23%
Investment Income	6,715	6,297	8,535	11,601	4,886	72.77%
Other Revenues	32,936	17,139	28,117	30,728	(2,208)	(6.70%)
Total Operating Revenues	\$ 850,885	\$ 503,034	\$ 810,559	\$ 863,521	\$ 12,636	1.49%
Expenses						
Operating & Maintenance	\$ 216,334	\$ 124,950	\$ 207,819	\$ 221,286	\$ 4,952	2.29%
Environmental Charge	7,942	4,671	7,552	8,040	98	1.23%
Conservation Charge	7,510	4,267	7,010	7,590	80	1.07%
Natural Gas Pass Through Expense	2,290	452	1,212	2,418	128	5.58%
Non-Fuel Purchased Power	85,372	56,310	125,723	73,565	(11,807)	(13.83%)
Emergency Contingency	5,000	-	5,000	5,000	-	0.00%
PSC Fees	203	142	206	206	3	1.25%
Uncollectible Accts.	1,008	435	824	1,232	224	22.20%
Total Operating Expenses	\$ 325,660	\$ 191,227	\$ 355,346	\$ 319,337	\$ (6,323)	(1.94%)
Net Income From Operations	\$ 525,225	\$ 311,807	\$ 455,213	\$ 544,185	\$ 18,960	3.61%
Other Deductions						
Debt Service	\$ 228,559	\$ 142,887	\$ 215,701	\$ 203,669	\$ (24,890)	(10.89%)
Operating Capital Outlay	140,658	64,000	82,431	182,064	41,406	29.44%
Renewal & Replacement- Elec. Sys.	64,537	43,739	65,609	65,500	963	1.49%
Interlocal Agreement	-	-	-	-	-	
Total Other Deductions	\$ 433,754	\$ 250,626	\$ 363,741	\$ 451,233	17,479	4.03%
Net Income Before City Contribution	\$ 91,472	\$ 61,181	\$ 91,472	\$ 92,952	1,480	1.62%
Contribution to City's General Fund	\$ 91,472	\$ 60,981	\$ 91,472	\$ 92,952	1,480	1.62%
Base Rate Surplus (Deficit)	\$ -	\$ 200	\$ -	\$ -	\$ -	
Budget Surplus (Deficit)	\$ -	\$ 200	\$ -	\$ -	\$ -	
MWH Sales (000's)	13,020	7,623	12,346	13,180	160	1.23%
# of Accounts	461,061	467,464	469,683	472,032	10,971	2.38%

JEA
FY 2017/18 Original Budget vs. FY 2018/19 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	Increase/(Decrease)	
	(\$000's)	%
Fuel Related Revenues:		
Fuel Related Revenue The increase reflects a change in the MWh sales projection from 13,020,000 in FY 2017/18 to 13,180,028 in FY 2018/19. Rate remains \$32.50 per kWh.	\$ 5,133	1.23%
Fuel Related Expenses:		
Transfer To(From) Rate Stabilization This decrease over FY 2017/18 is due to lower fuel expenses, utilizing natural gas hedges, and higher fuels revenues thus reducing the withdrawal from the Rate Stabilization.	\$ 16,649	(50.76%)
Fuel Uncollectibles The uncollectible rate percentage was reduced from 0.20% to 0.15% based on trends resulting in a lower expense.	\$ (201)	(24.08%)
Base Related Revenues:		
Base Rate Revenue The increase reflects a change in the MWh sales projection from 13,020,000 in FY 2017/18 to 13,180,028 in FY 2018/19. Rate remains \$61.62 per kWh.	\$ 9,959	1.23%
Investment Income A higher investment yield of 1.24% is being used for the FY 2018/19 Budget. The rate of 0.630% was used for the FY 2017/18 Budget.	\$ 4,886	72.77%
Other Revenues The decrease is a result of the reduction of joint dispatch revenues from the previous contract with Gainesville Regional Utilities (GRU).	\$ (2,208)	(6.70%)
Base Related Expenses:		
Operating & Maintenance The net increase is primarily based on increases to other services and charges of \$5.7 million, salaries and benefits of \$3.8 million, and property and casualty insurance of \$2.7 million. These are offset by reductions in other contingencies of \$3.0 million, expense credits of \$3.4 million, and transfers of \$1.9 million to salaries and benefits for capital work-in-progress. (DETAILED BREAKOUT GIVEN ON NEXT TWO PAGES)	\$ 4,952	2.29%
Non-Fuel Purchased Power The decrease results from reduced Scherer operations and capital expense and no SJRPP O&M expenses due to the decommissioning as of January 5, 2018. This is offset by higher SJRPP debt service principal and interest expense due to scheduled principal maturities.	\$ (11,807)	(13.83%)
Debt Service The decrease is attributable to lower debt principal payments due to FY 2017 debt restructuring, lower interest due to a lower debt balance, and no bond buyback scheduled for FY 2018/19.	\$ (24,890)	(10.89%)
Operating Capital Outlay Reflects increased capital requirements. The OCO is based on the proposed capital budget of \$335 million minus renewal and replacements deposits.	\$ 41,406	29.44%

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
ELECTRIC SYSTEM
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000's)

	2017/18 Original Budget	8 months Actual Thru May	JEA 12 months 2017/18 Projected	2018/19 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2017/18 Original Budget	2017/18 Original Budget
Salaries	\$ 125,627	\$ 87,666	\$ 129,394	\$ 129,435	\$ 3,808	3.03%
Employee Benefits	51,048	30,502	49,277	50,722	(326)	(0.64%)
Supplies	16,277	14,469	20,295	17,052	775	4.76%
City Services	1,693	766	1,544	1,325	(368)	(21.72%)
Other Intercompany Charges	282	451	545	578	296	105.11%
Other Services & Charges	108,909	51,622	92,617	114,576	5,667	5.20%
Other Contingencies	5,000	60	3,546	2,000	(3,000)	(60.00%)
City Legal Services	1,590	583	900	1,590	-	0.00%
Property & Casualty Insurance	7,505	7,177	9,678	10,226	2,721	36.26%
Interest on Customer Deposits	400	1,118	1,251	1,161	761	190.24%
Operating Reserve	2,000	-	2,000	2,000	-	0.00%
Expense Credits	(77,256)	(49,593)	(75,127)	(80,694)	(3,438)	4.45%
Trf. to WIP- Salaries	(19,299)	(15,232)	(21,170)	(20,852)	(1,552)	8.04%
Trf. to WIP- Emp. Benefits	(7,441)	(4,641)	(6,930)	(7,833)	(392)	5.26%
O & M Expense	<u>\$ 216,334</u>	<u>\$ 124,950</u>	<u>\$ 207,819</u>	<u>\$ 221,286</u>	<u>\$ 4,952</u>	<u>2.29%</u>

JEA
FY 2017/18 Original Budget vs. FY 2018/19 Proposed Budget
Expenditure Variance Overview - Electric System

	Increase/(Decrease)	
	(\$000's)	%
Operating & Maintenance		
Salaries		
The increase for FY 2018/19 of \$3.8 million is the combination of \$2.8 million in contractual increases, appointed employees receiving 3% general increases of \$0.8 million, and an overtime increase of \$0.2 million.	\$ 3,808	3.03%
Supplies		
The increase is primarily attributed to the increase in planned outage expenses.	\$ 775	4.76%
City Services		
The decrease is due to the budgeted amount of gallons used at City fueling sites.	\$ (368)	(21.72%)
Other Services & Charges		
The increase is primarily attributed to the increase in planned outages of \$4.0 million and the On/Off Road Electrification Program.	\$ 5,667	5.20%
Other Contingencies		
The decrease is due to a reduction of SJRPP decommissioning expenses over the previous year.	\$ (3,000)	(60.00%)
Property & Casualty Insurance		
JEA increased transmission and distribution insurance coverage due to expenses incurred with Hurricanes Matthew and Irma.	\$ 2,721	36.26%
Interest on Customer Deposits		
The 1-year Treasury bill yield used to calculate the interest on Customer Deposits for FY 2018/19 Budget is 1.240%. The rate of 0.630% was used for FY 2017/18 Budget.	\$ 761	190.24%
Trf. to WIP- Salaries		
Transfers to WIP employee salaries are captured in the operating budget. It represents the salaries charged to capital project work orders and is a credit to the operating fund.	\$ (1,552)	8.04%
Trf. To WIP-Emp. Benefits		
Transfers to WIP employee capitalized benefits are captured in the operating budget. It represents the benefits charged to capital project work orders and is a credit to the operating fund.	\$ (392)	5.26%

JEA
ANALYSIS OF PROPOSED FY 2018/19 CAPITAL BUDGET
ELECTRIC SYSTEM
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000'S)

			JEA		\$ and % Increase (Decrease)	
	2017/18	8 months	12 months	2018/19	Proposed Budget Over	
	Original	Actual	2017/18	Proposed	2017/18	2017/18
	Budget	Thru May	Projected	Budget	Original	Original
	Budget				Budget	Budget
Capital Funds						
Renewal & Replacement Deposits	\$ 64,537	\$ 43,739	\$ 65,609	\$ 65,500	\$ 963	1.49%
Construction Fund Investment Income	-	-	-	-	NA	NA
Debt	-	-	-	-	NA	NA
Other Proceeds*	-	-	52,082	87,024	NA	NA
Operating Capital Outlay	140,658	64,000	82,431	182,064	41,406	29.44%
Total Capital Funds	\$ 205,195	\$ 107,739	\$ 200,122	\$ 334,588	\$ 129,393	63.06%
Capital Projects						
Generation Projects	\$ 27,585	\$ 10,806	\$ 22,360	\$ 113,000	\$ 85,415	309.64%
Transmission & Distribution	102,012	53,155	99,340	137,221	35,209	34.51%
Other	75,598	36,778	78,421	84,367	8,769	11.60%
Total Capital Projects	\$ 205,195	\$ 100,739	\$ 200,122	\$ 334,588	\$ 129,393	63.06%
Surplus (Deficit)	\$ -	\$ 7,000	\$ -	\$ -	\$ -	

* Funding from prior year remaining balances

Note: Detail listing of Capital Projects can be seen on the next four pages.

JEA
Electric System
FY 2019 Capital Budget
(000's Omitted)

Project Title	FY19
GENERATION	
Unit B52 Advanced Gas Path Upgrade	27,798
Unit B53 Advanced Gas Path Upgrade	27,798
Brandy Branch - Advanced Gas Path Capital Improvements	8,419
Kennedy Combustion Turbine Unit 8 - Hot Gas Path Inspection	6,300
Brandy Branch - Units 2 and 3 Evaporator Replacement	5,766
Greenland 2X1 Combined Cycle Completion	5,000
Northside Generating Station - Unit 1 and 2 Boilers - Gas Lance Installation	4,744
Northside - Units 1, 2, and 3 Capital Improvement Projects	4,000
Northside Generating Station - Unit N36 Major Inspection FY2019	3,000
Northside Generating Station - Unit 3 Economizer Replacement	2,680
Steam Plant General Capital Improvements	2,000
Brandy Branch - Greenland Energy Center - General Capital Improvements	2,000
Brandy Branch - Unit B54 Heat Recovery Steam Generator - Transition Duct	1,923
Brandy Branch - Cooling Tower Fan Blades and Drift Eliminators - Replacement	1,000
Northside Generating Station - Units N01, N02 - EX2000 Digital Front End Upgrade	929
Brandy Branch - Unit B51 Exhaust Stack Silencer Replacement	823
Brandy Branch - Units B51, 52, 53 - Static Starter Digital Front End (DFE) Upgrade	773
Northside Generating Station - Units N01, N02 - Boiler Feed Pumps, Fans, Racks	694
Brandy Branch - Units B52, 53 - Main Steam Manual Gate Valve Replacement	650
Kennedy Unit 30 - Control Room Upgrade	618
Northside Generating Station - Unit 1 Circulating Water Piping Replacement	580
Northside Generating Station - Bed Ash Silos 1 and 2 Slurry Pump and Piping	557
Northside Generating Station - Unit N03 Condenser Inlet Valve Replacement	510
Brandy Branch - Units B51, 52, 53, 54 - EX2000 Digital Front End (DFE) Upgrade	500
Northside Generating Station - Units N33, N34, N35, N36 DCS Control System Upgrade	456
Northside Generating Station - Unit N00 Limestone Utilization Improvement	446
Northside Generating Station - Circulating Fluidized-Bed Boiler Simulator Replacement	444
Northside Generating Station - Unit N02 Cyclone Crossover Expansion Joint Repair	389
Kennedy Generating Station - Unit K30 - SUS-3 480V Switchgear Modernization	336
Northside Generating Station - Unit 3 Reliability Improvements	300
Kennedy Combustion Turbine Unit 7 - Hot Gas Path Inspection	250
Northside Generating Station - Units N33, N34, N35, N36 Electrical Upgrades	243
Northside Generating Station - Units N01, N02 Battery Charger Replacement	241
Northside Generating Station - Units N01, N02 Seal Pot Air to Intrex Damper Upgrade	210
Northside Generating Station - Unit N03 Instrument Upgrade	205

JEA
Electric System
FY 2019 Capital Budget
(000's Omitted)

Project Title	FY19
Northside Generating Station - Unit N00 Fire Alarm Control Panel Upgrade	202
Northside Generating Station - Unit N03 River Water Booster Pump Replacement	147
Brandy Branch - Units B52, B53 Selective Catalytic Reduction Catalyst - Replacement	55
Northside Generating Station - Unit N03 Condenser Waterbox Liner Replacement	14
GENERATION SUBTOTAL	113,000
TRANSMISSION AND DISTRIBUTION	
Electric Meters - 2-Way Meter Conversion	20,000
Electric Distribution Maintenance Capital Upgrades	12,500
Solar Farm Interconnects	10,500
System Average Interruption Duration Index (SAIDI) Improvement Plan	9,776
Dinsmore 230 - 26 kV Substation	8,826
New Electric Service Additions	8,600
GEC to Bartram 230 kV Circuit 909 Addition	7,888
Electric Development Driven Projects	7,000
Eagle 138 - 13.8 kV Substation	4,277
Substation Repair and Replace Project - Transformer Replacements	3,800
CEMI-5 Electric Distribution Betterment	3,000
Bartram 230 kV Bay and Breaker Addition for Circuit 909	2,836
Joint Participation Electric Relocation Projects	2,600
4kV Conversion - Fairfax and 21st and Hubbard	2,107
Nocatee 230 - 26 kV Substation	2,060
General Underground Network and Commercial Repair and Replace and Upgrades	1,900
500 kV Transmission Line Upgrades	1,800
Church St Feeders 181-186 13kV Reconductor from Substation to Riverside Ave	1,774
Pole Replacement Program	1,750
Electric Meters - Growth	1,649
Electric Distribution System Improvements	1,624
Kennedy Substation Control Cable and Protection System Replacement	1,475
Greenland Energy Center 230 kV Bay and Breaker Addition for Circuit 909	1,402
230kV Circuit 915 Partial Rebuild	1,142
Eagle 138 - 13.8 kV Substation - Protection and Controls	1,086
Automatic Recloser Deployment	1,040
Distribution System - Pole Removal	1,000
Transmission Lines Protection and Control Updates	900
230 KV_ 138KV_ 69 kV Pole Refurbishment	800
26kV Feeder Circuit Breaker Replacement	754

JEA
Electric System
FY 2019 Capital Budget
(000's Omitted)

Project Title	FY19
Ritter Park 429 Reconductor	725
General Substation Improvements	700
Energy Management System - Distribution Management System Integration	700
Transmission Capacitor Bank Controls Replacement	610
230KV_138KV_69 kV Insulator Refurbishment	600
Center Park Substation Protection Improvements	580
Dinsmore 230 - 26 kV Substation - Protection and Controls	568
26KV Reconductor Circuit 417 - 418 - Woodley Rd from New Kings Rd to Old Kings Rd	504
Underground Cable Replacement Program - Existing Developments	500
Dinsmore Distribution Feeders	475
Pipe-Type Cable Replacements – Kennedy Circuit 682 and Hunter Rd Circuit 688	430
Greenland Energy Center - 230 kV Circuit 909 Interconnect	400
Bartram 230 kV Circuit 909 Interconnect	396
Bartram 298: Feeder Extension in Right of Way from Substation to Bartram Park Blvd	395
Nocatee 230 - 26 kV Substation - Protection and Controls	385
Nocatee Substation Distribution Feeders	370
General Distribution Improvements	300
General Transmission Improvements	300
Electric Meters - Replacement	300
General Protection System Improvements Transmission	300
(Reimbursable) Joint Project - Twin Creeks - SR210 - Electric	275
Dinsmore 230 kV Circuit 937 Interconnect	240
Greenland Energy Center 230 kV Breaker for Circuit 909 - Protection and Controls	219
13kV Electric Distribution Network Improvements Placeholder	200
Capital Tools and Equipment - Electric	175
Energy Management System - EMS - Remote Terminal Units Upgrade Project	160
Distribution Photovoltaic Project	125
General Transmission Improvements	100
Capital Tools and Equipment - Electric 1	80
Eagle 138kV Circuit 847 Interconnect	60
Bartram 230 kV Bay and Breaker Addition for Circuit 909 - Protection and Controls	60
Electric Customer Service Response Tools and Equipment	55
Nocatee 230 kV Circuit 909 Interconnect	30
Nocatee 230 kV Circuit 917 Interconnect	28
Bartram 298: Feeder Extension to Bartram Park Blvd - Protection and Controls	10
TRANSMISSION AND DISTRIBUTION SUBTOTAL	137,221

JEA
Electric System
FY 2019 Capital Budget
(000's Omitted)

Project Title	FY19
ELECTRIC OTHER	
General Administration Office Building	28,604
TS - Projects - Electric	18,300
Capital Administrative Overhead- Electric	9,750
Fleet - Replacement - Electric	7,295
New Operations Center (South)	6,500
Streetlight Improvements - Phase 2	5,500
Westside Service Center - Administrative and Warehouse Space	2,627
Commonwealth Service Center - Interior and Roof Upgrades	2,000
Facilities Security - Electric	620
Facilities Roof Replacement - Electric	450
Facilities Heating, Ventilation, and Air - Electric	430
Facilities Improvements - Building Upgrades - Electric	425
Fleet - Expansion - Electric	251
Facilities - Paving and Site Improvements - Electric	250
Energy Management System - Base Upgrade Project	225
Facilities Improvements - Lighting - Electric	200
Facilities Improvements - Elevators - Electric	190
Facilities Generators - Electric	175
Westside Service Center - Paving Upgrades	135
Security - Fencing - Electric	130
Facilities Improvements, Plumbing and Fire System Upgrades - Electric	100
Northside Generating Station - Training Center	85
Laboratory Equipment Upgrades - Electric	75
Utility Locate Group - Capital Equipment - Electric	50
ELECTRIC OTHER SUBTOTAL	84,367
GRAND TOTAL	334,588

JEA
ANALYSIS OF PROPOSED FY2018/19 WATER & SEWER SYSTEM OPERATING BUDGET
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000's)

