

OFFICE OF THE COUNCIL AUDITOR

FY 2022/2023 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

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Meeting #4 – Independent Agencies
August 19, 2022

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MEETING #4**

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**JACKSONVILLE PORT AUTHORITY
COMPARISON OF BUDGETS
ANALYSIS OF FY 2022/2023 PROPOSED BUDGET**

	<u>Operating & Non-Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total</u>
FY 2021/2022 Original	\$50,685,849	\$16,827,725	\$108,879,247	\$176,392,821
FY 2022/2023 Proposed	\$53,161,799	\$15,679,678	\$261,310,182	\$330,151,659
\$ Change	\$2,475,950	-\$1,148,047	\$152,430,935	\$153,758,838
% Change	4.88%	-6.82%	140.00%	87.17%

	<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>Change</u>
Full-time Positions	171	182	11
Part-time Hours	5,200	6,760	1,560

Overall Comments:

- Operating and Non-Operating budget is relatively flat, but includes 11 new positions due to moving nine contracted security workers in-house, adding a Chief of Staff position, and a position in Accounting and Finance.
- Cruise revenue is up due to a full year of budgeting at 95% occupancy.
- Most of the increase in JPA's budget is in their Capital Budget. The big projects include the lifting of the power lines that cross the St. Johns River, development of an auto processing facility at Blount Island, a Jaxport Port Infrastructure Program project, and the Westrock Development at Talleyrand Marine Terminal.
- JPA does not have an employee incentive payment plan.

Jacksonville Port Authority
Analysis of FY 2022/23 Proposed Budget

	2021/22	8 Months	12 Months	2022/23	2022/23 Proposed Budget	
	Original Budget	Actuals FY 2021/22	Projected FY 2021/22	Proposed Budget	over 2021/22 Original \$ Change	% Change
Operating Revenues						
Containers	\$29,856,732	\$19,639,762	\$29,856,732	\$28,474,681	-\$1,382,051	-4.63%
Autos	15,220,500	9,829,361	14,714,850	13,867,830	-1,352,670	-8.89%
Military	998,133	342,399	848,133	700,000	-298,133	-29.87%
Break Bulk	4,133,415	3,773,501	5,408,208	5,460,517	1,327,102	32.11%
Liquid Bulk	1,490,922	1,011,700	1,569,690	1,675,572	184,650	12.38%
Dry Bulk	2,078,202	1,403,585	2,038,814	2,013,070	-65,132	-3.13%
Cruise	1,224,130	1,043,108	2,000,000	3,425,066	2,200,936	179.80%
Other Operating Revenues	2,778,721	2,601,971	3,435,335	3,253,193	474,472	17.08%
Total Operating Revenues	\$57,780,755	\$39,645,387	\$59,871,762	\$58,869,929	\$1,089,174	1.89%
Operating Expenditures						
Salaries	\$13,120,191	\$8,607,703	\$12,933,067	\$14,832,233	\$1,712,042	13.05%
Employee Benefits	5,913,133	3,888,463	5,822,387	6,644,052	730,919	12.36%
Services & Supplies	4,948,700	3,263,293	4,818,082	6,884,338	1,935,638	39.11%
Security Services	5,402,169	2,888,839	4,447,042	4,987,040	-415,129	-7.68%
Business Travel & Training	576,725	137,282	367,399	545,246	-31,479	-5.46%
Promotion, Advertising, Dues	734,327	459,620	717,180	781,705	47,378	6.45%
Utility Services	781,944	422,313	645,528	805,393	23,449	3.00%
Repairs & Maintenance	2,077,416	1,438,542	2,036,736	2,371,414	293,998	14.15%
Crane Maintenance Pass Thru	-450,000	-309,540	-396,118	-760,000	-310,000	68.89%
Berth Maintenance Dredging	5,335,165	3,878,096	5,335,165	5,000,815	-334,350	-6.27%
Miscellaneous	163,115	72,751	109,108	176,503	13,388	8.21%
Total Operating Expenditures	\$38,602,885	\$24,747,362	\$36,835,576	\$42,268,739	\$3,665,854	9.50%
Operating Income	\$19,177,870	\$14,898,025	\$23,036,186	\$16,601,190	-\$2,576,680	-13.44%
Non-Operating Revenues/(Expenses)						
Debt Service	-\$16,827,725	-\$11,715,937	-\$18,409,956	-\$15,679,678	\$1,148,047	-6.82%
Investment Income	8,688	12,884	15,582	300,000	291,312	3353.04%
Shared Revenue from Primary Govt	9,642,191	6,486,035	9,760,670	9,589,608	-52,583	-0.55%
Crane Relocation/Demo	0	0	0	-1,050,000	-1,050,000	N/A
Operating Grants	73,440	0	36,720	73,440	0	0.00%
Other Revenue	8,500	1,994	3,604	8,500	0	0.00%
Other Expenses	-3,360	-11,977	-13,902	-3,360	0	0.00%
Total Non-Operating Revenues/(Expenses)	-\$7,098,266	-\$5,227,001	-\$8,607,282	-\$6,761,490	\$336,776	-4.74%
Net Income Before Capital Contribution	\$12,079,604	\$9,671,024	\$14,428,904	\$9,839,700	-\$2,239,904	-18.54%
Transfer to Operating Capital Outlay	-\$12,079,604	-\$9,671,024	-\$14,428,904	-\$9,839,700	\$2,239,904	-18.54%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	