			JEA		\$ and % Increase (Decrease) Proposed Budget Over	
	2017/18 Original Budget	8 months Actual Thru May	12 months 2017/18 Projected	2018/19 Proposed Budget	2017/18 Original Budget	2017/18 Original Budget
Revenues						
Water & Sewer Revenues	\$ 456,851	\$ 279,282	\$ 432,112	\$ 457,316	\$ 465	0.10%
Investment Income	4,854	4,353	5,971	6,319	1,464	30.16%
Capacity & Extension Fees	21,000	16,152	23,641	24,500	3,500	16.67%
Contributed Capital	-	45	45	-	NA	NA
Other Revenues	34,091	23,934	34,581	40,244	6,153	18.05%
Total Revenues	\$ 516,797	\$ 323,765	\$ 496,349	\$ 528,379	\$ 11,582	2.24%
Operating Expenses						
Operating & Maintenance	\$ 153,394	\$ 94,003	\$ 147,826	\$ 161,842	\$ 8,448	5.51%
Uncollectibles	685	389	608	686	1	0.10%
Emergency Contingency	1,000	-	1,000	1,000	-	0.00%
Total Operating Expenses	\$ 155,079	\$ 94,392	\$ 149,434	\$ 163,528	\$ 8,449	5.45%
Other Deductions						
Debt Service	\$ 121,123	\$ 78,299	\$ 118,181	\$ 120,136	\$ (987)	(0.81%)
Interlocal Payments	-	347	347	-	NA	NA
Operating Contingency	-	-	-	-	NA	NA
Capacity Fee Transfer	21,000	16,197	23,686	24,500	3,500	16.67%
Operating Capital Outlay	170,496	99,386	155,080	170,615	119	0.07%
Renewal & Replacement Fund	23,951	16,316	24,474	24,905	954	3.98%
Total Other Deductions	\$ 336,569	\$ 210,545	\$ 321,767	\$ 340,155	\$ 3,586	1.07%
Contribution to City's General Fund	\$ 25,148	\$ 16,765	\$ 25,148	\$ 24,695	\$ (453)	(1.80%)
Budget Surplus (Deficit)	\$ -	\$ 2,063	\$ -	\$ -	\$ -	
Water Sales (kGals)	42,000,000	23,721,986	38,254,000	42,000,000	-	0.00%
Sewer Sales (kGals)	34,650,000	19,346,201	31,315,000	34,650,000	-	0.00%
Number of Accounts	617,061	632,450	637,520	640,707	23,646	3.83%

JEA
FY 2017/18 Original Budget vs. FY 2018/19 Proposed Budget
Revenue and Expense Variance Overview - Water and Sewer System

	Increase/(Decrease)	
	(\$000's)	%
Revenues:		
Investment Income		
The increase is due to a higher investment yield rate from 1.39% in the FY 2017/18 Budget to 2.02% for the FY 2018/19 Budget.	\$ 1,464	30.16%
Capacity & Extension Fees		
The increase reflects current construction activity and trends.	\$ 3,500	16.67%
Other Revenues		
The increase reflects FY 2016/17 surplus revenues of \$28.4 million being utilized for capital requirements in FY 2018/19 as compared to the FY 2015/16 revenues of \$21.5 million budgeted in FY 2017/18.	\$ 6,153	18.05%
Expenses:		
Operating & Maintenance		
The increase is primarily due to other services and charges of \$8.1 million, and net increases for salary and benefit costs of \$5.1 million, which are offset by transfers to salaries and benefits for capital work-in-progress of \$4.9 million. (DETAILED BREAKOUT GIVEN ON THE NEXT TWO PAGES)	\$ 8,448	5.51%
Capacity Fee Transfer		
The increase reflects current construction activity and trends.	\$ 3,500	16.67%

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
WATER & SEWER SYSTEM
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000's)

	2017/18 Original Budget	8 months Actual Thru May	JEA 12 months 2017/18 Projected	2018/19 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2017/18 Original Budget	2017/18 Original Budget
Salaries	\$ 49,494	\$ 34,258	\$ 50,638	\$ 53,867	\$ 4,373	8.84%
Employee Benefits	19,733	11,983	19,505	20,415	682	3.46%
Supplies	13,808	9,356	13,838	14,875	1,067	7.72%
Other Services & Charges	81,391	50,313	77,940	89,488	8,098	9.95%
Contracts and Contingencies	500	30	530	500	-	0.00%
Purchased Water & Treatment	41	15	28	41	-	0.00%
Property Insurance	1,482	972	1,466	1,687	205	13.83%
Operating Reserves	1,250	0	1,250	1,250	-	0.00%
Interest on Customer Deposits	50	224	240	193	143	285.25%
Expense Credits	(5,964)	(4,594)	(6,475)	(7,233)	(1,268)	21.27%
Transfers to WIP Salaries	(6,273)	(6,220)	(8,151)	(9,734)	(3,461)	55.16%
Transfers to WIP Emp. Benefits	(2,118)	(2,332)	(2,984)	(3,507)	(1,389)	65.60%
Total O & M Expense	<u>\$ 153,394</u>	<u>\$ 94,003</u>	<u>\$ 147,826</u>	<u>\$ 161,842</u>	<u>\$ 8,448</u>	<u>5.51%</u>

JEA
FY 2017/18 Original Budget vs. FY 2018/19 Proposed Budget
Expenditure Variance Overview - Water and Sewer System

	Increase/(Decrease)	
	(\$000's)	%
Operating & Maintenance		
Salaries The increase includes contractual increases of \$2.5 million, (20) newly funded professional positions totaling \$1.2 million, \$0.4 million in overtime increases, and \$0.3 million in appointed market adjustments.	\$ 4,373	8.84%
Employee Benefits The increase is primarily attributed to increased personnel, as described in the salary explanation above.	\$ 682	3.46%
Supplies The increase is mainly due to increases in chemicals & gases, direct purchases, and inventory.	\$ 1,067	7.72%
Other Services and Charges The increase is primarily due to increased funding for Septic Tank Phase Out and other sewer resiliency initiatives.	\$ 8,098	9.95%
Property Insurance The increase is a result of an increase in market cost, not a change in coverage.	\$ 205	13.83%
Interest on Customer Deposits The 1-year Treasury bill yield used to calculate the interest on Customer Deposits for FY 2018/19 Budget is 1.240%. The rate of 0.630% was used for FY 2017/18 Budget.	\$ 143	285.25%
Trf. to WIP- Salaries Transfers to WIP employee salaries are captured in the operating budget. It represents the salaries charged to capital project work orders and is a credit to the operating fund.	\$ (3,461)	55.16%
Transfers to WIP Emp. Benefits Transfers to WIP employee capitalized benefits are captured in the operating budget. It represents the benefits charged to capital project work orders and is a credit to the operating fund.	\$ (1,389)	65.60%

JEA
ANALYSIS OF PROPOSED FY 2018/19 CAPITAL BUDGET
WATER & SEWER SYSTEM
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000'S)

	2017/18 Original Budget	8 months Actual Thru May	JEA 12 months 2017/18 Projected	2018/19 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2017/18 Original Budget	2017/18 Original Budget
Capital Funds						
Debt	\$ -	\$ -	\$ -	\$ -	NA	NA
Other Proceeds*	21,064	-	25,362	28,441	\$ 7,377	35.02%
Renewal & Replacement Deposits	23,951	16,316	24,474	24,905	954	3.98%
Operating Capital Outlay	170,496	99,386	155,035	170,615	119	0.07%
Contributed Capital	-	45	45	-	NA	NA
Capacity Fees	21,000	16,152	23,641	24,500	3,500	16.67%
Total Capital Funds	\$ 236,511	\$ 131,899	\$ 228,556	\$ 248,461	11,950	5.05%
Capital Projects						
Water	\$ 56,551	\$ 31,573	\$ 55,567	\$ 71,300	14,749	26.08%
Sewer	153,488	42,612	145,753	144,657	(8,831)	(5.75%)
Other	26,472	7,835	27,236	32,504	6,032	22.79%
Total Capital Projects	\$ 236,511	\$ 82,020	\$ 228,556	\$ 248,461	11,950	5.05%
Surplus (Deficit)	\$ -	\$ 49,879	\$ -	\$ -	\$ -	

* Funded from prior year remaining balances

Note: Detail listing of Capital Projects can be seen on the next six pages.

JEA
Water Sewer System
FY 2019
Capital Budget
(000's Omitted)

Project Title	FY19
WATER	
US1 South Water Repump Facility	6,785
Main St Water Treatment Plant - 1st St to Franklin St - Transmission	5,228
Water Delivery System Repair and Replacements	4,400
Blount Island Fire Protection System	4,300
Water Meter Replacement	3,400
E 1st St Main St to E 4th St - Raw Water - New	2,785
Greenland Water Treatment Plant - Expansion	2,610
Cecil Treatment Plant - Ground Storage Tank and High Service Pump	2,460
Lakeshore Water Treatment Plant - Reservoir Rehabilitation	2,271
Water Meter Growth	2,250
Woodmere Water Treatment Plant - Well No 3 and Storage Tank Replacement	2,033
Large Water Meter Replacement	1,820
Bartram - US1 - Old St Augustine Rd to US 1	1,791
Development Driven Projects - Water	1,667
Nassau Regional Water Treatment Plant - Well No 3	1,540
Ponte Vedra Blvd 6" Cast Iron Replacement	1,479
Well Rehabilitation and Maintenance - McDuff Wells	1,396
Otter Run Water Treatment Plant Renewal and Replacement	1,363
Joint Participation Projects - Water	1,300
Well Rehabilitation and Maintenance - Fairfax Wells	1,188
Joint Project - JTA - 8th St Water Main Replacement - Mt Herman St to Boulevard St	1,032
McDuff Water Treatment Plant - High Service Pump Replacement	1,007
Deerwood - Southside Blvd Intertie to Deerwood III Water Treatment Plant	1,000
Galvanized Pipe Replacement - Program	1,000
Lofton Oaks Water Treatment Plant Improvements	942
(Reimbursable) - COJ - Riverview Watermain Phase 2	932
Norwood Water Treatment Plant High Service Pump	897
South Grid Water Quality - Well Improvement	827
RiverTown - New Water Treatment Plant	760
Main Extensions and Taps – Water	750
Water Treatment Plant Reservoir Repair and Replace	700
Ponce De Leon Water Treatment Plant - Well No 2 Replacement	682
Integrated Water Supply Testing Evaluation and Rehabilitation (iWATER)	652
Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades	640

JEA
Water Sewer System
FY 2019
Capital Budget
(000's Omitted)

Project Title	FY19
Joint Project - COJ - Lower Eastside Drainage (First St - APR Blvd to Van Buren)	600
103rd St Water Main Replacement - Cecil Commerce Ctr Pkwy to Aviation Ave	590
Jammes Rd - Wilson Blvd to Harlow Blvd	512
Water Plant Capital Renewal and Replacement	500
Westlake Water Treatment Plant - Well No 4 and Reclaim Water Main	495
Emory Circle - From Cornell Rd along Rollins Ave and Tulane Ave to Emory Circle	488
Large Diameter Pipe Program - Palm Avenue Water Main Replacement	458
Well Field Repair and Replace	450
Boulevard St Water Main Replacement - 7th St to 11th St	435
Julington Creek Water Treatment Plant - Storage Tank Rehabilitation	400
Joint Project - JTA - Alta Drive Roadway Improvements - Water	355
Main St Water Treatment Plant - Ozone Generator - Addition	312
Owens Rd - Ranch Rd to Max Leggett Pkwy - New - Water	288
King St and Shircliff Way Water Main Replacement	269
Main St Water Treatment Plant - Well No 15 - New Lower FI Aquifer Well	261
Grid - Cost Participation - New - Water	250
Pages Dairy Rd - Felmor Rd to Chester Ave - Transmission - Water Main	208
Large Diameter Pipe Program - Pepsi Place Water Main Replacement	187
St Johns River Water Managment District - Alternative Water Supply - Pilot Plant	100
Joint Project - FDOT - (SR111) Cassat Ave - Lenox Ave to Blanding Blvd - Water	57
Joint Project - FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3 - Water	55
St Johns Forest Wells	50
Mandarin Road Loop Connection - Transmission - New - Water Main	39
Joint Project - JTA - Collins Rd - Water	36
Joint Project - FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Section 1 - Water	9
Joint Project - FDOT - Pecan Park Rd - I-95 - Water	9
WATER SUBTOTAL	71,300
SEWER	
Resiliency - Pump Stations, Plants, Electrical Reliability	18,000
Bradley Road Pump Station Improvements	8,834
West Grid - Lenox to Timuquana - Force Main and Pump Station Improvements	7,905
Gate Pkwy - Glen Kernan to T-Line - Transmission - New	5,994
Buckman Biosolids Conversion - Process Facility	5,288
Argyle Forest Booster Station and Related Stations Upgrades	4,739
Blacks Ford Water Reclamation Facility - Expansion	4,000

JEA
Water Sewer System
FY 2019
Capital Budget
(000's Omitted)

Project Title	FY19
Buckman Disinfection System Replacement	3,638
Large Diameter Pipe Program - Walnut St Trunkline Replacement	3,220
Wastewater Treatment Facilities - Capital Equipment Replacement	3,140
Sewer Collection System Repair and Replacements	2,800
Pumping Stations - Capital Equipment Replacement	2,600
T - Line - JTB to Town Center Pkwy - Transmission - New - Force Main	2,542
Greenland Wastewater Treatment Plant	2,522
Greenland - GEC to US-1 - Transmission - Force Main	2,215
Sewer Collection System - Trenchless Repair and Replace	2,000
Nassau Reclaim Water Main - Radio Av to Harts Rd - Transmission - Reclaim	1,968
Pumping Stations - Class I/II Station Rehabilitation	1,900
4511 Spring Park Rd Lift Station	1,831
Buckman Water Reclamation Facility - Blower System Improvements	1,800
Large Diameter Pipe Program - Gravity Sewer Replacement	1,800
District 2 - Robena Rd Booster Wastewater Pump Station	1,698
Nassau Regional Water Reclamation Facility - Expansion	1,653
Development Driven Projects - Reclaim	1,627
District 2 - Pulaski Rd Booster Wastewater Pump Station	1,617
Greenland - Burnt Mill Pump Station to Greenland Energy Center - Force Main	1,530
Arlington East Water Reclamation Facility - Secondary Clarifier Addition	1,519
Large Diameter CIPP - Program	1,500
Air Release Valve Replacement - Program	1,500
Buckman Water Reclamation Facility - Aeration Basin Header and Diffuser Replacement	1,500
Southwest - 6217 Wilson Bv - Class III/IV	1,494
Development Driven Projects - Sewer	1,360
Supervisory Control and Data Acquisition (SCADA) Remote Terminal Units and Control Panel Upgrades	1,200
District 2 - T-Line to Busch Dr - Transmission - New - Force Main	1,143
Large Diameter Pipe Program - Bernita St Force Main Replacement: Macy Ave to Monterey Wastewater Trea	1,112
Biosolids Process Renewal and Replacement	1,100
Southwest - 4881 Timuquana Rd - Class III/IV	1,083
Large Diameter Pipe Program - Southwest Service Area Infiltration and Inflow Analysis and Remediation	1,000
Sewer Pipeline CrossiNorthside Generating Station Resiliency - Program	1,000
Arlington East Water Reclamation Facility Upgrades - Aeration Basin and Blowers	956
RG Skinner - 9B to Parcels 10A - 11 - Reclaim	914
Nocatee South RW Storage Tank and Booster PS - Reclaim	909
Tredinick Pkwy - Millco Rd to Mill Creek Rd - Transmission - Reclaim	883

JEA
Water Sewer System
FY 2019
Capital Budget
(000's Omitted)

Project Title	FY19
District 2 - 11308 Harts Rd - Class III/IV	871
Nassau - Radio Av - Reclaim Water Storage Tank and Booster Pump Station	855
Southwest - 5104 118th St - Class III/IV	851
Buckman - 5307 Buffalo Ave - Class III/IV	837
RG Skinner - 9B to T-Line - Reclaim	826
Southwest Wastewater Treatment Plant Expansion	800
5th St W - Imeson Rd to Melson Ave - Transmission - New - Force Main	791
Large Diameter Pipe Program - Ductile Iron Force Main Replacement	780
Southwest Water Reclamation Facility - Screening Conveyance and Grit Removal System Replacement	748
Main Extensions and Taps – Sewer	725
1638 Talleyrand Av - Class III/IV	717
Ponce De Leon Wastewater Treatment Facility - Package Treatment Plant	677
Twin Creeks Reclaim Water Storage Tank and Booster Pump Station - Reclaim	643
Large Diameter Pipe Program - Arlington East Water Reclamation Facility - Parallel Sludge Transfer Line	600
Buckman Biosolids Conveyor System Replacement	565
Julington Creek Wastewater Treatment Facility - Influent Structure Rehabilitation	554
CR210 - South Hampton to Ashford Mills - Transmission - Reclaim	551
Ponte Vedra Water Reclamation Facility - Filter Addition	536
Collins Rd, Whispering Pines Dr to Blanding Blvd - Force Main Replacement	515
7703 Blanding Bv - Class III/IV	512
Joint Project - COJ - Lower Eastside Drainage Improvements (First St - APR Blvd to Van Buren) - Sewer	504
Large Diameter Pipe Program - South Shores Sub-Aqueous Force Main Rehabilitation	500
Nassau - Radio Ave - Class III/IV - New Pumpstation	500
District 2 - 14491 Duval Rd - Class III/IV - Pump Upgrade	500
Bartram Repump Station Potable Water Storage Tank	497
Mandarin Water Reclamation Facility - Expansion Joint Replacement	491
Blacks Ford and Ponte Vedra Temporary Treatment Plant	481
Arlington East Water Reclamation Facility Upgrades - Odor Control	470
Large Diameter Pipe Program - CR210 Booster Pump Station Pipeline Cleaning Facilities and Force Main Cle	450
Nassau Regional Water Reclamation Facility - Tank 2 Membrane Replacement	450
Development Driven Projects - Pump Stations	435
Joint Participation Projects - Sewer	400
Julington Creek Wastewater Treatment Facility - Electrical Grounding	391
Arlington East Water Reclamation Facility Upgrades - Influent Structure	375
Baymeadows Rd - Point Meadows Rd to Old Still - Transmission - Reclaim	355
District 2 Water Reclamation Facility - Hypochlorite Feed System Replacement	348

JEA
Water Sewer System
FY 2019
Capital Budget
(000's Omitted)