Jacksonville Port Authority
FY 2021/22 Original Budget vs. FY 2022/23 Proposed Budget
Variance Overview

Operating Revenues	\$ Change	% Change
<p><u>Containers</u> The decrease is due to JPA not budgeting Fixed Rents of \$3.7 million in FY 2022/23 since the final rent payment per a contract with a tenant was received in this current fiscal year. This is partially offset by cargo volume and revenue increases for both Asia and Puerto Rico trade lanes of \$1.2 million and \$1.4 million respectively.</p>	-\$1,382,051	-4.63%
<p><u>Autos</u> The decrease is primarily due to a contract renewal resulting in less acreage available at the Blount Island Marine Terminal during the construction of the new tenant location resulting in a decrease of \$1.5 million. This is partially offset by other contracts with tenants that have a Minimum Annual Guaranteed (MAG) which will provide additional revenue of \$200,000.</p>	-\$1,352,670	-8.89%
<p><u>Military</u> The decrease is primarily based on recent operations and cargo activity.</p>	-\$298,133	-29.87%
<p><u>Break Bulk</u> The increase is primarily due to growing demands for Break Bulk cargoes (767,593 tons in FY 2021/22 vs. 1,084,116 tons in FY 2022/23), as well as a shift from certain container cargo to pallet cargo for coffee and fertilizer.</p>	\$1,327,102	32.11%
<p><u>Liquid Bulk</u> The increase is primarily due to contractual CPI increases.</p>	\$184,650	12.38%
<p><u>Cruise</u> The increase is primarily due to JPA budgeting for a full year of Cruise operations at 95% occupancy and an anticipated increase in the wharfage rate for FY 2022/23.</p>	\$2,200,936	179.80%
<p><u>Other Operating Revenues</u> The increase is primarily due to an anticipated increase in dredge spoil fees as a result of the availability of commercial dredging disposal capacity at the Dredged Material Management Area. This is partially offset by a decrease in terminal railway revenue based on actuals received in FY 2021/22.</p>	\$474,472	17.08%

Jacksonville Port Authority
FY 2021/22 Original Budget vs. FY 2022/23 Proposed Budget
Variance Overview

Operating Expenditures	\$ Change	% Change
<p><u>Salaries</u> The increase is primarily due the addition of eleven new positions and funding two positions that were unfunded in this current year. The increase in salaries also includes 3% salary increases for union and non-union employees, promotions for various crane tech/operation positions, and retention pay for all JPA employees.</p>	\$1,712,042	13.05%
<p><u>Employee Benefits</u> The increase is primarily due to a \$526,274 increase in FRS pensions due to increased rates, an increase in positions, as well as underbudgeting of pension costs for FY 2021/22 due to JPA not having the FRS percentage increase at the time the budget was submitted, and an increase in FICA and Medicare based on changes in salaries, and a 22.7 % increase for dental insurance.</p>	\$730,919	12.36%
<p><u>Services & Supplies</u> The increase is primarily due to an increase in fuel costs based on higher fuel prices, an increase for consultants (sustainability/environment consultant, safety consultant, and bond counsel), an increase in Workers' Comp due to claims, an increase in facility inspections for bond compliance and normally scheduled inspections, an increase in other contractual services (Part-Time Cruise Terminal Coordinator, various terminal operations), an increase in supplies and equipment for security and IT, and an increase in Property and Casualty insurance. This was partially offset by decreases in legal and printing and binding expenses.</p>	\$1,935,638	39.11%
<p><u>Security Services</u> The decrease is primarily due to moving nine contracted security workers to JPA Security staff and JPA budgeting at 90% staffing levels based on staffing challenges in FY 2021/22. This is partially offset by increases of 2% - 6% for position specific contract increases, as well as a \$5 per hour raise for JSO security.</p>	-\$415,129	-7.68%
<p><u>Repairs & Maintenance</u> The increase is primarily due to anticipated facility and equipment repairs and maintenance, an increase in corrosion proofing and painting, and an increase in regulatory compliance (stormwater pollution prevention plan and fire system and alarm inspections). This was partially offset with decreases in information technology recurring repairs and maintenance for cameras, cyber, and network equipment.</p>	\$293,998	14.15%
<p><u>Crane Maintenance Pass Thru</u> The increase is primarily due to a tenant adding three new cranes and crane technicians mid-year at Blount Island. This is the estimated expense for salaries, benefits, and parts that the tenant will reimburse.</p>	-\$310,000	68.89%
<p><u>Berth Maintenance Dredging</u> The decrease is due to JPA not budgeting for Dredged Material Maintenance Area site maintenance in FY 2022/23. This is partially offset by increases in the estimate of cubic yards to be dredged (290,000 cubic yards in FY 2022/23 versus 281,000 cubic yards in FY 2021/22), and increased diesel fuel prices.</p>	-\$334,350	-6.27%

Jacksonville Port Authority
FY 2021/22 Original Budget vs. FY 2022/23 Proposed Budget
Variance Overview

<u>Non-Operating Revenues/Expenses</u>	<u>\$ Change</u>	<u>% Change</u>
<p><u>Debt Service</u> The decrease is primarily due to a bond and the 2020 City of Jacksonville Bridge Loan not being budgeted for in FY 2022/23 which were both paid off this current year. This is partially offset by an anticipated rate increase of 1%, from 2% to 3% on JPA's Line of Credit.</p>	\$1,148,047	-6.82%
<p><u>Investment Income</u> The increase is due to anticipated interest rate increases by the Federal Reserve.</p>	\$291,312	3353.04%
<p><u>Crane Relocation/Demo</u> The increase is due to the demolition of one crane at Blount Island due to obsolescence, one crane at Talleyrand that has been out of service for several years, and two rubber tired gantries at Talleyrand that have been out of service for several years. Additionally, one crane will be moved from Talleyrand to Blount Island to maintain the required contract commitments.</p>	-\$1,050,000	N/A

Jacksonville Port Authority
Analysis of FY 2022/23 Proposed Capital Budget

Capital Funds	2021/22 Original Budget	2022/23 Proposed Budget	2022/23 Proposed Budget over 2021/22 Original	
			\$ Change	% Change
State Funded	\$10,952,758	\$27,030,508	\$16,077,750	146.79%
Federal Funded	21,356,640	40,326,021	18,969,381	88.82%
Local Funded	0	30,000,000	30,000,000	N/A
Tenant Contribution	52,000,000	92,043,108	40,043,108	77.01%
JPA Operating Funds	12,079,604	9,839,700	-2,239,904	-18.54%
Other	0	25,000	25,000	N/A
State ARPA Funds	0	13,716,224	13,716,224	N/A
Cash Reserves	7,945,000	8,829,621	884,621	11.13%
JPA Financing	4,545,245	39,500,000	34,954,755	769.04%
Total Capital Funds	\$108,879,247	\$261,310,182	\$152,430,935	140.00%
Capital Projects				
Blount Island Marine Terminal	\$78,497,000	\$114,192,000	\$35,695,000	45.47%
Dames Point Marine Terminal	1,750,000	3,875,000	2,125,000	121.43%
Talleyrand Marine Terminal	6,207,000	47,419,500	41,212,500	663.97%
Miscellaneous & Other Capital Projects	22,425,247	95,823,682	73,398,435	327.30%
Total Capital Projects	\$108,879,247	\$261,310,182	\$152,430,935	140.00%
Surplus/(Deficit)	\$0	\$0	\$0	

Jacksonville Port Authority
Analysis of FY 2022/23 Proposed Capital Budget

Capital Funds	\$ Change	% Change
<p><u>State Funded</u> The increase is primarily due to funding of \$16,500,000 for the development of the auto processing facility on Blount Island.</p>	\$16,077,750	146.79%
<p><u>Federal Funded</u> The increase is primarily due to funding of \$23,518,000 for the Jaxport Port Infrastructure Development Project.</p>	\$18,969,381	88.82%
<p><u>Local Funded</u> The increase is for anticipated funding to be received for the lifting of the power lines crossing the St. Johns River. See Recommendation.</p>	\$30,000,000	N/A
<p><u>Tenant Contribution</u> The increase is primarily due to funding of \$28,500,000 for the development of the auto processing facility on Blount Island and \$23,018,000 funding for the Jaxport Port Infrastructure Program Project. This is offset by reduced funding of \$11,549,892 for Container Terminal Upgrades on Blount Island.</p>	\$40,043,108	77.01%
<p><u>State ARPA Funds</u> The increase is due to funds from the American Rescue Plan Act funneled through the State of Florida to JPA.</p>	\$13,716,224	N/A
<p><u>JPA Financing</u> The increase is primarily due to funding of \$35,000,000 for the Westrock Property Development on Talleyrand Marine Terminal and \$4,000,000 for Miscellaneous Land Acquisition.</p>	\$34,954,755	769.04%