Project Title	FY19
Gate Parkway to Burnt Mill Rd - Transmission - Reclaim	347
Large Diameter Pipe Program - McMillan and Kinlock Pump Stations Force Mains Upgrade	337
Buckman Water Reclamation Facility - Secondary MCC 19A and 19B Replacement	331
US 1 - Greenland Water Reclamation Facility to CR 210 - Transmission	300
Turberculated Iron Gravity Pipe - Repair and Replacement	300
District II Water Reclamation Facility Primary Clarifier No. 2 and 3 Rehabilitation	296
Monterey - 3254 Townsend Rd - Class III/IV - Pump Upgrade	282
Ponte Vedra Water Reclamation Facility - Access Platform Addition and Handrail Replacement	278
Monterey - 5838 Pompano - Class III/IV - Pump Upgrade	276
District 2 Water Reclamation Facility - Blowers and UV Emergency Power	266
Mandarin - 8331 Princeton Sq - Class III/IV - Pump Upgrade	250
Grid - Cost Participation - New - Reclaim	250
Grid - Cost Participation - New - Force Main	250
Wastewater Odor Control - All Plants and Pump Stations	250
Buckman Biosolids Conversion - Operations/Maintenance/Warehouse and Pump Shop Facility	207
Buckman Biosolids Conversion - Gas Scrubber, Electric Generator, Load Transformer, and Circuit	199
Joint Project - JTA - Alta Drive Roadway Improvements - Sewer	198
Mandarin - 8751 Bayleaf Dr - Class III/IV - Pump Upgrade	186
Arlington East Water Reclamation Facility - Replace Auto-Transfer Switch	184
Joint Project - JTA - Alta Drive Roadway Improvements - Reclaim	180
Mandarin - 9247 Baymeadows Rd - Class III/IV - Pump Upgrade	172
Supervisory Control and Data Acquisition (SCADA) Renewal and Replacement	150
Southwest Water Reclamation Facility - Upgrade Aeration Blowers	150
William Burgess Rd - SR200 to Harts Rd - Transmission - New - Force Main	104
Diesel-driven Backup Pump Repair and Replace	100
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100
Large Diameter Pipe Program - Herschel St Pump Station Force Main Replacement: Herschel St to Challen A	80
Air Relief Valves Repair and Replace	70
Reuse Delivery Repair and Replace	50
Manhole - Supervisory Control and Data Acquisition (SCADA) - Repair and Replace	50
Reuse Facility - Capital Equipment Replacement	50

JEA
Water Sewer System
FY 2019
Capital Budget
(000's Omitted)

Project Title	FY19
(Reimbursable) - William Burgess Rd - SR200 to Harts Rd - Transmission - New - Reclaim	50
(Reimbursable) - Monument Rd - Cancun Dr to Hidden Hills Ln - Transmission - New - Reclaim	50
Joint Project - FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Section 1 - Sewer	39
8431 Springtree Rd - Class III/IV	38
District 2 - Main St to Pulaski Rd - Transmission - Force Main	38
Joint Project - FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3 - Sewer	30
Joint Project - FDOT - SR 9B - Duval - St Johns County Line to CR2209 - Reclaim	21
Joint Project - JTA - Collins Rd - Sewer	8
District 2 - 10800 Key Haven Bv - Class III/IV	5
SEWER SUBTOTAL	144,657
WATER OTHER	
Technology Services - Water	12,100
Capital Administrative Overhead - Water	5,200
Fleet - Replacement - Water	4,428
Buckman - New Administration Building	3,611
Facilities Generators - Water	2,310
Facilities Security - Water	635
Facilities Heating, Ventilation, and Air - Water	520
Buckman Water Reclamation Facility - Street Lighting and Paving Upgrades	500
JEA Tower - Building Renovations	500
Facilities Roof Replacement - Water	400
Facilities Improvements, Building Upgrades - Water	400
Facilities Improvements, Electric and Lighting Systems	300
Fleet - Expansion - Water	279
Facilities Improvements and Plumbing Upgrades	275
Facilities - Paving and Site Improvements - Water	250
Mandarin Water Reclamation Facility - Facility Parking and Storage Building	200
Southwest Water Reclamation Facility - Facility Buildings 1 and 3 Upgrades	196
Real Estate Services - Easement Location and Acquisitions	150
Security - Fencing - Water	100
Laboratory Equipment Upgrades - Water	100
Utility Locate Group - Capital Equipment - Water	50
OTHER SUBTOTAL	32,504
GRAND TOTAL	248,461

JEA
ANALYSIS OF PROPOSED FY 2018/19 DISTRICT ENERGY SYSTEM OPERATING BUDGET
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000'S)

	2017/18 Original Budget	8 months Actual Thru May	JEA 12 months 2017/18 Projected	2018/19 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2017/18 Original Budget	2017/18 Original Budget
REVENUES:						
Revenues	\$ 9,126	\$ 5,391	\$ 8,860	\$ 9,257	\$ 131	1.43%
Investment Income	-	57	57	-	-	
Total Operating Revenues	<u>\$ 9,126</u>	<u>\$ 5,449</u>	<u>\$ 8,917</u>	<u>\$ 9,257</u>	<u>\$ 131</u>	<u>1.43%</u>
EXPENSES:						
Operating and Maintenance	\$ 5,140	\$ 2,743	\$ 4,380	\$ 5,128	\$ (12)	(0.24%)
Total Expenses	<u>\$ 5,140</u>	<u>\$ 2,743</u>	<u>\$ 4,380</u>	<u>\$ 5,128</u>	<u>\$ (12)</u>	<u>(0.24%)</u>
NET REVENUES FROM OPERATIONS	<u>\$ 3,986</u>	<u>\$ 2,706</u>	<u>\$ 4,536</u>	<u>\$ 4,129</u>	<u>\$ 143</u>	<u>3.59%</u>
OTHER DEDUCTIONS:						
Debt Service	\$ 3,019	\$ 2,013	\$ 3,019	3,020	1	0.05%
Renewal & Replacement	440	291	438	443	3	0.63%
Operating Capital Outlay	527	-	1,079	665	138	26.18%
Total Other Deductions	<u>\$ 3,986</u>	<u>\$ 2,304</u>	<u>\$ 4,536</u>	<u>\$ 4,128</u>	<u>\$ 142</u>	<u>3.57%</u>
Budget Surplus (Deficit)	<u>\$ -</u>	<u>\$ 402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
DISTRICT ENERGY SYSTEM
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000's)

	2017/18 Original Budget	8 months Actual Thru May	JEA 12 months 2017/18 Projected	2018/19 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2017/18 Original Budget	2017/18 Original Budget
Salaries	\$ 429	\$ 267	\$ 410	\$ 550	121	28.10%
Employee Benefits	152	115	166	188	36	23.69%
Supplies	136	46	91	136	-	0.00%
Other Services & Charges	4,183	2,242	3,494	4,003	(180)	(4.30%)
Intercompany Charges	100	46	80	100	-	0.00%
Property Insurance	39	29	42	50	11	28.09%
Operating Reserve	100	-	100	100	-	0.00%
Expense Credits	-	(2)	(2)	-	NA	NA
O & M Expense	\$ 5,140	\$ 2,743	\$ 4,380	\$ 5,128	(0.24%)	17.06%

JEA
FY 2017/18 Original Budget vs. FY 2018/19 Proposed Budget
Expenditure Variance Overview - District Energy System

	Increase/(Decrease)	
	(\$000's)	%
Operating & Maintenance		
Salaries	\$ 121	28.10%
The increase includes funding for one additional allocation (Chilled water technician II - \$79,000), \$35,000 in contractual increases, and appointed market adjustments of \$7,000.		
Benefits	\$ 36	23.69%
The higher benefit cost is due to a higher salary basis.		
Other Services & Charges	\$ (180)	(4.30%)
The decrease is a result of reduced utilities expenses based on the FY 2017/18 trend.		
Property Insurance	\$ 11	28.09%
The increase is a result of an increase in market cost, not a change in coverage.		

JEA
ANALYSIS OF PROPOSED FY 2018/19 DISTRICT ENERGY SYSTEM CAPITAL BUDGET
FY 2017/18 BUDGET COMPARED TO FY 2018/19 PROPOSED BUDGET
(000'S)

	2017/18 Original Budget	8 months Actual Thru May	JEA 12 months 2017/18 Projected	2018/19 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2017/18 Original Budget	2017/18 Original Budget
CAPITAL FUNDS						
Debt	\$ -	\$ -	\$ -	\$ -	-	
Other Proceeds*	2,273	259	-	3,999	1,726	75.94%
Renewal & Replacement	440	291	438	443	3	0.63%
Operating Capital Outlay	527	-	1,079	665	138	26.18%
	<u>\$ 3,241</u>	<u>\$ 550</u>	<u>\$ 1,517</u>	<u>\$ 5,108</u>	<u>1,867</u>	<u>57.61%</u>
CAPITAL PROJECTS						
District Energy System Projects	<u>\$ 3,241</u>	<u>\$ 550</u>	<u>\$ 1,202</u>	<u>\$ 5,108</u>	<u>1,867</u>	<u>57.61%</u>
Budget Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315</u>	<u>\$ -</u>	<u>\$ -</u>	

* Funded from prior year remaining balances

CAPITAL BUDGET:

Description	FY19
Downtown Development	\$2,000
Facilities - District Energy System	658
Springfield - Additional Back-up Generator	2,450
DISTRICT ENERGY TOTAL	\$5,108

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2019

	Electric System	Water & Sewer System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 422,782,362	\$ -	\$ -	\$ 422,782,362
Total Net Revenues	\$ 422,782,362	\$ -	\$ -	\$ 422,782,362
FUEL EXPENSES:				
Fuel & Purchased Power	\$ 422,782,362	\$ -	\$ -	\$ 422,782,362
FUEL SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 812,153,353	\$ 428,955,188	\$ 9,256,655	\$ 1,250,365,196
Environmental Charge Revenue	8,039,817	28,360,500	-	36,400,317
Conservation Charge & Demand Side Revenue	1,000,000	-	-	1,000,000
Other Revenues	28,263,290	40,244,423	-	68,507,713
Natural Gas Pass Through Revenue	2,464,374	-	-	2,464,374
Total Base Related Revenues	\$ 851,920,834	\$ 497,560,111	\$ 9,256,655	\$ 1,358,737,600
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 221,286,372	\$ 157,495,854	\$ 5,127,648	\$ 383,909,874
Environmental	8,039,817	4,346,266	-	12,386,083
Conservation & Demand-side Management	7,590,014	-	-	7,590,014
Natural Gas Pass Through Expense	2,418,255	-	-	2,418,255
Non-Fuel Purchased Power	73,564,702	-	-	73,564,702
Non-Fuel Uncollectibles & PSC Tax	1,437,598	685,974	-	2,123,572
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	\$ 319,336,758	\$ 163,528,094	\$ 5,127,648	\$ 487,992,500
BASE OPERATING INCOME:	\$ 532,584,076	\$ 334,032,017	\$ 4,129,007	\$ 870,745,100
NON-OPERATING REVENUE:				
Investment Income	11,600,594	6,318,534	-	17,919,128
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	24,500,000	-	24,500,000
Total Non Operating Revenues	\$ 11,600,594	\$ 30,818,534	\$ -	\$ 42,419,128
NON-OPERATING EXPENSES:				
Debt Service	203,668,843	120,135,545	3,020,449	326,824,837
Total Non Operating Expenses	\$ 203,668,843	\$ 120,135,545	\$ 3,020,449	\$ 326,824,837
BASE INCOME BEFORE TRANSFERS	\$ 340,515,827	\$ 244,715,006	\$ 1,108,558	\$ 586,339,391
City Contribution Expense	92,952,147	24,695,388	-	117,647,535
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	65,500,000	24,904,610	443,117	90,847,727
Operating Capital Outlay	182,063,680	155,200,774	665,441	337,929,895
Environmental Capital Outlay	-	15,414,234	-	15,414,234
Capacity Fees	-	24,500,000	-	24,500,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	\$ 340,515,827	\$ 244,715,006	\$ 1,108,558	\$ 586,339,391
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 1,286,303,790	\$ 528,378,645	\$ 9,256,655	\$ 1,823,939,090
TOTAL APPROPRIATIONS	\$ 1,286,303,790	\$ 528,378,645	\$ 9,256,655	\$ 1,823,939,090
BUDGETED EMPLOYEE POSITIONS	1,553	599	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2019

	Electric System	Water & Sewer System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 65,500,000	\$ 24,904,610	\$ 443,117	\$ 90,847,727
Operating Capital Outlay	182,063,680	155,200,774	665,441	337,929,895
Environmental Capital Outlay	-	15,414,234	-	15,414,234
Capacity Fees	-	24,500,000	-	24,500,000
Debt Proceeds	-	-	-	-
Other Proceeds	87,024,320	28,441,382	3,999,442	119,465,144
Total Capital Funds	<u>\$ 334,588,000</u>	<u>\$ 248,461,000</u>	<u>\$ 5,108,000</u>	<u>\$ 588,157,000</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 113,000,000	\$ -	\$ -	\$ 113,000,000
Transmission & Distribution Projects	137,221,000	-	-	137,221,000
District Energy Projects	-	-	5,108,000	5,108,000
Water Projects	-	71,300,000	-	71,300,000
Sewer Projects	-	144,657,000	-	144,657,000
Other Projects	84,367,000	32,504,000	-	116,871,000
Total Capital Projects	<u>\$ 334,588,000</u>	<u>\$ 248,461,000</u>	<u>\$ 5,108,000</u>	<u>\$ 588,157,000</u>

**JEA
COMPARISON OF BUDGETS
ELECTRIC AND WATER & SEWER AND DISTRICT ENERGY SYSTEM
APPROVED FY 2017/18 TO PROPOSED FY 2018/19
(000's)**

Recommendation:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC WORKS
STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (S/F 141)**

PROPOSED BUDGET BOOK – Page # 65 - 66

BACKGROUND:

Funding budgeted in the Streets & Highways 5-Year Road Program is used for road and drainage projects and debt service in accordance with the Better Jacksonville Plan and the interlocal agreement, as amended, between the City and the Jacksonville Transportation Authority (JTA). Effective September 1, 2016 with the extension of the Local Option Gas Tax, the allocation of the 5th and 6th Cent Gas Tax between JTA and the City is split 50/50. This is an all years subfund.

REVENUE:

1. State Shared Revenue:

- The budgeted amount of \$4,783,461 represents 50% of the 5th and 6th Cent Gas Tax revenues. These revenues are impacted by the consumption of gasoline, which is directly affected by the state of the economy, projections in tourism and the infusion of more gasoline-efficient vehicles and hybrids. The decrease of \$467,808 is based on actuals.

2. Investment Pool/Interest Earnings:

- The increase of \$69,698 is due to using unappropriated investment earnings from prior years to fund capital projects in FY 2018/19.

3. Transfers from Component Units:

- This budgeted amount represents the City's portion that is redistributed back from the fiscal agent to the City and is used to fund capital projects. The \$5,033,461 is comprised of the City's portion of \$4,783,461 projected to be received from the fiscal agent and unappropriated revenue of \$250,000. (See Recommendation)

EXPENDITURES:

1. Capital Outlay:

- The decrease of \$4,748,286 is a result of one-time funding being used in FY 2017/18 and lower projected revenue for FY 2018/19. This funding will be used to fund a portion of the FY 2018/19 Capital Improvement Projects as noted below. (See Recommendation)

Project Title	FY 2018/19 Proposed
Roadway Safety Project - Pedestrian Crossings	\$ 250,000
Roadway Resurfacing	4,853,159

Total	<u>\$ 5,103,159</u>
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC WORKS
STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (S/F 141)**

PROPOSED BUDGET BOOK – Page # 65 - 66

2. Grants, Aids & Contributions:

- The 50% of the 5th and 6th Cent Gas tax revenues is budgeted in accordance with the Interlocal agreement between the City and JTA. The funds are transferred to a fiscal agent for the payment of debt service and distribution to JTA.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATION:

We recommend removing funding for the project Roadway Safety – Pedestrian Crossings. The funding for this project was budgeted to come from Local Option Gas Tax (LOGT) revenues and was inadvertently placed in this subfund.

This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC WORKS
LOCAL OPTION ½ CENT TRANSPORTATION (S/F 142)**

PROPOSED BUDGET BOOK – Page # 368-369

BACKGROUND:

The local option half-cent sales tax for transportation was approved by referendum in 1988. The sales tax is first used to make all debt service payments due on Transportation Sales Tax Revenue bonds and then is distributed pursuant to the terms and conditions of the interlocal agreement, as amended, between the City and the Jacksonville Transportation Authority (JTA). The funding provides for the construction and maintenance of the City's roads and bridges as well as the operation and maintenance of the City's mass transit system.

REVENUE:

1. Taxes:

- The budgeted amount represents the revenues estimated to be generated from the local option half-cent sales tax. The revenue is budgeted to increase 6.7% for FY 2018/19.

EXPENDITURES:

1. Grants Aids & Contributions:

- The local option half-cent sales tax for transportation is a pass-through to the JTA. The funding will be used to make debt service payments and support mass transit operations.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (S/F 143)**

PROPOSED BUDGET BOOK – Page # 67 - 68

BACKGROUND:

The Local Option Gas Tax is the tax of six cents on every gallon of motor fuel sold in Duval County. The gas tax revenue is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement. In FY 2013/14, City Council approved an extension of the Local Option Gas Tax until August 31, 2036 with Ordinance 2013-820-E.

REVENUE:

1. Taxes:
 - The budgeted amount represents the revenues estimated to be generated from the local option gas tax.
2. Transfers from Component Units:
 - The budgeted amount represents the City's portion that is redistributed back from the fiscal agent to the City and is used to fund capital projects. The \$8,127,490 is composed of the City's portion of \$5,376,324 projected to be received from the fiscal agent and projected funding available for appropriation at year end. (See Recommendation)

EXPENDITURES:

1. Capital Outlay:
 - The funding of \$8,127,490 for Capital Outlay represents the one cent of Local Option Gas Tax retained for City use per the Interlocal Agreement as revised by Ordinance 2013-820-E between the City and JTA as described above. The \$8,127,490 will be used to fund the following City projects:

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (S/F 143)**

PROPOSED BUDGET BOOK – Page # 67 - 68

SF	Dept.	Project Name	Expenditures
143	PW	Roadway Resurfacing	\$ 3,326,992
143	PW	Roadway Sign Stripe and Signal	1,250,000
143	PW	Acree Road Bridge Replacement	500,000
143	PW	Sidewalk Construction - NEW	489,453
143	PW	Ribault Scenic Drive Bridge Repair	350,000
143	PW	Tiger Hole Road Sidewalk	336,045
143	PW	Yellow Bluff Road Bridge Repair	300,000
143	PW	Plymouth Street Bridge	300,000
143	PW	Cntywd Intersection Imp & Bridge Rehab - Intersections	250,000
143	PW	Hodges Blvd at Glenn Kernan Intersection Imp	250,000
143	PW	Bulls Bay Hwy at Commonwealth Intersection Imp	150,000
143	PW	San Clerc Road Pedestrian Bridge	150,000
143	PW	Traffic Calming	150,000
143	PW	School Zone Flashers - Countywide	133,638
143	PW	Chaffee Road	116,362
143	PW	Traffic Street Lights (mast arm paint)	75,000
Total			<u><u>\$ 8,127,490</u></u>

2. Grants Aids & Contributions:

- Per the Interlocal Agreement between the City and JTA that extended the Local Option Gas Tax until August 31, 2036, the City will send to the fiscal agent all funds collected from the Local Option Gas Tax and the fiscal agent will remit the City's portion (one of the six cents) back to the City. Eligible uses of funding are: public transportation operations and maintenance, pedestrian safety improvements, drainage projects, street lighting, traffic signs and signals, bridge maintenance and operation, and debt service for transportation capital projects.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (S/F 143)**

PROPOSED BUDGET BOOK – Page # 67 - 68

RECOMMENDATION:

1. We recommend correcting the expenditure index code of two projects (Sidewalk Construction – New, and Tiger Hole Road Sidewalk).
2. We recommend correcting the project number of the Bulls Bay Highway at Commonwealth Intersection Improvements project.
3. We recommend funding the Roadway Safety – Pedestrian Crossings project (\$250,000) from Local Option Gas Tax revenues.
4. We recommend reducing the Transfer from Component Units (projected funding available at year end) revenue by \$2,100,000 due to projected funding not being available. The Administration has recommended increasing the Debt Management Fund borrowing by \$2,100,000 to provide funding for the Roadway Resurfacing project.