**JACKSONVILLE PORT AUTHORITY
FY 2022/2023 BUDGET**

OPERATING REVENUES	
Containers	\$ 28,474,681
Autos	13,867,830
Military	700,000
Break Bulk	5,460,517
Liquid Bulk	1,675,572
Dry Bulk	2,013,070
Cruise	3,425,066
Other Operating Revenues	<u>3,253,193</u>
TOTAL OPERATING REVENUES	<u>\$ 58,869,929</u>
OPERATING EXPENDITURES	
Salaries	\$ 14,832,233
Employee Benefits	6,644,052
Services & Supplies	6,884,338
Security Services	4,987,040
Business Travel & Training	545,246
Promotion, Advertising, Dues	781,705
Utility Services	805,393
Repairs & Maintenance Projects	2,371,414
Crane Maintenance Pass Thru	(760,000)
Berth Maintenance Dredging	5,000,815
Other Operating Expenditures	<u>176,503</u>
TOTAL OPERATING EXPENDITURES	<u>\$ 42,268,739</u>
OPERATING INCOME	<u>\$ 16,601,190</u>
NON-OPERATING REVENUES	
Investment Income	\$ 300,000
Shared Revenue from Primary Govt	9,589,608
Operating Grant	73,440
Other Revenue	8,500
TOTAL NON-OPERATING REVENUES	<u>\$ 9,971,548</u>
NON-OPERATING EXPENDITURES	
Debt Service	\$ 15,679,678
Crane Relocation/Demo	1,050,000
Other Expenditures	3,360
TOTAL NON-OPERATING EXPENDITURES	<u>\$ 16,733,038</u>
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	<u>\$ 9,839,700</u>
Transfer to Operating Capital Outlay	<u>\$ (9,839,700)</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>
TOTAL REVENUES	<u>\$ 68,841,477</u>
TOTAL APPROPRIATIONS	<u>\$ 68,841,477</u>
Full Time Positions	<u>182</u>
Temporary Employee Hours	<u>6,760</u>