This will have no impact on Special Council Contingency.

**Jacksonville Transportation Authority
Comparison of Budgets
2017/18 to 2018/19
Operating and Capital Budgets**

	Mass Transit								Engineering		Transfers Out	Total
	BUS		CTC		SKYWAY		FERRY		GENERAL FUND			
	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital		
Approved FY2018	\$ 98,938,626	\$ 34,553,197	\$ 14,416,010	\$ 50,000	\$ 6,564,527	\$ 1,017,581	\$ 2,845,855	\$ 404,528	\$ 2,263,348	\$ 6,075,000	\$ (16,067,670)	\$ 151,061,002
Proposed FY2019	102,239,775	49,994,101	16,293,134	1,019,700	7,346,447	174,533	2,917,068	3,675,058	2,258,558	9,833,000	(18,805,345)	176,946,029
\$ Incr(Decr)	3,301,149	15,440,904	1,877,124	969,700	781,920	(843,048)	71,213	3,270,530	(4,790)	3,758,000	2,737,675	25,885,027
% over (under)	3.3%	44.7%	13.0%	1939.4%	11.9%	(82.8%)	2.5%	808.5%	(0.2%)	61.9%	17.0%	17.1%

	Number of Employees		
	Original 2017/18 F/T	Proposed 2018/19 F/T	Increase (Decrease)
Bus	653	704	51
Skyway	42	43	1
CTC	39	40	1
Engineering	20	21	1
Ferry	0	0	0
Total Agency	754	808	54

Amounts flowing through City of Jacksonville to JTA:		
City Contribution (CTC)	\$ 1,406,593	(See Recommendations)
Sales Tax (Engineering)	2,032,848	
Local Option Gas Tax (Bus)	18,045,107	(See Recommendations)
Sales Tax (Bus)	62,757,938	(See Recommendations)
	<u>\$ 84,242,486</u>	

	The number of vehicles in JTA's fleet is as follows:	
	FY 2017/18	FY 2018/19
Buses*	200	224
Community Shuttle	26	26
CTC Connexion Vehicles	99	97
JTA Support Vehicles	80	80
Totals	405	427

	* Breakdown of Bus Fleet	
	FY 2017/18	FY 2018/19
Active Fleet	154	154
Contingency	22	27
First Coast Flyers	24	43
Totals	200	224

FY 2019 Budget Key Metrics

Annual average wage increase of 3% based on negotiated contract agreement for union employees.

Non-union average 3% performance based wage increase.

Union bus operators increase of 30 needed for First Coast Flyer as well as to decrease current overtime. The remaining 21 non-union administrative employees are needed to increase productivity in Information Technology, Bus Dispatch and Revenue departments related to JTA initiatives and programs.

Passenger fares and grant revenues remain flat year over year.

Budget includes addition of "Program" expenses related to U2C, JRTC, MobilityWorks and First Coast Flyer - most are one-time.

Bus Rapid Transit (BRT) Southwest Corridor Project included in Capital Budget - this project has not yet been approved by the FTA, and represents over 50% of the appropriations for FY 2018/19.

**Jacksonville Transportation Authority
Mass Transit Division
Bus Operations
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	6 Months Actuals Thru March	12 Months 2017/18 Projected	2018/19 Budget	\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original	
REVENUES						
Federal, State & Local Grants	\$ 5,771,488	\$ 3,005,367	\$ 5,771,488	\$ 5,916,748	\$ 145,260	2.5%
Local Option Gas Tax	17,537,217	9,218,829	17,987,437	18,045,107	507,890	2.9%
Net Sales Tax - Operating	60,013,835	31,253,009	60,506,018	62,757,938	2,744,103	4.6%
Passenger Fares	11,341,760	5,368,836	10,937,672	11,249,246	(92,514)	(0.8%)
Preventative Maintenance Grant - Federal	3,403,401	1,701,702	3,403,401	3,403,401	-	0.0%
Non-Transportation Revenue	860,687	387,248	524,496	866,179	5,492	0.6%
Interest Earnings	10,238	695	1,390	1,156	(9,082)	(88.7%)
Total Revenues	\$ 98,938,626	\$ 50,935,686	\$ 99,131,902	\$ 102,239,775	\$ 3,301,149	3.3%
Salaries and Wages	\$ 33,193,583	\$ 17,432,301	35,564,602	\$ 36,341,910	\$ 3,148,327	9.5%
Fringe Benefits	18,915,358	8,682,858	17,365,716	18,685,188	(230,170)	(1.2%)
Fuel and Lubricants	5,065,986	2,162,221	4,724,442	4,971,240	(94,746)	(1.9%)
Materials and Supplies	4,402,788	2,252,617	4,505,234	4,480,886	78,098	1.8%
Services	11,616,457	6,113,800	12,477,600	15,002,025	3,385,568	29.1%
Insurance	740,613	162,477	524,954	622,023	(118,590)	(16.0%)
Travel/Training/Dues & Subscriptions	424,743	241,820	483,640	535,303	110,560	26.0%
All Other/Miscellaneous	2,070,035	1,047,020	2,094,040	2,137,376	67,341	3.3%
Contingency	6,441,393	-	-	658,479	(5,782,914)	(89.8%)
Transfer To:						
CTC (ADA Expense)	9,231,901	4,375,600	9,018,174	11,113,296	1,881,395	20.4%
Skyway	5,206,023	2,725,561	5,301,122	6,083,606	877,583	16.9%
Ferry	1,629,746	570,369	1,340,738	1,608,443	(21,303)	(1.3%)
Total Expenditures	\$ 98,938,626	\$ 45,766,644	\$ 93,400,262	\$ 102,239,775	\$ 3,301,149	3.3%
Surplus (Deficit)	\$ -	\$ 5,169,042	\$ 5,731,640	\$ -	\$ -	

**Jacksonville Transportation Authority
Mass Transit Division
Bus Operations Variance
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Local Option Gas Tax The increase is based on JTA estimates for the Local Option Gas Tax.	\$ 507,890	2.9%
Net Sales Tax - Operating The increase is based on JTA estimates for the 1/2 Cent Sales Tax.	\$ 2,744,103	4.6%
Passenger Fares FY 2018/19 passenger fares are being decreased based on FY 2017/18 actuals.	\$ (92,514)	(0.8%)
Interest Earnings FY 2018/19 interest earnings are being decreased based on FY 2017/18 actuals.	\$ (9,082)	(88.7%)
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Wages This increase is due to a 3% performance based salary increase for non-union employees, an increase in the JTA Administration budget allocation, and an average 3% salary increase for union employees.	\$ 3,148,327	9.5%
Fringe Benefits FY 2017/18 budget fringes were overstated because of assumed increases in pension and health insurance costs. FY 2018/19 budget has been decreased based on FY 2017/18 actuals.	\$ (230,170)	(1.2%)
Services The increase is due to services related to new programs such as the Jacksonville Regional Transportation Center (JRTC), First Coast Flyer (Red Line) and Ultimate Urban Circulator (U2C).	\$ 3,385,568	29.1%

**Jacksonville Transportation Authority
Mass Transit Division
Bus Operations Variance
2017/18 vs. 2018/19 Budget**

EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Insurance The decrease is primarily due to a lower negotiated premium with JTA's broker.	\$ (118,590)	(16.0%)
Travel/Training/Dues & Subscriptions The increase is due to additional training related to the preparation of new projects/programs as well as employee training to improve the public transportation system.	\$ 110,560	26.0%
Contingency The decrease is due to the shifting of funding to program related expenses and transfers to other funds.	\$ (5,782,914)	(89.8%)
Transfer to CTC This funding is necessary to balance the CTC budget and support expenses in CTC operations.	\$ 1,881,395	20.4%
Transfer to Skyway This funding is necessary to balance the Skyway budget and support expenses in Skyway operations.	\$ 877,583	16.9%
Transfer to Ferry This funding is necessary to balance the Ferry budget and support expenses in Ferry operations.	\$ (21,303)	(1.3%)

**Jacksonville Transportation Authority
Mass Transit Division
Bus Capital Projects
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	2018/19 Budget	\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original	
<u>REVENUES</u>				
Federal Section 5307 Funding (Footnote 1)	\$ 6,806,469	\$ 6,697,618	\$ (108,851)	(1.6%)
Federal Section 5309 Funding (Footnote 2)		16,582,164	16,582,164	N/A
Federal Section 5339 Funding (Footnote 3)	1,275,301	1,807,624	532,323	41.7%
Federal Section 5337 Funding (Footnote 4)		840,032	840,032	N/A
Florida Department of Transportation		8,291,081	8,291,081	N/A
Low No Emissions Grant		1,000,000	1,000,000	N/A
North Florida Transportation Planning Organization		1,000,000	1,000,000	N/A
Local JTA Match	26,471,427	13,775,582	(12,695,845)	(48.0%)
Total Revenues	\$ 34,553,197	\$ 49,994,101	\$ 15,440,904	44.7%

Footnotes:

- 1** - Annual Funding for urbanized areas to transit agencies from the Federal Transit Administration (FTA).
- 2** - Federal funding for major transit capital investments.
- 3** - Federal funding for buses and bus facilities.
- 4** - State of Good Repair grant used to help transit agencies maintain bus and rail systems.

**Jacksonville Transportation Authority
Mass Transit Division
Bus Capital Projects
Analysis of Proposed 2018/19 Budget**

<u>EXPENDITURES</u>	<u>2017/18 Budget</u>	<u>2018/19 Budget</u>	<u>\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original</u>	
BRT Southwest Corridor		\$ 33,164,327	\$ 33,164,327	N/A
Jacksonville Regional Transportation Center (JRTC)	25,104,960		(25,104,960)	(100.0%)
CNG Buses	4,745,301	7,803,871	3,058,570	64.5%
Electric Buses		2,250,000	2,250,000	N/A
Replacement Vehicles - Clay County	392,940	396,167	3,227	0.8%
Computer Equipment	261,250	575,000	313,750	120.1%
Shop Equipment	50,000	50,000	-	0.0%
Miscellaneous Support Equipment	39,150	410,000	370,850	947.3%
Office Furnishings & Equipment		75,000	75,000	N/A
Computer Software	1,047,000	2,083,500	1,036,500	99.0%
Property Improvements	266,000	456,000	190,000	71.4%
Security Equipment	370,000	640,204	270,204	73.0%
Support Vehicles	335,000	50,000	(285,000)	(85.1%)
Facilities Improvements	823,596	1,545,032	721,436	87.6%
Transit Satellite Amenities	320,000	320,000	-	0.0%
Other Capital Projects		175,000	175,000	N/A
Fare Collection Equipment	798,000	-	(798,000)	(100.0%)
Total Expenditures	\$ 34,553,197	\$ 49,994,101	\$ 15,440,904	44.7%

**Jacksonville Transportation Authority
Mass Transit Division
Bus Capital Projects Variance
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Federal Section 5307 Funding	\$ (108,851)	(1.6%)
Funding is based on the amount of capital expenditures requested. Request for FY 2018/19 includes replacement buses, security equipment, computer equipment and software, transit amenities and facilities & property enhancements.		
Federal Section 5309 Funding	\$ 16,582,164	N/A
The increase is due to the construction of the BRT Southwest Corridor project; however, this project has not yet been approved by the FTA.		
Federal Section 5339 Funding	\$ 532,323	41.7%
Funding is based on the amount of capital expenditures requested. Request for FY 2018/19 is for replacement vehicles.		
Federal Section 5337 Funding	\$ 840,032	N/A
Funding is based on the amount of capital expenditures requested. Request for FY 2018/19 includes computer software, security equipment and facilities improvements.		
Florida Department of Transportation	\$ 8,291,081	N/A
FY 2018/19 budget is for BRT Southwest Corridor. FDOT has committed to fund the 25% match, contingent on FTA approval.		
Low No Emissions Grant	\$ 1,000,000	N/A
The increase is for the purchase of two electric buses and two charging stations.		
North Florida Transportation Planning Organization	\$ 1,000,000	N/A
The increase is for the purchase of CNG buses.		
Local JTA Match	\$ (12,695,845)	(48.0%)
Funding is based on the amount of grant revenue requested and the match percentage required. The source for these funds are JTA cash and assumed real estate sales of the AC Skinner Parkway property. The decrease is due to last year's full appropriation of the Jacksonville Regional Transportation Center.		

EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
BRT Southwest Corridor This represents the full cost of the project, but is contingent on FTA approval.	\$ 33,164,327	N/A
Jacksonville Regional Transportation Center (JRTC) No funding needed for the FY 2018/19 budget. This project was fully appropriated in FY 2017/18.	\$ (25,104,960)	(100.0%)
CNG Buses This increase is due to the purchase of 12 CNG buses in order to maintain JTA's fleet in a state of good repair. These buses are 40' compressed natural gas vehicles.	\$ 3,058,570	64.5%
Electric Buses The increase is due to the purchase of two electric buses and two charging stations. These buses are electric 40' low floor vehicles. The cost includes the installation of the charging stations.	\$ 2,250,000	N/A
Computer Equipment The budget includes network upgrades, replacements of (1) employee computer equipment and (2) disaster recovery and remote workforce equipment.	\$ 313,750	120.1%
Miscellaneous Support Equipment The increase is due to the replacement of maintenance radios and the addition of radio towers to eliminate "dead zones" in extreme parts of the service area.	\$ 370,850	947.3%
Office Furnishings & Equipment The increase includes the renovation of the Customer Service call center.	\$ 75,000	N/A
Computer Software The increase is primarily due to purchasing and upgrades of computer infrastructure, monitoring system, asset management upgrades and asset emergency management software.	\$ 1,036,500	99.0%
Property Improvements The budget includes bus stop shelter site work, park and ride improvements, as well as the design/build for the Myrtle St. campus pedestrian walkway. The increase in service routes requires additional shelters, and upgrades to current shelters and park and ride areas.	\$ 190,000	71.4%

EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Security Equipment The increase is mainly due to Closed Circuit TV needs for the various JTA campus and facilities.	\$ 270,204	73.0%
Support Vehicles The decrease is due to less funding needed for support vehicles in FY 2018/19.	\$ (285,000)	(85.1%)
Facilities Improvements The increase is due to upgrades in plumbing, electrical, HVAC systems and LED lighting at the Myrtle Street campus.	\$ 721,436	87.6%
Other Capital Projects The increase is due to the installation of LED guideway lighting for Hogan and Bay Streets.	\$ 175,000	N/A
Fare Collection Equipment No funding needed for the FY 2018/19 budget.	\$ (798,000)	(100.0%)

**Jacksonville Transportation Authority
Mass Transit Division
CTC Operations
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	6 Months Actuals Thru March	12 Months 2017/18 Projected	2018/19 Budget	\$ and % Increase (Decrease) of 2018/19 JTA Budget Over 2017/18 Original	
<u>REVENUES</u>						
Federal, State & Local Grants	\$ 334,892	\$ 459,762	\$ 519,524	\$ 334,892	\$ -	0.0%
Passenger Fares	1,041,361	434,508	869,016	1,041,361	-	0.0%
State TD Funds	1,596,992	794,483	1,596,992	1,596,992	-	0.0%
Transfer from Bus Operations (ADA Paratransit)	9,231,901	4,375,600	9,018,174	11,113,296	1,881,395	20.4%
City of Jacksonville (Paratransit Contribution)	1,410,864	705,432	1,410,864	1,406,593	(4,271)	(0.3%)
Preventative Maintenance Grant - Federal	800,000	400,000	800,000	800,000	-	0.0%
Non-Transportation Revenue	-	302	604	-	-	N/A
Total Revenues	<u>\$ 14,416,010</u>	<u>\$ 7,170,087</u>	<u>\$ 14,215,174</u>	<u>\$ 16,293,134</u>	<u>\$ 1,877,124</u>	<u>13.0%</u>
<u>EXPENDITURES</u>						
Salaries and Wages	\$ 2,683,905	\$ 1,227,392	\$ 2,404,784	\$ 2,921,545	\$ 237,640	8.9%
Fringe Benefits	1,240,676	514,241	1,003,482	1,134,979	(105,697)	(8.5%)
Fuel and Lubricants	960,845	588,081	1,076,162	992,297	31,452	3.3%
Materials and Supplies	860,058	351,283	702,566	931,080	71,022	8.3%
Services	7,831,773	4,331,801	8,713,602	9,704,009	1,872,236	23.9%
Insurance	9,969	5,040	10,080	14,585	4,616	46.3%
Travel/Training/Dues & Subscriptions	77,640	28,865	57,730	81,775	4,135	5.3%
All Other/Miscellaneous	218,889	123,384	246,768	207,719	(11,170)	(5.1%)
Contingency	532,255	-	-	305,145	(227,110)	(42.7%)
Total Expenditures	<u>\$ 14,416,010</u>	<u>\$ 7,170,087</u>	<u>\$ 14,215,174</u>	<u>\$ 16,293,134</u>	<u>\$ 1,877,124</u>	<u>13.0%</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.0%</u>

**Jacksonville Transportation Authority
Mass Transit Division
CTC Operations Variance
2017/18 vs. 2018/19 Budget**

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.

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Transfer from Bus Operations (ADA Paratransit) This funding is necessary to balance the CTC budget and support expenses in CTC operations. The increase is due to an increase in wages for the MV Transportation contract.	\$ 1,881,395	20.4%
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Wages The increase is due a 3% performance based increase for non-union employees as well as an increase in the JTA Administration budget allocation.	\$ 237,640	8.9%
Fringe Benefits FY 2018/19 Fringe Benefits are being decreased based on FY 2017/18 actuals.	\$ (105,697)	(8.5%)
Materials and Supplies The increase is mainly due to additional automotive supplies for the maintenance of the CTC vehicles.	\$ 71,022	8.3%
Services The increase is due to a contract increase with MV Transportation resulting from Board-approved increased wages for contracted operators to address hiring and retention issues.	\$ 1,872,236	23.9%
Insurance The increase is due to the projection from JTA's insurance broker.	\$ 4,616	46.3%
Contingency The decrease is due to the shifting of funding to program related expenses.	\$ (227,110)	(42.7%)

**Jacksonville Transportation Authority
Mass Transit Division
CTC Capital Projects
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	2018/19 Budget	\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017-2018 Original	
<u>REVENUES</u>				
Federal Section 5307 Funding (Footnote 1)	\$ 50,000	\$ -	\$ (50,000)	(100.0%)
Federal Section 5310 Funding (Footnote 2)		848,622	848,622	N/A
Local Match (JTA)		171,078	171,078	N/A
Total Revenues	\$ 50,000	\$ 1,019,700	\$ 969,700	1939.4%
<u>EXPENDITURES</u>				
Shop Equipment	50,000	25,000	\$ (25,000)	(50.0%)
Associated Capital Maintenance Parts		40,000	40,000	N/A
Paratransit Vehicles		954,700	954,700	N/A
Total Expenditures	\$ 50,000	\$ 1,019,700	\$ 969,700	1939.4%

Footnotes:

- 1** - Annual Funding for urbanized areas to transit agencies from the Federal Transit Administration (FTA).
2 - Funding for transportation needs of the elderly and individuals with disabilities.

**Jacksonville Transportation Authority
Mass Transit Division
CTC Capital Projects Variance
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Federal Section 5307 No funding was needed for FY 2018/19.	\$ -	(100.0%)
Federal Section 5310 The increase is the funding for additional paratransit vans.	\$ 848,622	N/A
Local Match (JTA) Funding is based on the amount of the grant revenue requested and the match percentage required.	\$ 171,078	N/A
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Associated Capital Maintenance Parts The increase is due to the replacement of engines and transmissions for vehicles that have exceeded their useful life.	\$ 40,000	N/A
Paratransit Vehicles The increase is due to the purchase of nine additional paratransit vans.	\$ 954,700	N/A

**Jacksonville Transportation Authority
Mass Transit Division
Automated Skyway Express Operations
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	6 Months Actuals Thru March	12 Months 2017/18 Projected	2018/19 Budget	\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original	
<u>REVENUES</u>						
Federal, State & Local Grants	\$ -	\$ 52,856	\$ 55,716	\$ -	\$ -	N/A
Preventative Maintenance Grant - Federal	1,100,000	550,000	1,100,000	1,100,000	-	0.0%
Non-Transportation Revenue	258,504	16,780	33,560	162,841	(95,663)	(37.0%)
Transfer from Bus Operations to Skyway	5,206,023	2,725,561	5,301,122	6,083,606	877,583	16.9%
Total Revenues	\$ 6,564,527	\$ 3,345,197	\$ 6,490,398	\$ 7,346,447	\$ 781,920	11.9%
<u>EXPENDITURES</u>						
Salaries and Wages	\$ 2,370,344	\$ 1,244,480	\$ 2,438,960	\$ 2,658,865	\$ 288,521	12.2%
Fringe Benefits	1,262,754	676,473	1,302,946	1,630,698	367,944	29.1%
Fuel and Lubricants	11,400	3,499	6,998	11,773	373	3.3%
Materials and Supplies	912,516	500,801	1,001,602	854,813	(57,703)	(6.3%)
Services	889,497	560,346	1,020,696	1,299,106	409,609	46.0%
Insurance	454,210	159,212	318,424	357,396	(96,814)	(21.3%)
Travel/Training/Dues & Subscriptions	40,072	13,021	26,042	41,570	1,498	3.7%
All Other/Miscellaneous	408,749	187,365	374,730	385,543	(23,206)	(5.7%)
Contingency	214,985		-	106,683	(108,302)	(50.4%)
Total Expenditures	\$ 6,564,527	\$ 3,345,197	\$ 6,490,398	\$ 7,346,447	\$ 781,920	11.9%
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%

**Jacksonville Transportation Authority
Mass Transit Division
Automated Skyway Express Operations Variance
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Non-Transportation Revenue	\$ (95,663)	(37.0%)
The decrease is due to two Skyway stations being closed during the JRTC construction which reduced parking revenue. The stations are planned to remain closed during the JRTC construction.		
Transfer from Bus Operations to Skyway	\$ 877,583	16.9%
This funding is necessary to balance the Skyway budget and support expenses in Skyway operations.		
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Wages	\$ 288,521	12.2%
The increase is due to an average 3% salary increase for all tiers of union employees, as well as an increase in JTA's Administration budget allocation.		
Fringe Benefits	\$ 367,944	29.1%
The increase is due to a large percentage of the maintenance union employees being at the highest tier thereby accruing vacation and sick leave at a higher rate. (See Recommendations)		
Services	\$ 409,609	46.0%
The increase is due to adding JSO Officers as security for the Skyway for FY 2018/19.		
Insurance	\$ (96,814)	(21.3%)
The decrease is based on projections received by JTA's insurance broker.		
Contingency	\$ (108,302)	(50.4%)
The decrease is due to the shifting of funding to program related expenses.		

**Jacksonville Transportation Authority
Mass Transit Division
Automated Skyway Express Capital Projects
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	2018/19 Budget	\$ and % Increase (Decrease) 2018/2019 JTA Budget Over 2017/2018 Original	
<u>REVENUES</u>				
Federal Section 5307 Funding (Footnote 1)	\$ 300,000	\$ 174,533	\$ (125,467)	(41.8%)
Federal Section 5337 Funding (Footnote 2)	717,581	-	(717,581)	(100.0%)
Total Revenues	<u>\$ 1,017,581</u>	<u>\$ 174,533</u>	<u>\$ (843,048)</u>	<u>(82.8%)</u>
<u>EXPENDITURES</u>				
Facilities Improvements	1,017,581	174,533	(843,048)	(82.8%)
Total Expenditures	<u>\$ 1,017,581</u>	<u>\$ 174,533</u>	<u>\$ (843,048)</u>	<u>(82.8%)</u>

Footnotes:

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

2 - Federal funding to maintain the Skyway system in a state of good repair.

**Jacksonville Transportation Authority
Mass Transit Division
Automated Skyway Express Capital Projects Variance
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
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Federal Section 5307	\$ (125,467)	(41.8%)
<p>Funding is based on the amount of capital expenditures requested. The FY 2018/19 budget includes the rehabilitation of the HVAC system for Skyway trains. With the expected future implementation of the Ultimate Urban Circulator (U2C), the Skyway is in a maintenance mode and JTA will minimize capital spending to keep the system operational.</p>		

EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
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Facilities Improvement	\$ (843,048)	(82.8%)
<p>The decrease is due to needs in other areas. The FY 2018/19 focus is on the research and development of the U2C programs and Skyway train maintenance. FY 2018/19 includes the rehabilitation of the HVAC system for Skyway trains.</p>		

**Jacksonville Transportation Authority
Mass Transit Division
Ferry Operations
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	6 Months Actuals Thru March	12 Months 2017/18 Projected	2018/19 Budget	\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original	
<u>REVENUES</u>						
Federal, State & Local Grants	\$ -	\$ 48,288	\$ 146,576	\$ -	\$ -	N/A
Passenger Fares	1,216,109	699,625	1,299,250	1,308,625	92,516	7.6%
Non-Transportation	-	65	130	-	-	N/A
Transfer from Bus Operations to Ferry	1,629,746	570,369	1,340,738	1,608,443	(21,303)	(1.3%)
Total Revenues	\$ 2,845,855	\$ 1,318,347	\$ 2,786,694	\$ 2,917,068	\$ 71,213	2.5%
<u>EXPENDITURES</u>						
Salaries and Wages	\$ 177,849	\$ 94,883	\$ 189,766	\$ 243,547	\$ 65,698	36.9%
Fringe Benefits	61,907	28,293	56,586	52,735	(9,172)	(14.8%)
Fuel and Lubricants	202,569	117,504	235,008	223,112	20,543	10.1%
Materials and Supplies	127,308	4,707	109,414	23,776	(103,532)	(81.3%)
Services	2,098,510	1,007,447	2,064,894	2,172,567	74,057	3.5%
Insurance	30,367	8,773	17,546	56,794	26,427	87.0%
Travel/Training/Dues & Subscriptions	12,252	4,735	9,470	12,572	320	2.6%
All Other/Miscellaneous	49,157	52,005	104,010	34,304	(14,853)	(30.2%)
Contingency	85,936	-	-	97,661	11,725	13.6%
Total Expenditures	\$ 2,845,855	\$ 1,318,347	\$ 2,786,694	\$ 2,917,068	\$ 71,213	2.5%
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	

**Jacksonville Transportation Authority
Mass Transit Division
Ferry Operations Variance
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Passenger Fares The increase is due to historic ridership trends increasing over the last three years.	\$ 92,516	7.6%
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Wages This represents a portion of the JTA Administration budget allocation.	\$ 65,698	36.9%
Fringe Benefits This represents a portion of the JTA Administration budget allocation.	\$ (9,172)	(14.8%)
Fuel and Lubricants This represents projected fuel costs necessary to support ferry operations.	\$ 20,543	10.1%
Materials and Supplies The decrease is due to no projected major building maintenance on the ferry property for FY 2018/19.	\$ (103,532)	(81.3%)
Services The increase is primarily due to costs associated with the HMS Ferries contract, security, and marketing.	\$ 74,057	3.5%
Insurance The increase is based on projections received from JTA's insurance broker as well as additional insurance added for the ferry's above ground fuel storage tanks.	\$ 26,427	87.0%
All Other/Miscellaneous This represents a portion of the JTA Administration budget allocation.	\$ (14,853)	(30.2%)
Contingency The increase is due to the shifting of funding for potential overages.	\$ 11,725	13.6%

**Jacksonville Transportation Authority
Mass Transit Division
Ferry Capital Projects
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	2018/19 Budget	\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original	
<u>REVENUES</u>				
FHWA/FTA Ferry Boat Program (Footnote 1)	\$ 364,528	\$ 318,158	\$ (46,370)	(12.7%)
Local JTA Match	40,000		(40,000)	(100.0%)
Passenger Ferry Grant Program - Section 5307 (Footnote 2)		3,356,900	3,356,900	N/A
Total Revenues	\$ 404,528	\$ 3,675,058	\$ 3,270,530	808.5%
<u>EXPENDITURES</u>				
St. Johns River Ferry Construction	\$ 364,528	\$ 278,158	\$ (86,370)	(23.7%)
Ferry Enhancements and Structural Improvements		3,356,900	3,356,900	N/A
Property Improvements	40,000	40,000	-	0.0%
Total Expenditures	\$ 404,528	\$ 3,675,058	\$ 3,270,530	808.5%

Footnotes:

1 - These are funds available under the Federal Highway Administration to provide funding for ferry boats under the FAST (Fixing America's Surface Transportation) Act.

2 - Discretionary funding received under the Section 5307 Passenger Ferry Grant program for the remaining construction of the Terminal Bridges/Slipwalls and Bulkheads.

**Jacksonville Transportation Authority
Mass Transit Division
Ferry Capital Projects Variance
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
FHWA/FTA Ferry Boat Program This represents funding for the remaining construction of the Terminal Bridges/Slipwalls and Bulkheads from the Ferry grant awarded by the FTA.	\$ (46,370)	(12.7%)
Local Match (JTA) No funding was needed for FY 2018/19.	\$ (40,000)	(100.0%)
Passenger Ferry Grant The increase is primarily due to the Ferry boat overhaul, landing structural improvements and overhead gantry improvements.	\$ 3,356,900	N/A
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
St. Johns River Ferry Construction This represents the remaining construction of the Terminal Bridges/Slipwalls and Bulkheads.	\$ (86,370)	(23.7%)
Ferry Enhancements and Structural Improvements The increase is primarily due to the Ferry boat overhaul, landing structural improvements and overhead gantry improvements.	\$ 3,356,900 -	N/A

**Jacksonville Transportation Authority
Engineering Division
General Fund Operations
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	6 Months Actuals Thru March	12 Months 2017/18 Projected	2018/19 Budget	\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original	
<u>REVENUES</u>						
Net Sales Tax - Operating	\$ 2,032,848	\$ 1,016,424	\$ 2,032,848	\$ 2,032,848	\$ -	0.0%
Non-Transportation Revenue	5,500	78,673	97,346	26,560	21,060	382.9%
Interest Earnings	225,000	(210,895)	225,000	199,150	(25,850)	(11.5%)
Total Revenues	\$ 2,263,348	\$ 884,202	\$ 2,355,194	\$ 2,258,558	\$ (4,790)	(0.2%)
<u>EXPENDITURES</u>						
Salaries & Wages	\$ 734,716	\$ 381,734	\$ 763,468	\$ 696,437	\$ (38,279)	(5.2%)
Fringe Benefits	479,192	196,798	393,596	428,339	(50,853)	(10.6%)
Materials and Supplies	8,360	20,603	41,206	79,524	71,164	851.2%
Services	414,083	253,574	507,148	518,227	104,144	25.2%
Insurance	35,320	1,288	2,576	18,052	(17,268)	(48.9%)
Training/Travel/Dues & Subscriptions	16,947	16,031	32,062	84,503	67,556	398.6%
All Other/Miscellaneous	310,303	101,668	203,336	101,444	(208,859)	(67.3%)
Contingency	264,427	-	-	332,032	67,605	25.6%
Total Expenditures	\$ 2,263,348	\$ 971,696	\$ 1,943,392	\$ 2,258,558	\$ (4,790)	(0.2%)
Surplus (Deficit)	\$ -	\$ (87,494)	\$ 411,802	\$ -	\$ -	

**Jacksonville Transportation Authority
Engineering Division
General Fund Operations
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Non-Transportation Revenue	\$ 21,060	382.9%
The increase is due to rental income from leases which total \$67,272 per year. (See Recommendations)		
Interest Earnings	\$ (25,850)	(11.5%)
The decrease is primarily due to projected project spending reducing the amount of invested cash.		
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries & Wages	\$ (38,279)	(5.2%)
The decrease is primarily due to the filling of a position at a lower salary and a smaller JTA Administration budget allocation.		
Fringe Benefits	\$ (50,853)	(10.6%)
The decrease is primarily due to the filling of a position at a lower salary and a smaller JTA Administration budget allocation.		
Materials and Supplies	\$ 71,164	851.2%
The increase is primarily due to additional printing materials for the sustainability effort, laptops/computers and office supplies.		
Services	\$ 104,144	25.2%
The increase is primarily due to the use of consultants for construction and capital project department programs.		
Insurance	\$ (17,268)	(48.9%)
The decrease is based on projections received by JTA's insurance broker.		
Training/Travel/Dues & Subscriptions	\$ 67,556	398.6%
The increase is due to providing training opportunities for staff and the travel needed to attend the training opportunities.		
All Other/Miscellaneous	\$ (208,859)	(67.3%)
The decrease is primarily due to investment fees being moved to the JTA administrative budget and a smaller JTA Administration budget allocation.		
Contingency	\$ 67,605	25.6%
The increase is due to the shifting of funding for potential overages.		

**Jacksonville Transportation Authority
Engineering Division
General Fund Capital Projects
Analysis of Proposed 2018/19 Budget**

	2017/18 Budget	2018/19 Budget	\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original	
<u>REVENUES</u>				
Local Match (JTA) (Footnote 1)	\$ 6,075,000	\$ 9,833,000	\$ 3,758,000	61.9%
Total Revenues	<u>\$ 6,075,000</u>	<u>\$ 9,833,000</u>	<u>\$ 3,758,000</u>	<u>61.9%</u>
<u>EXPENDITURES</u>				
Mobility Works - Engineering road projects	\$ 4,050,000	\$ 6,033,000	\$ 1,983,000	49.0%
Property Improvements	2,025,000	3,125,000	1,100,000	54.3%
Facilities Improvements		175,000	175,000	N/A
Transit Satellite Amenities		500,000	500,000	N/A
Total Expenditures	<u>\$ 6,075,000</u>	<u>\$ 9,833,000</u>	<u>\$ 3,758,000</u>	<u>61.9%</u>

Footnotes:

1 - Funding for Engineering roadway projects from Real Estate Proceeds.

**Jacksonville Transportation Authority
Engineering Division
General Fund Capital Projects Variance
2017/18 vs. 2018/19 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Local Match (JTA) The increase is due to projecting the sale of two real estate parcels rather than one at a higher sale price.	\$ 3,758,000	61.9%
EXPENDITURE Overview (JTA Explanations)		
Mobility Works - Engineering road projects The increase is due to more potential funding being available in FY 2018/19.	\$ 1,983,000	49.0%
Property Improvements The increase is primarily due to sustainability initiatives, replacing a roof on the service station, installing a solar bus wash heating system and construction of concrete pads for ADA compliance.	\$ 1,100,000	54.3%
Facilities Improvements The increase is due to the planned replacement of LED lighting at the Myrtle St. campus.	\$ 175,000	N/A
Transit Satellite Amenities The increase is due to the installation of shelters, benches, trash receptacles and other passenger amenities based on ridership and other key factors.	\$ 500,000	N/A

**Jacksonville Transportation Authority
Administration Operations
Analysis of Proposed 2018/19 Budget**

<u>EXPENDITURES</u>	<u>2017/18 Budget</u>	<u>6 Months Actuals Thru March</u>	<u>12 Months 2017/18 Projected</u>	<u>2018/19 Budget</u>	<u>\$ and % Increase (Decrease) of 2018/2019 JTA Budget Over 2017/2018 Original</u>	
Salaries and Wages	\$ 7,264,140	\$ 4,337,277	\$ 8,674,554	\$ 9,403,209	\$ 2,139,069	29.4%
Fringe Benefits	2,528,566	1,328,760	2,657,520	2,036,082	(492,484)	(19.5%)
Materials and Supplies	298,508	201,856	403,712	1,018,006	719,498	241.0%
Services	4,684,338	2,265,102	4,530,204	7,762,479	3,078,141	65.7%
Insurance	15,000	9,010	18,020	14,527	(473)	(3.2%)
Travel/Training/Dues & Subscriptions	500,439	218,370	436,740	485,425	(15,014)	(3.0%)
All Other/Miscellaneous	1,457,149	626,529	1,253,058	1,326,619	(130,530)	(9.0%)
<u>Total Expenditures</u>	<u>\$ 16,748,140</u>	<u>\$ 8,986,904</u>	<u>\$ 17,973,808</u>	<u>\$ 22,046,347</u>	<u>\$ 5,298,207</u>	<u>31.6%</u>

- 1) Contains functional areas such as Finance, Human Resources, Procurement, Grants, Customer Service, Information Technology, etc.
- 2) The Salaries and Wages increase is primarily due to salary adjustments during the year, an increase of twelve administrative employees and a 3% performance based increase.
- 3) The Materials & Supplies increase is due to reorganization in which printing costs are now a corporate expense instead of Bus only, causing an increase of \$225K. This estimated increase is related to material requests for upcoming programs, i.e. Jacksonville Regional Transportation Center (JRTC), First Coast Flyer (Red Line), Ultimate Urban Circulator (U2C) and Mobility Works. This also includes an increase of computer supplies requested by Information Technology (\$200K) and a general anticipated increase of \$200K for new program related expenses.
- 4) The Services increase is primarily to support Information Technology software upgrades and maintenance agreements, upgrade the Performance Management system, and provide services related to new programs such as First Coast Flyer (Red Line), Ultimate Urban Circulator (U2C) and Jacksonville Regional Transportation Center (JRTC).