SCHEDULE I

Jacksonville Port Authority

FY 2022/2023 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	OTHER/LOCAL	STATE ARPA FUNDS	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount	
Blount Island	Container Terminal Upgrades			14,549,892	40,450,108					\$ 55,000,000	
	Auto Processing Facility Development	16,500,000			28,500,000					\$ 45,000,000	
	Breasting Dolphin - Berth 22 - Design & Construction	3,801,000				2,267,000				\$ 6,068,000	
	Intersection Improvements @ Wm Mills/Dave Rawls (WB rt Turn slip, SSA queue, DR Left)	625,000						625,000		\$ 1,250,000	
	T Berth Construction @ Berth 20 (Design)	937,500						312,500		\$ 1,250,000	
	Hanjung Crane #8810 Upgrades						909,500			\$ 909,500	
	Install Rail Gates at Crossings (CNST) - 2 Locations (Berth 20 & Dave Rawls)	450,000						450,000		\$ 900,000	
	Hanjung Crane #8841 Upgrades						884,500			\$ 884,500	
	BIMT Equipment Facility/Shelter							750,000		\$ 750,000	
	Hanjung Crane #8811 Upgrades						720,000			\$ 720,000	
	Tenant Asphalt Facility Rehab	225,000						225,000		\$ 450,000	
	Warehouse #1 Rehab/Upgrades							250,000		\$ 250,000	
	Gitmo Building Upgrades	100,000						100,000		\$ 200,000	
	Construct Equipment Was Facility adjacent to Crane Watch Bldg	75,000						75,000		\$ 150,000	
	Tenant Roof Repairs							105,000		\$ 105,000	
	CFS Upgrades							75,000		\$ 75,000	
	HVAC Upgrades at BIMT Maintenance							65,000		\$ 65,000	
	Berth 32 Power Pit Drainage Upgrade							50,000		\$ 50,000	
	HVAC Upgrades at ACC							45,000		\$ 45,000	
	Stormwater Pond Outfall Upgrades for Tenants							40,000		\$ 40,000	
Upgrade lanes 7 & 8 concrete pads @ Interchange	15,000						15,000		\$ 30,000		
Total Blount Island		\$ 22,728,500	\$ 14,549,892	\$ 68,950,108	\$ -	\$ 2,267,000	\$ 2,514,000	\$ 3,182,500	\$ -	\$ 114,192,000	
Dames Point	Slope Protection between Cruise Terminal & Tenant (Design & Construction)	515,000						1,235,000		\$ 1,750,000	
	Berth 16 & 17 Cathodic Protection Design & Construction							1,000,000		\$ 1,000,000	
	CBP PHYSEC Upgrades							500,000		\$ 500,000	
	Cruise Terminal Canopy Upgrades/Enhancement							250,000		\$ 250,000	
	Cruise Terminal Entrance Enhancements							200,000		\$ 200,000	
	Asphalt Rehab Tenant							100,000		\$ 100,000	
	Water Main Loop Connection							75,000		\$ 75,000	
	Total Dames Point	\$ 515,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,360,000	\$ -	\$ 3,875,000	
Talleyrand	Westrock Property Development PH 1 (Warehouse Development)								35,000,000	\$ 35,000,000	
	Warehouse #1 Canopies & Expansion					5,000,000				\$ 5,000,000	
	Westrock Property Development PH 1 Site Development (Design & Construction)	1,617,500				1,617,500				\$ 3,235,000	
	Rehabilitate Under Deck Concrete	750,000						250,000		\$ 1,000,000	
	Pile, Cap and Beam Rehab TMT-Berth 5 - (Cleaning, Design, Construction)	750,000						250,000		\$ 1,000,000	
	Hanjung Crane #8844 Upgrades						974,500			\$ 974,500	
	Tenant Warehouse Rehab - ROOF only	250,000						250,000		\$ 500,000	
	Resurface Leased Areas - TMT	150,000						150,000		\$ 300,000	
	(1) Pin locations for Cranes							125,000		\$ 125,000	
	Upgrade Phase C Lift station							75,000		\$ 75,000	
	Lighting - West End of Duffer Yard							50,000		\$ 50,000	
	Fender Replacement (Concepts/Options)							50,000		\$ 50,000	
	Upgrade Fenceline from Main Gate to PCOB							40,000		\$ 40,000	
	Upgrade NE corner WH1 (ILA Restrooms)							35,000		\$ 35,000	
	Storm Drain Repair							22,879	2,121	\$ 25,000	
	Upgrade & raise storm drain Tenant Parking lot							10,000		\$ 10,000	
	Total Talleyrand	\$ 3,517,500	\$ -	\$ -	\$ -	\$ -	\$ 6,617,500	\$ 997,379	\$ 1,287,121	\$ 35,000,000	\$ 47,419,500
	Port Related	Jaxport PIDP Project		23,518,000	23,018,000					500,000	\$ 47,036,000
Power Lines					30,000,000					\$ 30,000,000	
Upland Dredge Material Mgmt Area-Bartram Island-"C"-Construction						4,831,724	1,168,276			\$ 6,000,000	
Misc Land Acquisition									4,000,000	\$ 4,000,000	
PSGP Rd 21 Security Grant			1,225,012				408,337			\$ 1,633,349	
PSGP Rd 20 Security Grant			845,617				281,872			\$ 1,127,489	
Upland Dredge Material Management Area Construction Buck B - Phase 2								700,000		\$ 700,000	
PCOB Renovations							650,000			\$ 650,000	
Capitalize In-House Engineering Services							400,000			\$ 400,000	
Buck Island Access Road Bridge (Concept Development)								300,000		\$ 300,000	
PSPG Rd 22 Security Grant				187,500			62,500			\$ 250,000	
FSTED 20 Security Grant		100,590					33,530			\$ 134,120	
FSTED 22 Security Grant		90,000					30,000			\$ 120,000	
Strategic Master Plan Update							100,000			\$ 100,000	
FSTED 23 Security Grant		48,750					16,250			\$ 65,000	
FSTED 19 Security Grant		30,168					10,056			\$ 40,224	
FireHouse Subs Public Safety Grant						25,000				\$ 25,000	
Total Port Related		\$ 269,508	\$ 25,776,129	\$ 23,018,000	\$ 30,025,000	\$ 4,831,724	\$ 3,160,821	\$ 1,000,000	\$ 4,500,000		\$ 92,581,182