\$ 131,054,982	Total Appropriations (Operating Budgets)	
(18,805,345)	Total Transfers Out	
(1,500,000)	Operating Contingency	
<u>\$ 110,749,637</u>		→ 19.9% Administrative Percentage

Allocation Per Division:

Bus	\$ 16,500,018	74.8%
Skyway	1,448,894	6.6%
CTC	3,105,557	14.1%
Ferry	571,011	2.6%
Engineering	420,867	1.9%
Total	<u>\$ 22,046,347</u>	<u>100.0%</u>

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2018/2019**

	<u>Bus</u>	<u>CTC</u>	<u>Skyway</u>	<u>Ferry</u>	<u>Engineering</u>	<u>Total</u>
<u>ESTIMATED REVENUES</u>						
Federal, State & Local Grants	\$ 5,916,748	\$ 334,892	\$ -	\$ -	\$ -	\$ 6,251,640
Local Option Gas Tax	18,045,107	-	-	-	-	18,045,107
Net Sales Tax - Operating	62,757,938	-	-	-	2,032,848	64,790,786
Passenger Fares	11,249,246	1,041,361	-	1,308,625	-	13,599,232
State TD Funds	-	1,596,992	-	-	-	1,596,992
Transfer from Bus Operations (ADA Paratransit)	-	11,113,296	-	-	-	11,113,296
City of Jacksonville (Paratransit Contribution)	-	1,406,593	-	-	-	1,406,593
Preventative Maintenance Grant - Federal	3,403,401	800,000	1,100,000	-	-	5,303,401
Non-Transportation Revenue	866,179	-	162,841	-	26,560	1,055,580
Interest Earnings	1,156	-	-	-	199,150	200,306
Transfer from Bus Operations to Skyway	-	-	6,083,606	-	-	6,083,606
Transfer from Bus Operations to Ferry	-	-	-	1,608,443	-	1,608,443
Total Estimated Revenues	\$ 102,239,775	\$ 16,293,134	\$ 7,346,447	\$ 2,917,068	\$ 2,258,558	\$ 131,054,982

SCHEDULE O

APPROPRIATIONS

Salaries and Wages	\$ 36,341,910	\$ 2,921,545	\$ 2,658,865	\$ 243,547	\$ 696,437	\$ 42,862,304
Fringe Benefits	18,685,188	1,134,979	1,630,698	52,735	428,339	21,931,939
Fuel and Lubricants	4,971,240	992,297	11,773	223,112	-	6,198,422
Materials and Supplies	4,480,886	931,080	854,813	23,776	79,524	6,370,079
Services	15,002,025	9,704,009	1,299,106	2,172,567	518,227	28,695,934
Insurance	622,023	14,585	357,396	56,794	18,052	1,068,850
Travel/Training/Dues & Subscriptions	535,303	81,775	41,570	12,572	84,503	755,723
Transfer to CTC (ADA Expense)	11,113,296					11,113,296
Transfer to Skyway	6,083,606					6,083,606
Transfer to Ferry	1,608,443					1,608,443
All Other/Miscellaneous	2,137,376	207,719	385,543	34,304	101,444	2,866,386
Contingency	658,479	305,145	106,683	97,661	332,032	1,500,000
Total Appropriations	\$ 102,239,775	\$ 16,293,134	\$ 7,346,447	\$ 2,917,068	\$ 2,258,558	\$ 131,054,982
Full Time Positions	704	40	43	0	21	808
Temporary Employee Hours	64,472	6,194	1,531	0	603	72,800

SCHEDULE P

Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2018/2019

ESTIMATED REVENUES

	<u>Bus</u>	<u>CTC</u>	<u>Skyway</u>	<u>Ferry</u>	<u>Engineering</u>	<u>Total</u>
Federal Grants	\$ 27,927,438	\$ 848,622	\$ 174,533	\$ 3,675,058		\$ 32,625,651
Grant Match (State)	8,291,081					8,291,081
Local Match (JTA)	13,775,582	171,078			9,833,000	23,779,660
Total Estimated Revenues	\$ 49,994,101	\$ 1,019,700	\$ 174,533	\$ 3,675,058	\$ 9,833,000	\$ 64,696,392

SCHEDULE Q

APPROPRIATIONS

BRT Southwest Corridor	\$ 33,164,327					\$ 33,164,327
CNG Buses	7,803,871					7,803,871
Electric Buses	2,250,000					2,250,000
Mobility Works Road Projects					6,033,000	6,033,000
Replacement Vehicles - Clay County	396,167					396,167
St. Johns River Ferry Construction				3,635,058		3,635,058
Computer Equipment	575,000					575,000
Shop Equipment	50,000	25,000				75,000
Miscellaneous Support Equipment	410,000					410,000
Office Furnishings & Equipment	75,000					75,000
Associated Capital Maintenance Parts		40,000				40,000
Paratransit Vehicles		954,700				954,700
Computer Software	2,083,500					2,083,500
Property Improvements	456,000			40,000	3,125,000	3,621,000
Security Equipment	640,204					640,204
Support Vehicles	50,000					50,000
Facilities Improvements	1,545,032		174,533		175,000	1,894,565
Transit Satellite Amenities	320,000				500,000	820,000
Other Capital Projects	175,000					175,000
Total Appropriations	\$ 49,994,101	\$ 1,019,700	\$ 174,533	\$ 3,675,058	\$ 9,833,000	\$ 64,696,392

SCHEDULE R

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2018/19**

JTA concurs with all recommendations.

Recommendations:

1. We recommend increasing the line item "Local Option Gas Tax" under "Bus" on Schedule O by \$1,030,266 from \$18,045,107 to \$19,075,373 in order to bring JTA's budget in agreement with the City's. We also recommend increasing the line item "Contingency" under "Bus" by \$1,030,266 from \$658,479 to \$1,688,745 on Schedule P. This will balance revenues and expenditures for Schedules O and P.
2. We recommend increasing the line item "Net Sales Tax – Operating" under "Bus" on Schedule O by \$3,127,898 from \$62,757,938 to \$65,885,836 in order to bring JTA's budget in agreement with the City's. We also recommend increasing the line item "Contingency" under "Bus" on Schedule P by \$3,127,898 from \$1,688,745 to \$4,816,643 on Schedule P. This will balance revenues and expenditures for Schedules O and P.
3. We recommend increasing the line item "Fringe Benefits" under "Bus" on Schedule P by \$200,000 from \$18,685,188 to \$18,885,188 and decreasing the line item "Contingency" under "Bus" on Schedule P by \$200,000 from \$4,816,643 to \$4,616,643 in order to correct an allocation error from the Skyway Division. This will balance revenues and expenditures for Schedules O and P. JTA concurs.
4. We recommend increasing the line item "City of Jacksonville (Paratransit Contribution)" under "CTC" on Schedule O by \$37,012 from \$1,406,593 to \$1,443,605 and increasing the line item "Contingency" under "CTC" on Schedule P by \$37,012 from \$305,145 to \$342,157 in order to bring JTA's budget in agreement with the City's. This will balance revenues with expenditures for Schedules O and P.
5. We recommend decreasing the line item "Fringe Benefits" under "Skyway" on Schedule P by \$200,000 from \$1,630,698 to \$1,430,698 and increasing the line item "Contingency" under "Skyway" on Schedule P by \$200,000 from \$106,683 to \$306,683 in order to correct the allocation error in Skyway that should have been recorded in Bus. This will balance revenues with expenditures for Schedules O and P.
6. We recommend increasing the line item "Non-Transportation Revenue" under "Engineering" on Schedule O by \$40,772 from \$26,560 to \$67,332 and increasing the line item "Contingency" under "Engineering" on Schedule P by \$40,772 from \$332,032 to \$372,804 in order to account for lease revenue that was not included for FY 2018/19. This will balance revenues with expenditures for Schedules O and P.
7. We recommend removing and replacing Budget Ordinance Schedule O and Schedule P with Revised Schedule O and Revised Schedule P to reflect the changes listed in Recommendations #'s 1-6.
8. We recommend adding a line item "Ferry Enhancements and Structural Improvements" to Schedule R and reallocating \$3,356,900 from "St. Johns River Ferry Construction" leaving a balance of \$278,158.
9. We recommend amending the Budget Ordinance language related to JTA to reflect revised schedules and a revised sales tax revenue budget amount of \$67,918,684.

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2018/2019**

	<u>Bus</u>	<u>CTC</u>	<u>Skyway</u>	<u>Ferry</u>	<u>Engineering</u>	<u>Total</u>
<u>ESTIMATED REVENUES</u>						
Federal, State & Local Grants	\$ 5,916,748	\$ 334,892	\$ -	\$ -	\$ -	\$ 6,251,640
Local Option Gas Tax	19,075,373	-	-	-	-	19,075,373
Net Sales Tax - Operating	65,885,836	-	-	-	2,032,848	67,918,684
Passenger Fares	11,249,246	1,041,361	-	1,308,625	-	13,599,232
State TD Funds	-	1,596,992	-	-	-	1,596,992
Transfer from Bus Operations (ADA Paratransit)	-	11,113,296	-	-	-	11,113,296
City of Jacksonville (Paratransit Contribution)	-	1,443,605	-	-	-	1,443,605
Preventative Maintenance Grant - Federal	3,403,401	800,000	1,100,000	-	-	5,303,401
Non-Transportation Revenue	866,179	-	162,841	-	67,332	1,096,352
Interest Earnings	1,156	-	-	-	199,150	200,306
Transfer from Bus Operations to Skyway	-	-	6,083,606	-	-	6,083,606
Transfer from Bus Operations to Ferry	-	-	-	1,608,443	-	1,608,443
Total Estimated Revenues	\$ 106,397,939	\$ 16,330,146	\$ 7,346,447	\$ 2,917,068	\$ 2,299,330	\$ 135,290,930

REVISED SCHEDULE O

APPROPRIATIONS

Salaries and Wages	\$ 36,341,910	\$ 2,921,545	\$ 2,658,865	\$ 243,547	\$ 696,437	\$ 42,862,304
Fringe Benefits	18,885,188	1,134,979	1,430,698	52,735	428,339	21,931,939
Fuel and Lubricants	4,971,240	992,297	11,773	223,112	-	6,198,422
Materials and Supplies	4,480,886	931,080	854,813	23,776	79,524	6,370,079
Services	15,002,025	9,704,009	1,299,106	2,172,567	518,227	28,695,934
Insurance	622,023	14,585	357,396	56,794	18,052	1,068,850
Travel/Training/Dues & Subscriptions	535,303	81,775	41,570	12,572	84,503	755,723
Transfer to CTC (ADA Expense)	11,113,296					11,113,296
Transfer to Skyway	6,083,606					6,083,606
Transfer to Ferry	1,608,443					1,608,443
All Other/Miscellaneous	2,137,376	207,719	385,543	34,304	101,444	2,866,386
Contingency	4,616,643	342,157	306,683	97,661	372,804	5,735,948
Total Appropriations	\$ 106,397,939	\$ 16,330,146	\$ 7,346,447	\$ 2,917,068	\$ 2,299,330	\$ 135,290,930
Full Time Positions	704	40	43	0	21	808
Temporary Employee Hours	64,472	6,194	1,531	0	603	72,800

REVISED SCHEDULE P

Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2018/2019

ESTIMATED REVENUES

	Bus	CTC	Skyway	Ferry	Engineering	Total
Federal Grants	\$ 27,927,438	\$ 848,622	\$ 174,533	\$ 3,675,058		\$ 32,625,651
Grant Match (State)	8,291,081					8,291,081
Local Match (JTA)	13,775,582	171,078			9,833,000	23,779,660
Total Estimated Revenues	<u>\$ 49,994,101</u>	<u>\$ 1,019,700</u>	<u>\$ 174,533</u>	<u>\$ 3,675,058</u>	<u>\$ 9,833,000</u>	<u>\$ 64,696,392</u>

SCHEDULE Q

APPROPRIATIONS

BRT Southwest Corridor	\$ 33,164,327					\$ 33,164,327
CNG Buses	7,803,871					7,803,871
Electric Buses	2,250,000					2,250,000
Mobility Works Road Projects					6,033,000	6,033,000
Replacement Vehicles - Clay County	396,167					396,167
St. Johns River Ferry Construction				278,158		278,158
Ferry Enhancements and Structural Improvements				3,356,900		3,356,900
Computer Equipment	575,000					575,000
Shop Equipment	50,000	25,000				75,000
Miscellaneous Support Equipment	410,000					410,000
Office Furnishings & Equipment	75,000					75,000
Associated Capital Maintenance Parts		40,000				40,000
Paratransit Vehicles		954,700				954,700
Computer Software	2,083,500					2,083,500
Property Improvements	456,000			40,000	3,125,000	3,621,000
Security Equipment	640,204					640,204
Support Vehicles	50,000					50,000
Facilities Improvements	1,545,032		174,533		175,000	1,894,565
Transit Satellite Amenities	320,000				500,000	820,000
Other Capital Projects	175,000					175,000
Total Appropriations	<u>\$ 49,994,101</u>	<u>\$ 1,019,700</u>	<u>\$ 174,533</u>	<u>\$ 3,675,058</u>	<u>\$ 9,833,000</u>	<u>\$ 64,696,392</u>

REVISED SCHEDULE R

**JACKSONVILLE AVIATION AUTHORITY
COMPARISON OF BUDGETS
ORIGINAL BUDGET FY 2017/2018 VERSUS PROPOSED BUDGET FY 2018/2019**

	<u>Operating & Non Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Fund Transfers Out</u>	<u>Total</u>
FY 2017/2018 Original	\$ 57,886,062	\$ 8,891,417	\$ 42,944,176	\$ 29,193,427	\$ 138,915,082
FY 2018/2019 Proposed	\$ 62,341,428	\$ 13,274,160	\$ 42,242,802	\$ 28,550,079	\$ 146,408,469
\$ Increase (Decrease)	\$ 4,455,366	\$ 4,382,743	\$ (701,374)	\$ (643,348)	\$ 7,493,387
% Increase (Decrease)	7.70%	49.29%	-1.63%	-2.20%	5.39%

	<u>FY 2017/18</u>	<u>FY 2018/19</u>	<u>Increase/Decrease</u>
Full-time Positions	290	301	11
Part-time Hours	4,020	5,220	1,200

JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF THE FY 2017/2018 PROPOSED BUDGET

	2017/2018 ORIGINAL BUDGET	7 MONTHS 2017/2018 ACTUAL	12 MONTHS 2017/2018 FORECAST	2018/2019 PROPOSED BUDGET	\$ and % Increase/Decrease of 2018/2019 Proposed Budget Over 2017/2018 ORIGINAL	
OPERATING REVENUES						
Concessions	17,085,850	9,793,684	16,952,034	17,624,798	538,948	3.15%
Fees & Charges	15,859,200	10,133,009	15,565,991	18,889,398	3,030,198	19.11%
Space & Facility Rentals	26,498,789	13,982,519	25,004,488	29,260,213	2,761,424	10.42%
Parking	21,108,006	11,685,931	21,061,252	22,798,584	1,690,578	8.01%
Sale of Utilities	1,482,319	836,027	1,480,690	1,548,046	65,727	4.43%
Other Miscellaneous Operating Revenue	197,941	119,798	189,561	189,737	(8,204)	-4.14%
TOTAL OPERATING REVENUES	82,232,105	46,550,968	80,254,016	90,310,776	8,078,671	9.82%
OPERATING EXPENDITURES						
Salaries	19,666,917	11,141,176	18,885,199	21,180,823	1,513,906	7.70%
Benefits	7,593,518	4,537,573	7,830,930	8,273,662	680,144	8.96%
Services & Supplies	15,560,189	8,914,461	15,812,513	18,459,966	2,899,777	18.64%
Repairs & Maintenance	2,834,881	1,322,490	1,907,735	3,396,350	561,469	19.81%
Promotion, Advertising and Dues	940,764	907,668	1,520,500	921,207	(19,557)	-2.08%
Registrations & Travel	453,706	241,669	302,829	586,066	132,360	29.17%
Insurance Expense	1,422,457	741,524	1,255,705	1,385,975	(36,482)	-2.56%
Cost of Goods for Sale	507,826	351,223	606,315	519,825	11,999	2.36%
Utilities, Taxes & Gov't Fees	4,993,570	2,446,560	4,456,137	4,780,794	(212,776)	-4.26%
Operating Contingency	3,559,439	-	-	2,500,000	(1,059,439)	-29.76%
TOTAL OPERATING EXPENDITURES	57,533,267	30,604,343	52,577,862	62,004,668	4,471,401	7.77%
INCOME FROM OPERATIONS	24,698,838	15,946,625	27,676,154	28,306,108	3,607,270	14.61%
NON-OPERATING REVENUES/(EXPENSES)						
Passenger Facility Charge Revenue	12,334,320	5,573,417	11,115,237	12,041,331	(292,989)	-2.38%
Investment Income	737,881	431,150	645,849	1,204,000	466,119	63.17%
Other Revenue	666,600	331,661	362,959	609,560	(57,040)	-8.56%
Debt Service	(8,891,417)	(15,878,066)	(12,123,616)	(13,274,160)	(4,382,743)	49.29%
Other Expense	(352,795)	(73,758)	(336,760)	(336,760)	16,035	-4.55%
NET INCOME (LOSS) BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	29,193,427	6,331,029	27,339,823	28,550,079	-643,348	-2.20%
Transfer (to)/from Operating Capital Outlay	(20,302,288)	(530,514)	(10,985,637)	(20,286,802)	15,486	-0.08%
Transfer (to)/from Passenger Facility Charge Reserve	(6,588,091)	(3,687,795)	(6,061,044)	(2,543,161)	4,044,930	-61.40%
Transfer (to)/from Retained Earnings	(2,303,048)	(2,112,720)	(10,293,142)	(5,720,116)	(3,417,068)	148.37%
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Fulltime Positions	290	284	290	301	11	3.79%
Temporary Employee Hours	4,020	-	4,020	5,220	1,200	29.85%

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2017/2018 VERSUS PROPOSED BUDGET FY 2018/2019

REVENUE OVERVIEW		Increase/(Decrease)	
		\$	%
Concessions		538,948	3.15%
The increase in concessions revenue is a function of the higher enplanement activity we are seeing in FY 2017/18, which should accelerate in FY 2018/19. We are budgeting food & beverage revenue increases of \$224k, rental car increases of \$153k, and higher anticipated fuel sales accounts for increased fuel flowage fees of \$92k over FY 2017/18.			
Fees & Charges		3,030,198	19.11%
Two of the larger year over year increases in this category are projected to come from Transportation Network Companies (TNC) revenue and air cargo fees. JAA signed a contract with Uber in 2017. This revenue was not budgeted in FY 2017/18, since the contract came after the budget was approved. FY 2018/19 will show a sharp increase over FY 2017/18 (\$585k). JAA is also seeing higher air cargo activity. We believe this is in part related to the two new Amazon distribution centers near our airports. We expect this activity to continue in FY 2018/19, resulting in approx \$290k in additional revenue. The remaining increase in Fees & Charges over FY 2017/18 is related to higher airline landing fees (\$2 million) which is a direct reflection of a higher expense budget.			
Space & Facility Rentals		2,761,424	10.42%
JAA expects higher terminal rental rates from the airlines based on a higher forecast expense in FY 2018/19. Under our airline operating agreement, the airlines reimburse JAA for the expenses of operating the terminal and airfield cost centers. Since we expect higher expense in FY 2018/19, the airline rental rates will be approximately \$2 million higher. JAA further expects increased fixed-based operator (FBO) revenue in FY 2018/19, driving our piece of their revenue higher by \$305k.			
Parking		1,690,578	8.01%
Due to higher passenger levels, JAA is seeing increased parking revenues in FY 2017/18 which we expect to continue to increase through FY 2018/19. We are budgeting growth in all parking line items amounting to approximately \$1.7 million in increased revenue over the FY 2017/18 budget.			
Sale of Utilities		65,727	4.43%
The small increase is based on higher anticipated activity, partially offset by contractual rates and reduced energy usage.			