Jacksonville Port Authority

FY 2022/2023 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	OTHER/LOCAL	STATE ARPA FUNDS	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount	
Other Capital	BLOUNT ISLAND										
	ZPMC Crane #10776 HVAC upgrade/replacements			25,000						\$ 25,000	
	ZPMC Crane #10777 HVAC upgrade/replacements			25,000						\$ 25,000	
	ZPMC Crane #10778 HVAC upgrade/replacements			25,000						\$ 25,000	
	New Excavator									-	
	Kubota Excavator						66,600			\$ 66,600	
	Rockdrill Hammer						5,200			\$ 5,200	
	Paladin Brush Cutter						11,200			\$ 11,200	
	Trailer						10,000			\$ 10,000	
	Bromma Speedloader leg replacements (Asset 9369)						36,000			\$ 36,000	
	Bromma Speedloader leg replacements (Asset 10783)						36,000			\$ 36,000	
	200 KW Standby genset engine replacement (QTY1)						18,500			\$ 18,500	
	New 60' Bucket Truck						275,000			\$ 275,000	
	HANJUN Gantry Motor Replacement (QTY 1) - INVENTORY						30,000			\$ 30,000	
	HANJUN Trolley Motor Replacement (QTY 2) - INVENTORY						60,000			\$ 60,000	
	Berth Fender Upgrades						22,000			\$ 22,000	
	Marque Sign at BIMT Entrance						75,000			\$ 75,000	
	DAMES POINT										
	Cruise Terminal Fender Maintenance						22,000				\$ 22,000
	HVAC Embark (units, ducts, controls, etc) (QTY 2)						200,000				\$ 200,000
	TALLEYRAND										
	ZPMC Crane #10486										-
	Trolley rail clip and bolt replacement						40,000				\$ 40,000
	Catenary side roller shaft and bearing replacement						15,000				\$ 15,000
	ZPMC Crane #10487										-
	Trolley rail clip and bolt replacement						40,000				\$ 40,000
	Catenary side roller shaft and bearing replacement						15,000				\$ 15,000
	Boom Cable						40,000				\$ 40,000
	Impsa Crane #7381										-
	Drive room AC replacement						13,000				\$ 13,000
	Elevator safety devices						12,000				\$ 12,000
	Resistor grid replacements						61,000				\$ 61,000
	Impsa Crane #7382										-
	Drive room AC replacement						13,000				\$ 13,000
	Elevator safety devices						12,000				\$ 12,000
	Resistor grid replacements						61,000				\$ 61,000
	Elevator safety device 1516 IHI						13,000				\$ 13,000
	John Deere Tractor (40 - 60 hp with front end loader)						35,000				\$ 35,000
	Backup Generator & Transfer switch North Gate						75,000				\$ 75,000
	SECURITY/SECURITY OPERATIONS CENTER										
	SOC HVAC replacement						40,000				\$ 40,000
	SOC Parking Lot repair						25,000				\$ 25,000
	SOC Improvements (Paint/Carpet/Tile/Lighting)						30,000				\$ 30,000
	SOC Electric Trailer Tug						8,500				\$ 8,500
	Drone Replacement (2)						40,000				\$ 40,000
	SOC Server Room HVAC replacement (2) Units						15,000				\$ 15,000
	PCOB										
	Vehicle Purchases for all Terminals						750,000				\$ 750,000
	Replace Tour Bus						125,000				\$ 125,000
	Portwide signage upgrade						100,000				\$ 100,000
	SOC Report Writing Software						125,000				\$ 125,000
	IT Hardware/Software Upgrades						84,000				\$ 84,000
	PCOB Cooling Tower						30,000				\$ 30,000
	KleinPort PortControl Enhancements						12,500				\$ 12,500
	Maximo Upgrades						25,000				\$ 25,000
Phone System Upgrade						50,000				\$ 50,000	
BI AAC Upgrade						25,000				\$ 25,000	
Crane Operating Technology Switch Upgrade (All cranes and one spare) - equipment purchase						60,000				\$ 60,000	
Fuel System Upgrade - Replace fuel master (TMT and BIMT) - Equipment, Software, Service						75,000				\$ 75,000	
Private Cellular Communications Network						150,000				\$ 150,000	
Upgrade 6 existing CCTV cabinets (3 at TMT, 3 at BIMT)						40,000				\$ 40,000	
PCOB 3rd Floor top-of-rack switch upgrade and 2nd fl NVR move						45,000				\$ 45,000	
Total Other Capital			\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 3,167,500	\$ -	\$ -	\$ 3,242,500
TOTAL CAPITAL PROJECTS		\$ 27,030,508	\$ 40,326,021	\$ 92,043,108	\$ 30,025,000	\$ 13,716,224	\$ 9,839,700	\$ 8,829,621	\$ 39,500,000	\$ 261,310,182	

**COUNCIL AUDITOR’S OFFICE
RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED BUDGET FY 2022/2023**

JPA concurs with these recommendations.

RECOMMENDATIONS:

1. We recommend attaching Revised Schedule I to increase the “Shared Revenue from Primary Govt” line under “Non-Operating Revenues” by \$21,498 from \$9,589,608 to \$9,611,106. This amount will be in agreement with the amount the City has budgeted to be paid to JPA. We also recommend that JPA increase the “Debt Service” line under “Non-Operating Expenditures” by \$21,498 from \$15,679,678 to \$15,701,176. This will balance the revenues and expenditures for JPA’s budget.
2. We recommend amending JPA’s capital budget and Capital Improvement Plan (CIP) to reflect the updated total cost of \$42,100,000 for the “Power Lines” project. Additionally, we recommend that the funding sources be updated to reflect anticipated funding from the Florida Department of Transportation (\$21,050,000) and JPA financing (\$21,050,000).
3. We recommend attaching Revised Schedule J (Capital) to reflect the updated total cost and changed funding sources for the project mentioned above, to correct scrivener errors, and include formatting changes for consistency purposes.