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2017/2018 VERSUS PROPOSED BUDGET FY 2018/2019

EXPENDITURE OVERVIEW	Increase/(Decrease)	
	\$	%
Salaries JAA is adding 11 new positions in FY 2018/19. Most of the positions are being added in maintenance and facilities, as part of an enhanced maintenance initiative resulting in a base pay increase of approximately \$403K (with staggered start dates). An average wage increase of 3.46% is included at a cost of \$637K. Filling positions at amounts higher than budgeted along with mid-year increases account for approximately \$280K.	1,513,906	7.70%
Benefits The primary changes in FY 2018/19 include increases in the Florida Retirement System (\$281K) as well as the rising cost of health insurance (\$225K).	680,144	8.96%
Services & Supplies The airport rescue and firefighting services (ARFF) contract is budgeted to increase 3% over last year. There is also an additional \$320K in the budget for the addition of a Rescue Unit at JIA. IT has an increased contractual services budget of \$535K as a result of new contracts for the camera system and Amadeus (Flight information system) system maintenance. The Maintenance division also has an increased budget of \$460K due to a commitment to a higher level of overall airport maintenance. This includes increased contracts for landscaping, power washing, and elevator/escalator maintenance. See Recommendation #1.	2,899,777	18.64%
Repairs & Maintenance The airport has committed to a multi-year plan of increased levels of maintenance. This includes a multitude of maintenance related projects. Examples include terminal bathroom repiping, LED lighting under terminal overhangs, airfield blasting, and baggage system belt repairs.	561,469	19.81%
Registrations & Travel The increase is a result of the creation of a leadership development program to include both on site and off site training at an approximate cost of \$150K.	132,360	29.17%
Utilities, Taxes & Gov't Fees The airport has undergone some energy efficiency projects that are producing energy savings in the current year. We expect that to continue to help reduce utility expense in FY 2018/19.	(212,776)	-4.26%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2017/2018 VERSUS PROPOSED BUDGET FY 2018/2019**

NON-OPERATING REVENUE (EXPENSE) OVERVIEW	Increase/(Decrease)	
	\$	%
Passenger Facility Charge (PFC) Revenue PFC revenue was over-budgeted in FY 2017/18. We revisited our forecast calculation for FY 2018/19 and are comfortable FY 2018/19 is more accurate.	(292,989)	-2.38%
Investment Income Investment income is forecasted to increase based on rising interest rates on our cash and investment accounts, as well as higher cash and investment balances.	466,119	63.17%
Other Revenue Timber revenue is forecasted to be lower.	(57,040)	-8.56%
Debt Service The 2016 Note has a front loaded repayment schedule. Principal payments are much higher in the first two years compared to following years. The budgeted principal payment for the 2016 note due on 10/1/2018 is \$7.65M, which is \$4.65M higher than the principal payment in 2018.	4,382,743	49.29%
Other Expense Timber expenses are forecasted to be higher based on our harvest plan.	(16,035)	-4.55%

**JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF PROPOSED 2018/2019 CAPITAL BUDGET**

			\$ and % Increase (Decrease) Proposed Budget Over	
	2017/2018 Original Budget	2018/2019 Proposed Budget	Original Budget (Dollars)	Original Budget (Percentage)
Capital Funds				
Federal Contributions	\$ 10,125,000	\$ 2,010,000	\$ (8,115,000)	-80.15%
State Contributions	11,720,888	6,048,000	(5,672,888)	-48.40%
Tenant/Other Contributions	-	11,000,000	11,000,000	-
PFC	796,000	2,898,000	2,102,000	264.07%
Operating Capital Outlay	20,302,288	20,286,802	(15,486)	-0.08%
Total Capital Funds	\$ 42,944,176	\$ 42,242,802	\$ (701,374)	-1.63%
Capital Projects				
Jacksonville International Airport	\$ 16,664,176	\$ 17,699,800	\$ 1,035,624	6.21%
Cecil Airport	17,330,000	12,561,502	(4,768,498)	-27.52%
Cecil Spaceport	-	7,500,000	7,500,000	-
Jax Ex at Craig Airport	5,790,000	1,331,500	(4,458,500)	-77.00%
Herlong Airport	3,160,000	3,150,000	(10,000)	-0.32%
Total Capital Projects	\$ 42,944,176	\$ 42,242,802	\$ (701,374)	-1.63%
Surplus (Deficit)	\$ -	\$ -	\$ -	

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2018/2019 BUDGET**

OPERATING REVENUES	
Concessions	\$ 17,624,798
Fees & Charges	18,889,398
Space & Facility Rentals	29,260,213
Parking	22,798,584
Sale of Utilities	1,548,046
Other Miscellaneous Operating Revenue	189,737
TOTAL OPERATING REVENUES	\$ 90,310,776
OPERATING EXPENDITURES	
Salaries	\$ 21,180,823
Benefits	8,273,662
Services and Supplies	18,459,966
Repairs & Maintenance	3,396,350
Promotion, Advertising and Dues	921,207
Registrations & Travel	586,066
Insurance Expense	1,385,975
Cost of Goods for Sale	519,825
Utilities, Taxes & Gov't Fees	4,780,794
Operating Contingency	2,500,000
TOTAL OPERATING EXPENDITURES	\$ 62,004,668
OPERATING INCOME	\$ 28,306,108
NON-OPERATING REVENUES	
Passenger Facility Charge	\$ 12,041,331
Investment Income	1,204,000
Other Revenues	609,560
TOTAL NON-OPERATING REVENUES	\$ 13,854,891
NON-OPERATING EXPENDITURES	
Debt Service	\$ 13,310,300
Other Expenditures	336,760
TOTAL NON-OPERATING EXPENDITURES	\$ 13,647,060
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$ 28,513,939
Transfer (to)/from Operating Capital Outlay	\$ (20,286,802)
Transfer (to)/from Passenger Facility Charge Reserve	(2,507,021)
Transfer (to)/from Retained Earnings	(5,720,116)
SURPLUS/(DEFICIT)	\$ -
TOTAL REVENUES	\$ 104,165,667
TOTAL APPROPRIATIONS	\$ 104,165,667
FULLTIME POSITIONS	301
TEMPORARY EMPLOYEE HOURS	5,220

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2018/2019 BUDGET**

CAPITAL

REVENUES

Federal Contributions	\$ 2,010,000
State Contributions	6,048,000
Tenant/Other Contributions	11,000,000
PFC	2,898,000
Operating Capital Outlay	20,286,802
Total Revenues	<u>\$ 42,242,802</u>

APPROPRIATIONS AND RESERVES

CAPITAL PROJECTS

Jacksonville International Airport	\$ 17,699,800
Cecil Airport	12,561,502
Cecil Spaceport	7,500,000
Craig Airport	1,331,500
Herlong Airport	3,150,000
Total Appropriations	<u>42,242,802</u>

TOTAL APPROPRIATIONS AND RESERVES	<u><u>\$ 42,242,802</u></u>
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**Council Auditor's Office
Recommendations
Jacksonville Aviation Authority
Proposed 2018/19 Budget**

JAA concurs with all recommendations.

1. We recommend a decrease to the expenditure line "Services and Supplies" by \$783,067 for a revised total of \$17,676,899, and an increase to the expenditure line "Operating Contingency" by the same \$783,067 for a revised total of \$3,283,067. The \$783,067 is the amount that JAA over budgeted for JIA fire/rescue services. JAA's budget was approved by it's Board of Directors in June before the City budget was finalized; therefore, 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.
2. Remove and replace Budget Ordinance Schedule G with Revised Schedule G which corrects the debt service amount (lowered by \$36,140) and increases the Transfer to Passenger Facility Charge Reserve by the same amount. This was discovered after the budget was initially submitted. The recommendation in number 1 above will also be reflected in the Revised Schedule G.
3. Remove and replace Budget Ordinance Schedule H with Revised Schedule H which offers more line item detail of FY 2018/19 capital projects.

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2018/2019 BUDGET**

OPERATING REVENUES	
Concessions	\$ 17,624,798
Fees & Charges	18,889,398
Space & Facility Rentals	29,260,213
Parking	22,798,584
Sale of Utilities	1,548,046
Other Miscellaneous Operating Revenue	189,737
TOTAL OPERATING REVENUES	\$ 90,310,776
OPERATING EXPENDITURES	
Salaries	\$ 21,180,823
Benefits	8,273,662
Services and Supplies	17,676,899
Repairs & Maintenance	3,396,350
Promotion, Advertising and Dues	921,207
Registrations & Travel	586,066
Insurance Expense	1,385,975
Cost of Goods for Sale	519,825
Utilities, Taxes & Gov't Fees	4,780,794
Operating Contingency	3,283,067
TOTAL OPERATING EXPENDITURES	\$ 62,004,668
OPERATING INCOME	\$ 28,306,108
NON-OPERATING REVENUES	
Passenger Facility Charge	\$ 12,041,331
Investment Income	1,204,000
Other Revenues	609,560
TOTAL NON-OPERATING REVENUES	\$ 13,854,891
NON-OPERATING EXPENDITURES	
Debt Service	\$ 13,274,160
Other Expenditures	336,760
TOTAL NON-OPERATING EXPENDITURES	\$ 13,610,920
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$ 28,550,079
Transfer (to)/from Operating Capital Outlay	\$ (20,286,802)
Transfer (to)/from Passenger Facility Charge Reserve	(2,543,161)
Transfer (to)/from Retained Earnings	(5,720,116)
SURPLUS/(DEFICIT)	\$ -
TOTAL REVENUES	\$ 104,165,667
TOTAL APPROPRIATIONS	\$ 104,165,667
FULLTIME POSITIONS	301
TEMPORARY EMPLOYEE HOURS	5,220

REVISED SCHEDULE G

JACKSONVILLE AVIATION AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019

Airport	Description	FUNDING SOURCES					Budget 2019 Total Capital Commitments
		JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER	
Jacksonville International Airport	JAX Terminal Roof Rehab	3,600,000					3,600,000
	Garage Structure Rehab (PH1 of 4)	3,100,000					3,100,000
	Terminal Hold Room Terrazzo Flooring	702,000	1,898,000				2,600,000
	Terminal Air Handler Unit Replacement (PH 5 of 5) + 2 Host Units	1,600,000					1,600,000
	Perimeter Radar Surveillance		1,000,000				1,000,000
	Replace Elevators (5)- Ticketing, ADO, Hourly	900,000					900,000
	Wildlife Fence (final funding)	125,000		375,000			500,000
	Train Board Replacement 50' Display	500,000					500,000
	Airfield Wetland Mitigation Design and Permitting Only	125,000		375,000			500,000
	JAX Drainage, Flood and Storm Surge Study	500,000					500,000
	Oracle Upgrade	500,000					500,000
	Infrastructure Refresh	300,000					300,000
	Landscape Design and JAX Irrigation (additional funding)	300,000					300,000
	Design JAX Daily & Hourly Garage Lighting Replacement	250,000					250,000
	Design GA FIS Facility	250,000					250,000
	Badging Refresh	140,000					140,000
	JIA Small Cap	1,159,800					1,159,800
		14,051,800	2,898,000	750,000	-	-	17,699,800
Cecil Airport	ATCT (final funding)	1,810,502			2,100,000		3,910,502
	Eastside Utility Corridor Phase 2 (final funding)					3,500,000	3,500,000
	Airfield Signage Replacement and Electrical Connection	140,000		1,260,000			1,400,000
	18L/36R Concrete Rehab (final funding)	1,900,000			800,000		2,700,000
	9L/27R Rehab (final funding)	400,000			400,000		800,000
	Cecil Airport Small Cap	251,000					251,000
		4,501,502	-	1,260,000	3,300,000	3,500,000	12,561,502
Cecil Spaceport	Eastside Roadway					7,500,000	7,500,000
	Cecil Spaceport Small Cap						-
		-	-	-	-	7,500,000	7,500,000
Jacksonville Executive at Craig Airport	Building 2 Replacement	500,000			500,000		1,000,000
	Hangar 607 and Ops Building Water and Sewer Connection	220,000					220,000
	JAXEx Small Cap	111,500					111,500
		831,500	-	-	500,000	-	1,331,500
Herlong Recreational Airport	Runway 11/29 and Twys C&D (final funding)	562,000			2,248,000		2,810,000
	Rehab H3 Roof	200,000					200,000
	Herlong Recreational Airport Small Cap	140,000					140,000
		902,000	-	-	2,248,000	-	3,150,000
Total Capital		20,286,802	2,898,000	2,010,000	6,048,000	11,000,000	42,242,802

REVISED SCHEDULE H

**JACKSONVILLE PORT AUTHORITY
COMPARISON OF BUDGETS
ANALYSIS OF FY 2018/2019 PROPOSED BUDGET**

	<u>Operating & Non-Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total</u>
FY 2017/2018 Original	\$ 43,761,162	\$ 21,716,937	\$ 82,010,032	\$ 147,488,131
FY 2018/2019 Proposed	\$ 47,173,638	\$ 23,675,959	\$ 123,615,548	\$ 194,465,145
\$ Increase (Decrease)	\$ 3,412,476	\$ 1,959,022	\$ 41,605,516	\$ 46,977,014
% Increase (Decrease)	7.80%	9.02%	50.73%	31.85%

	<u>FY 2017/18</u>	<u>FY 2018/19</u>	<u>Increase/Decrease</u>
Full-time Positions	171	171	-
Part-time Hours	6,500	7,020	520

JACKSONVILLE PORT AUTHORITY
ANALYSIS OF FY 2018/2019 OPERATING BUDGET

	2017/2018 ORIGINAL BUDGET	8 Months 2017/2018 YTD as of May 31, 2018	12 Months 2017/2018 PROJECTED (per JPA)	2018/2019 PROPOSED BUDGET	\$ and % Increase (Decrease) of 2018/2019 JPA Budget Over 2017/2018 ORIGINAL	
OPERATING REVENUES						
Containers	\$ 30,725,820	\$ 22,419,227	\$ 32,962,715	\$ 35,732,071	\$ 5,006,251	16.29%
Autos	16,672,453	11,478,360	17,021,117	17,562,435	889,982	5.34%
Break Bulk	4,482,347	2,623,918	3,896,142	4,106,261	(376,086)	(8.39%)
Cruise	4,987,291	3,401,033	4,750,160	4,977,549	(9,742)	(0.20%)
Liquid Bulk	1,229,733	899,296	1,324,788	1,261,502	31,769	2.58%
Dry Bulk	2,094,245	1,313,801	1,935,518	2,045,168	(49,077)	(2.34%)
Other Operating Revenues	2,072,409	3,531,920	3,985,728	2,013,486	(58,923)	(2.84%)
TOTAL OPERATING REVENUES	\$ 62,264,298	\$ 45,667,555	\$ 65,876,168	\$ 67,698,472	\$ 5,434,174	8.73%
OPERATING EXPENDITURES						
Salaries	\$ 12,219,208	\$ 7,881,978	\$ 11,841,984	\$ 12,286,010	\$ 66,802	0.55%
Employee Benefits	4,875,446	3,029,058	4,714,281	5,269,627	394,181	8.09%
Services & Supplies	4,658,292	3,203,319	4,755,247	5,377,747	719,455	15.44%
Security Services	4,452,966	2,981,315	4,461,595	4,863,625	410,659	9.22%
Business Travel & Training	402,767	200,893	353,427	514,153	111,386	27.66%
Promotion, Advertising, Dues	977,525	611,906	950,389	920,988	(56,537)	(5.78%)
Utility Services	1,032,425	702,453	1,050,488	1,144,114	111,689	10.82%
Repairs & Maintenance Projects	1,772,956	1,425,244	1,885,740	2,057,048	284,092	16.02%
Dredging	2,784,904	4,781,395	5,116,188	4,010,850	1,225,946	44.02%
Other Operating Expenditures	186,253	184,809	277,609	234,297	48,044	25.80%
TOTAL OPERATING EXPENDITURES	\$ 33,362,742	\$ 25,002,370	\$ 35,406,948	\$ 36,678,459	\$ 3,315,717	9.94%
OPERATING INCOME	\$ 28,901,556	\$ 20,665,185	\$ 30,469,220	\$ 31,020,013	\$ 2,118,457	7.33%
NON-OPERATING REVENUES/(EXPENSES)						
Debt Service	\$ (21,716,937)	\$ (13,618,688)	\$ (20,422,753)	\$ (23,675,959)	(1,959,022)	9.02%
Investment Income	269,655	165,944	260,463	355,398	85,743	31.80%
Shared Revenue from Primary Govt	2,940,286	1,860,091	2,640,286	2,791,867	(148,419)	(5.05%)
Contributions to Tenants	(2,601,700)	(1,622,162)	(2,524,174)	(1,901,700)	700,000	(26.91%)
Other Revenue	3,860	240	2,110	3,860	-	0.00%
Other Expense	(8,590)	(12,054)	(13,851)	(8,575)	15	(0.17%)
NET INCOME BEFORE CAPITAL CONTRIBUTION AND CONTINGENCY	\$ 7,788,130	\$ 7,438,556	\$ 10,411,301	\$ 8,584,904	\$ 796,774	10.23%
TRANSFER TO OPERATING CAPITAL OUTLAY	\$ (7,788,130)	\$ (7,438,556)	\$ (7,788,130)	\$ (8,584,904)	(796,774)	10.23%
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ (2,623,171)	\$ -	\$ -	-

JACKSONVILLE PORT AUTHORITY
FY 2017/2018 ORIGINAL BUDGET VS. FY 2018/2019 PROPOSED BUDGET

	Increase/(Decrease)	
	\$	%
OPERATING REVENUE OVERVIEW		
Containers	\$ 5,006,251	16.29%
The increase is primarily due to greater volumes by Crowley due to full utilization of LNG vessels at the new Talleyrand Marine Terminal, as well as increased Asian cargo growth and contractual CPI increases.		
Autos	\$ 889,982	5.34%
The increase is due to the utilization of the new Auto Parking Expansion at Dames Point Terminal, as well as increased volumes from several auto processors. FY 2017/18 saw a reduction from prior years due to construction of the parking facility at the Dames Point Terminal.		
Break Bulk	\$ (376,086)	(8.39%)
The decrease is due to a reduction in volumes (steel and other break bulk) per projections from the tenants.		
OPERATING EXPENDITURE OVERVIEW		
	\$	%
Salaries	\$ 66,802	0.55%
The increase is primarily due to a 3% salary increase for both union and non-union personnel, partially offset by the defunding of three positions.		
Employee Benefits	\$ 394,181	8.09%
The increase is primarily due to increased FRS pension rates (\$175K), and increased Health Insurance rates (\$253K) partially offset by reductions in other benefits.		
Services & Supplies	\$ 719,455	15.44%
The increase is primarily due to increased fuel usage for cranes due to increased cargo volumes, as well as increased Property Insurance expense based on estimates from JPA's Risk Manager.		
Security Services	\$ 410,659	9.22%
The increase is primarily due to additional contract security personnel providing port access for non-credentialed individuals (escort operations).		
Business Travel & Training	\$ 111,386	27.66%
The increase is for travel for the new Chief Commercial Officer, sales staff and Government Affairs Manager.		
Utility Services	\$ 111,689	10.82%
The increase is due to volume usage of electric cranes and upgrades to Blount Island lighting.		
Repairs & Maintenance Projects	\$ 284,092	16.02%
The increase is due to repairs and maintenance upgrades as well as addressing deferred maintenance including lighting, landscaping and painting.		
Dredging	\$ 1,225,946	44.02%
The increase is primarily due to an estimated increase from 153,000 cubic yards to 225,000 cubic yards based on a five year dredging trend history.		
Other Operating Expenditures	\$ 48,044	25.80%
The increase is primarily due to security for operations at Buck Island and credit card fees for escort operations.		

JACKSONVILLE PORT AUTHORITY
FY 2017/2018 ORIGINAL BUDGET VS. FY 2018/2019 PROPOSED BUDGET

NON-OPERATING REVENUES/(EXPENSES) OVERVIEW	Increase/(Decrease)	
	\$	%
Debt Service The increase is primarily due to additional debt service from the 2018 Bond issuance of \$75,000,000.	\$ (1,959,022)	9.02%
Investment Income The increase is due to higher interest yields on cash balances.	\$ 85,743	31.80%
Shared Revenue from Primary Government Pursuant to the Interlocal Agreement, the City provides a contribution to JPA each year. Due to a projected decrease in the Communication Services Tax and increased debt service for bonds that were issued by the City on behalf of JPA, the contribution provided to JPA is also decreasing.	\$ (148,419)	(5.05%)
Contributions to Tenants The decrease is due to the expiration of the MOU with TraPac in which JPA covered \$700K of their dredging costs.	\$ 700,000	(26.91%)

**JACKSONVILLE PORT AUTHORITY
FY 2018/2019 BUDGET**

OPERATING REVENUES	
Containers	\$ 35,732,071
Autos	17,562,435
Break Bulk	4,106,261
Cruise	4,977,549
Liquid Bulk	1,261,502
Dry Bulk	2,045,168
Other Operating Revenues	<u>2,013,486</u>
TOTAL OPERATING REVENUES	<u>\$ 67,698,472</u>
OPERATING EXPENDITURES	
Salaries	\$ 12,286,010
Employee Benefits	5,269,627
Services & Supplies	5,377,747
Security Services	4,863,625
Business Travel & Training	514,153
Promotion, Advertising, Dues	920,988
Utility Services	1,144,114
Repairs & Maintenance Projects	2,057,048
Dredging	4,010,850
Other Operating Expenditures	<u>234,297</u>
TOTAL OPERATING EXPENDITURES	<u>\$ 36,678,459</u>
OPERATING INCOME	<u>\$ 31,020,013</u>
NON-OPERATING REVENUES	
Investment Income	\$ 355,398
Shared Revenue from Primary Govt	2,791,867
Other Revenue	3,860
TOTAL NON-OPERATING REVENUES	<u>\$ 3,151,125</u>
NON-OPERATING EXPENDITURES	
Debt Service	\$ 23,675,959
Contributions to Tenant	1,901,700
Other Expenditures	8,575
TOTAL NON-OPERATING EXPENDITURES	<u>\$ 25,586,234</u>
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	<u>\$ 8,584,904</u>
Transfer to Operating Capital Outlay	<u>\$ (8,584,904)</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>
TOTAL REVENUES	<u>\$ 70,849,597</u>
TOTAL APPROPRIATIONS	<u>\$ 70,849,597</u>
Full Time Positions	<u>171</u>
Temporary Employee Hours	<u>7,020</u>

SCHEDULE I

Jacksonville Port Authority

Capital Projects - Budget 2018-2019

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Blount Island	Rehabilitate Berths 33 & 34	44,100,000			4,394,654	1,106,061	9,199,285	\$ 58,800,000
	Rehabilitate Railroad Tressel	250,000			250,000			\$ 500,000
	Pile, Cap and Beam Rehab BIMT				400,000			\$ 400,000
	Resurface Wm Mills from Dave Rawls Blvd to BI Blvd	150,000			150,000			\$ 300,000
	Tenant Asphalt Facility Rehab	87,500			87,500			\$ 175,000
	Flyover Bridge Rehab	75,000			75,000			\$ 150,000
	Design of Cathodic Protection System				100,000			\$ 100,000
	Asphalt BI Blvd/Access Road	42,500			42,500			\$ 85,000
	Replace Roof on Fire Station	15,000			15,000			\$ 30,000
	Total Blount Island	\$ 44,720,000	\$ -	\$ -	\$ 5,514,654	\$ 1,106,061	\$ 9,199,285	\$ 60,540,000
Dames Point	Cruise Terminal Improvements						1,300,000	\$ 1,300,000
	Auto Processing Facility - Phase 1 (Paving)						700,000	\$ 700,000
	Asphalt Rehab Tenant					400,000		\$ 400,000
	Environmental Permitting/Auto Processing Facility - Phase 2				200,000			\$ 200,000
	August Drive Bridge Sheet Pile Wall Replacement (Design)				150,000			\$ 150,000
	Saltmarsh Mitigation at Security Operations Center (SOC)				60,000			\$ 60,000
	Total Dames Point	\$ -	\$ -	\$ -	\$ 410,000	\$ 400,000	\$ 2,000,000	\$ 2,810,000
Talleyrand	Warehouse Rehab (Seonous)	1,500,000				335,792	1,164,208	\$ 3,000,000
	Rehabilitate Under Deck Concrete	1,500,000					500,000	\$ 2,000,000
	Tenant Improvements Process Bldg (108K SF)	250,000			250,000			\$ 500,000
	Rehabilitate Steel Wharf Structures Berth 7 & 8	375,000					125,000	\$ 500,000
	Pile, Cap and Beam Rehab TMT	300,000					100,000	\$ 400,000
	Resurface Leased Areas - TMT	75,000			75,000			\$ 150,000
	Kerr-McGee 13 Acre Site Development Assessment				15,000			\$ 15,000
	Total Talleyrand	\$ 4,000,000	\$ -	\$ -	\$ 340,000	\$ 335,792	\$ 1,889,208	\$ 6,565,000
Port Related	Harbor Deepening - Contract B (Phase 1)	23,472,219		23,472,219				\$ 46,944,438
	Mile Point Navigation Project (Phase 2)	386,742					1,613,258	\$ 2,000,000
	Harbor Deepening Monitoring Fees					1,517,110		\$ 1,517,110
	Capitalize In-House Engineering Services				400,000			\$ 400,000
	Upland Dredge Material Management Area (Design)				200,000			\$ 200,000
	Billing System				195,000			\$ 195,000
	Miscellaneous Land Acquisition				100,000			\$ 100,000
	Strategic Master Plan Updating				50,000			\$ 50,000
	FY16 Federal Security Grant Projects							
	* BIMT Main Gate/Lanes/Access Control CCTV Upgrade		165,000		55,000			\$ 220,000
	* SOC CCTV Upgrade		60,000		20,000			\$ 80,000
	FY17 Federal Security Grant Projects							
	* TMT North Gate/PCOB CCTV Upgrade		165,000		55,000			\$ 220,000
	* TMT Main Gate CCTV Upgrade		157,500		52,500			\$ 210,000
	* TraPac Access Control and CCTV		120,000		40,000			\$ 160,000
	* BIMT Intersection Cameras		105,000		35,000			\$ 140,000
	FY18 Federal Security Grant Projects		112,500		37,500			\$ 150,000
	* Replacement of Guard Booths BI Main Gate		33,750		11,250			\$ 45,000
	Total Port Related	\$ 23,858,961	\$ 918,750	\$ 23,472,219	\$ 1,251,250	\$ 1,517,110	\$ 1,613,258	\$ 52,631,548
Other Capital	<u>BLOUNT ISLAND</u>							
	Sweeper Replacement				250,000			\$ 250,000
	Loader/Backhoe Combo				95,000			\$ 95,000
	Vehicle Replacements - BI				66,000			\$ 66,000
	Dock Shore Power Upgrades to 480				55,000			\$ 55,000
	Structure bolt replacement for 3 Hanjung Cranes (at boom and gantry)				30,000			\$ 30,000
	Lighting Replacement in Warehouse #1				15,000			\$ 15,000
	<u>TALLEYRAND</u>							
	Dock Bollard Replacements (4)				100,000			\$ 100,000
	Vehicle Replacements - TMT				66,000			\$ 66,000
	IHI Forestay Pin				37,000			\$ 37,000
	<u>SECURITY/SECURITY OPERATIONS CENTER</u>							
	Fire Alarm Tie In to SOC				100,000			\$ 100,000
	Public Safety Vehicle				35,000			\$ 35,000
	SOC HVAC Enhancement				35,000			\$ 35,000
	<u>PCOB</u>							
	PCOB Central Heat				120,000			\$ 120,000
	IT Hardware/Software Upgrades				50,000			\$ 50,000
	HVAC Variable Speed Drives (Board Room & HR Office)				15,000			\$ 15,000
	Total Other Capital	\$ -	\$ -	\$ -	\$ 1,069,000	\$ -	\$ -	\$ 1,069,000
TOTAL CAPITAL PROJECTS		\$ 72,578,961	\$ 918,750	\$ 23,472,219	\$ 8,584,904	\$ 3,358,963	\$ 14,701,751	\$ 123,615,548

SCHEDULE J

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED BUDGET FY 2018/2019**

JPA concurs with these recommendations.

RECOMMENDATIONS:

1. We recommend attaching Revised Schedule I to decrease the “Shared Revenue from Primary Govt” line under “Non-Operating Revenues” by \$230,016 from \$2,791,867 to \$2,561,851. This amount will be in agreement with the amount the Finance Committee amended at its August 16, 2018 Budget Hearing that will be paid to JPA. We also recommend that JPA decrease the “Debt Service” line under “Non-Operating Expenditures” by \$230,016 from \$23,675,959 to \$23,445,943. This will balance the revenues and expenditures for JPA’s budget.
2. We recommend attaching Revised Schedule J (Capital) to clarify project names.

**JACKSONVILLE PORT AUTHORITY
FY 2018/2019 BUDGET**

OPERATING REVENUES	
Containers	\$ 35,732,071
Autos	17,562,435
Break Bulk	4,106,261
Cruise	4,977,549
Liquid Bulk	1,261,502
Dry Bulk	2,045,168
Other Operating Revenues	<u>2,013,486</u>
TOTAL OPERATING REVENUES	<u>\$ 67,698,472</u>
OPERATING EXPENDITURES	
Salaries	\$ 12,286,010
Employee Benefits	5,269,627
Services & Supplies	5,377,747
Security Services	4,863,625
Business Travel & Training	514,153
Promotion, Advertising, Dues	920,988
Utility Services	1,144,114
Repairs & Maintenance Projects	2,057,048
Dredging	4,010,850
Other Operating Expenditures	<u>234,297</u>
TOTAL OPERATING EXPENDITURES	<u>\$ 36,678,459</u>
OPERATING INCOME	<u>\$ 31,020,013</u>
NON-OPERATING REVENUES	
Investment Income	\$ 355,398
Shared Revenue from Primary Govt	2,561,851
Other Revenue	<u>3,860</u>
TOTAL NON-OPERATING REVENUES	<u>\$ 2,921,109</u>
NON-OPERATING EXPENDITURES	
Debt Service	\$ 23,445,943
Contributions to Tenant	1,901,700
Other Expenditures	<u>8,575</u>
TOTAL NON-OPERATING EXPENDITURES	<u>\$ 25,356,218</u>
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	<u>\$ 8,584,904</u>
Transfer to Operating Capital Outlay	<u>\$ (8,584,904)</u>
SURPLUS/(DEFICIT)	<u><u>\$ -</u></u>
TOTAL REVENUES	<u><u>\$ 70,619,581</u></u>
TOTAL APPROPRIATIONS	<u><u>\$ 70,619,581</u></u>
Full Time Positions	<u>171</u>
Temporary Employee Hours	<u>7,020</u>

REVISED SCHEDULE I

Jacksonville Port Authority

Capital Projects - Budget 2018-2019

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Blount Island	Rehabilitate Berths 33 & 34	44,100,000			4,394,654	1,106,061	9,199,285	\$ 58,800,000
	Rehabilitate Railroad Tressel	250,000			250,000			\$ 500,000
	Pile, Cap and Beam Rehab				400,000			\$ 400,000
	Resurface William Mills St. from Dave Rawls Blvd to Blount Island Blvd	150,000			150,000			\$ 300,000
	Tenant Asphalt Facility Rehab	87,500			87,500			\$ 175,000
	Flyover Bridge Rehab	75,000			75,000			\$ 150,000
	Design of Cathodic Protection System				100,000			\$ 100,000
	Asphalt Blount Island Blvd/Access Road	42,500			42,500			\$ 85,000
	Replace Roof on Fire Station	15,000			15,000			\$ 30,000
	Total Blount Island	\$ 44,720,000	\$ -	\$ -	\$ 5,514,654	\$ 1,106,061	\$ 9,199,285	\$ 60,540,000
Dames Point	Cruise Terminal Improvements						1,300,000	\$ 1,300,000
	Auto Processing Facility - Phase 1 (Paving)						700,000	\$ 700,000
	Asphalt Rehab Tenant					400,000		\$ 400,000
	Environmental Permitting/Auto Processing Facility - Phase 2				200,000			\$ 200,000
	August Drive Bridge Sheet Pile Wall Replacement (Design)				150,000			\$ 150,000
	Saltmarsh Mitigation at Security Operations Center (SOC)				60,000			\$ 60,000
	Total Dames Point	\$ -	\$ -	\$ -	\$ 410,000	\$ 400,000	\$ 2,000,000	\$ 2,810,000
Talleyrand	Warehouse Rehab (Seonous)	1,500,000				335,792	1,164,208	\$ 3,000,000
	Rehabilitate Under Deck Concrete	1,500,000					500,000	\$ 2,000,000
	Tenant Improvements Process Bldg (108K SF)	250,000			250,000			\$ 500,000
	Rehabilitate Steel Wharf Structures Berth 7 & 8	375,000					125,000	\$ 500,000
	Pile, Cap and Beam Rehab	300,000					100,000	\$ 400,000
	Resurface Leased Areas	75,000			75,000			\$ 150,000
	Kerr-McGee 13 Acre Site Development Assessment				15,000			\$ 15,000
	Total Talleyrand	\$ 4,000,000	\$ -	\$ -	\$ 340,000	\$ 335,792	\$ 1,889,208	\$ 6,565,000
Port Related	Harbor Deepening - Contract B (Phase 1)	23,472,219		23,472,219				\$ 46,944,438
	Mile Point Navigation Project (Phase 2)	386,742					1,613,258	\$ 2,000,000
	Harbor Deepening Monitoring Fees					1,517,110		\$ 1,517,110
	Capitalize In-House Engineering Services				400,000			\$ 400,000
	Upland Dredge Material Management Area (Design)				200,000			\$ 200,000
	Billing System				195,000			\$ 195,000
	Miscellaneous Land Acquisition				100,000			\$ 100,000
	Strategic Master Plan Updating				50,000			\$ 50,000
	FY16 Federal Security Grant Projects							
	* Main Gate/Lanes/Access Control CCTV Upgrade (Blount Island)		165,000		55,000			\$ 220,000
	* SOC CCTV Upgrade		60,000		20,000			\$ 80,000
	FY17 Federal Security Grant Projects							
	* North Gate/PCOB CCTV Upgrade (Talleyrand)		165,000		55,000			\$ 220,000
	* Main Gate CCTV Upgrade (Talleyrand)		157,500		52,500			\$ 210,000
	* TraPac Access Control and CCTV		120,000		40,000			\$ 160,000
	* Intersection Cameras (Blount Island)		105,000		35,000			\$ 140,000
	FY18 Federal Security Grant Projects		112,500		37,500			\$ 150,000
	* Replacement of Guard Booths Main Gate (Blount Island)		33,750		11,250			\$ 45,000
	Total Port Related	\$ 23,858,961	\$ 918,750	\$ 23,472,219	\$ 1,251,250	\$ 1,517,110	\$ 1,613,258	\$ 52,631,548
Other Capital	<u>BLOUNT ISLAND</u>							
	Sweeper Replacement				250,000			\$ 250,000
	Loader/Backhoe Combo				95,000			\$ 95,000
	Vehicle Replacements				66,000			\$ 66,000
	Dock Shore Power Upgrades to 480 volts				55,000			\$ 55,000
	Structure bolt replacement for 3 Hanjung Cranes (at boom and gantry)				30,000			\$ 30,000
	Lighting Replacement in Warehouse #1				15,000			\$ 15,000
	<u>TALLEYRAND</u>							
	Dock Bollard Replacements (4)				100,000			\$ 100,000
	Vehicle Replacements				66,000			\$ 66,000
	IHI Crane Forestay Pin				37,000			\$ 37,000
	<u>SECURITY/SECURITY OPERATIONS CENTER</u>							
	Fire Alarm Tie In to SOC				100,000			\$ 100,000
	Public Safety Vehicle				35,000			\$ 35,000
	SOC HVAC Enhancement				35,000			\$ 35,000
	<u>Port Central Office Building (PCOB)</u>							
	PCOB Central Heat				120,000			\$ 120,000
	IT Hardware/Software Upgrades				50,000			\$ 50,000
	HVAC Variable Speed Drives (Board Room & HR Office)				15,000			\$ 15,000
	Total Other Capital	\$ -	\$ -	\$ -	\$ 1,069,000	\$ -	\$ -	\$ 1,069,000
TOTAL CAPITAL PROJECTS		\$ 72,578,961	\$ 918,750	\$ 23,472,219	\$ 8,584,904	\$ 3,358,963	\$ 14,701,751	\$ 123,615,548

REVISED SCHEDULE J