**JACKSONVILLE PORT AUTHORITY
FY 2022/2023 BUDGET**

OPERATING REVENUES	
Containers	\$28,474,681
Autos	13,867,830
Military	700,000
Break Bulk	5,460,517
Liquid Bulk	1,675,572
Dry Bulk	2,013,070
Cruise	3,425,066
Other Operating Revenues	3,253,193
TOTAL OPERATING REVENUES	\$58,869,929
OPERATING EXPENDITURES	
Salaries	\$14,832,233
Employee Benefits	6,644,052
Services & Supplies	6,884,338
Security Services	4,987,040
Business Travel & Training	545,246
Promotion, Advertising, Dues	781,705
Utility Services	805,393
Repairs & Maintenance Projects	2,371,414
Crane Maintenance Pass Thru	-760,000
Berth Maintenance Dredging	5,000,815
Other Operating Expenditures	176,503
TOTAL OPERATING EXPENDITURES	\$42,268,739
OPERATING INCOME	\$16,601,190
NON-OPERATING REVENUES	
Investment Income	\$300,000
Shared Revenue from Primary Govt	9,611,106
Operating Grant	73,440
Other Revenue	8,500
TOTAL NON-OPERATING REVENUES	\$9,993,046
NON-OPERATING EXPENDITURES	
Debt Service	\$15,701,176
Crane Relocation/Demo	1,050,000
Other Expenditures	3,360
TOTAL NON-OPERATING EXPENDITURES	\$16,754,536
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	\$9,839,700
Transfer to Operating Capital Outlay	-\$9,839,700
SURPLUS/(DEFICIT)	\$0
TOTAL REVENUES	\$68,862,975
TOTAL APPROPRIATIONS	\$68,862,975
Full Time Positions	182
Temporary Employee Hours	6,760

Jacksonville Port Authority

FY 2022/2023 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	OTHER/LOCAL	STATE ARPA FUNDS	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Blount Island	Container Terminal Upgrades			14,549,892						\$55,000,000
	Auto Processing Facility Development	16,500,000		28,500,000						\$45,000,000
	Breasting Dolphin - Berth 22 - Design & Construction	3,801,000				2,267,000				\$6,068,000
	Intersection Improvements @ Wm Mills/Dave Rawls (WB rt Turn slip, SSA queue, DR Lef	625,000						625,000		\$1,250,000
	T Berth Construction @ Berth 20 (Design)	937,500						312,500		\$1,250,000
	Hanjung Crane #8810 Upgrades						909,500			\$909,500
	Install Rail Gates at Crossings (CNST) - 2 Locations (Berth 20 & Dave Rawls)	450,000						450,000		\$900,000
	Hanjung Crane #8841 Upgrades						884,500			\$884,500
	BIMT Equipment Facility/Shelter							750,000		\$750,000
	Hanjung Crane #8811 Upgrades						720,000			\$720,000
	Tenant Asphalt Facility Rehab	225,000						225,000		\$450,000
	Warehouse #1 Rehab/Upgrades							250,000		\$250,000
	Gitmo Building Upgrades	100,000						100,000		\$200,000
	Construct Equipment Wash Facility adjacent to Crane Watch Bldg	75,000						75,000		\$150,000
	Tenant Roof Repairs							105,000		\$105,000
	Container Freight Station Upgrades							75,000		\$75,000
	HVAC Upgrades at BIMT Maintenance							65,000		\$65,000
	Berth 32 Power Pit Drainage Upgrade							50,000		\$50,000
	HVAC Upgrades at Access Control Center							45,000		\$45,000
	Stormwater Pond Outfall Upgrades for Tenants							40,000		\$40,000
Upgrade lanes 7 & 8 concrete pads @ Interchange	15,000						15,000		\$30,000	
Total Blount Island		\$22,728,500	\$14,549,892	\$68,950,108	\$0	\$2,267,000	\$2,514,000	\$3,182,500	\$0	\$114,192,000
Dames Point	Slope Protection between Cruise Terminal & Tenant (Design & Construction)	515,000						1,235,000		\$1,750,000
	Berth 16 & 17 Cathodic Protection Design & Construction							1,000,000		\$1,000,000
	CBP PHYSEC Upgrades							500,000		\$500,000
	Cruise Terminal Canopy Upgrades/Enhancement							250,000		\$250,000
	Cruise Terminal Entrance Enhancements							200,000		\$200,000
	Asphalt Rehab Tenant							100,000		\$100,000
	Water Main Loop Connection							75,000		\$75,000
Total Dames Point		\$515,000	\$0	\$0	\$0	\$0	\$0	\$3,360,000	\$0	\$3,875,000
Talleyrand	Westrock Property Development PH 1 (Warehouse Development)								35,000,000	\$35,000,000
	Warehouse #1 Canopies & Expansion					5,000,000				\$5,000,000
	Westrock Property Development PH 1 Site Development (Design & Construction)	1,617,500				1,617,500				\$3,235,000
	Rehabilitate Under Deck Concrete	750,000						250,000		\$1,000,000
	Pile, Cap and Beam Rehab TMT-Berth 5 - (Cleaning, Design, Construction)	750,000						250,000		\$1,000,000
	Hanjung Crane #8844 Upgrades						974,500			\$974,500
	Tenant Warehouse Rehab - ROOF only	250,000						250,000		\$500,000
	Resurface Leased Areas - TMT	150,000						150,000		\$300,000
	(1) Pin locations for Cranes							125,000		\$125,000
	Upgrade Phase C Lift station							75,000		\$75,000
	Lighting - West End of Duffer Yard							50,000		\$50,000
	Fender Replacement (Concepts/Options)							50,000		\$50,000
	Upgrade Fence line from Main Gate to PCOB							40,000		\$40,000
	Upgrade NE corner WH1 (ILA Restrooms)							35,000		\$35,000
	Storm Drain Repair							22,879	2,121	\$25,000
	Upgrade & raise storm drain Tenant Parking lot							10,000		\$10,000
Total Talleyrand		\$3,517,500	\$0	\$0	\$0	\$6,617,500	\$997,379	\$1,287,121	\$35,000,000	\$47,419,500
Port Related	Jaxport Port Infrastructure Development Program Project		23,518,000	23,018,000					500,000	\$47,036,000
	Power Lines	21,050,000							21,050,000	\$42,100,000
	Upland Dredge Material Mgmt Area-Bartram Island-"C"-Construction					4,831,724	1,168,276			\$6,000,000
	Misc Land Acquisition								4,000,000	\$4,000,000
	Port Security Grant Program Round 21 Security Grant			1,225,012				408,337		\$1,633,349
	Port Security Grant Program Round 20 Security Grant			845,617				281,872		\$1,127,489
	Upland Dredge Material Management Area Construction Buck B - Phase 2							700,000		\$700,000
	PCOB Renovations							650,000		\$650,000
	Capitalize In-House Engineering Services							400,000		\$400,000
	Buck Island Access Road Bridge (Concept Development)							300,000		\$300,000
	Port Security Grant Program Round 22 Security Grant			187,500				62,500		\$250,000
	FSTED 20 Security Grant	100,590						33,530		\$134,120
	FSTED 22 Security Grant	90,000						30,000		\$120,000
	Strategic Master Plan Update							100,000		\$100,000
	FSTED 23 Security Grant	48,750						16,250		\$65,000
	FSTED 19 Security Grant	30,168						10,056		\$40,224
	FireHouse Subs Public Safety Grant					25,000				\$25,000
Total Port Related		\$21,319,508	\$25,776,129	\$23,018,000	\$25,000	\$4,831,724	\$3,160,821	\$1,000,000	\$25,550,000	\$104,681,182

Jacksonville Port Authority

FY 2022/2023 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	OTHER/LOCAL	STATE ARPA FUNDS	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount	
Other Capital	<u>BLOUNT ISLAND</u>										
	ZPMC Crane #10776 HVAC upgrade/replacements			25,000						\$25,000	
	ZPMC Crane #10777 HVAC upgrade/replacements			25,000						\$25,000	
	ZPMC Crane #10778 HVAC upgrade/replacements			25,000						\$25,000	
	New Excavator										
	Kubota Excavator							66,600			\$66,600
	Rockdrill Hammer							5,200			\$5,200
	Paladin Brush Cutter							11,200			\$11,200
	Trailer							10,000			\$10,000
	Bromma Speedloader leg replacements (Asset 9369)							36,000			\$36,000
	Bromma Speedloader leg replacements (Asset 10783)							36,000			\$36,000
	200 KW Standby genset engine replacement (QTY1)							18,500			\$18,500
	New 60' Bucket Truck							275,000			\$275,000
	HANJUN Gantry Motor Replacement (QTY 1) - INVENTORY							30,000			\$30,000
	HANJUN Trolley Motor Replacement (QTY 2) - INVENTORY							60,000			\$60,000
	Berth Fender Upgrades							22,000			\$22,000
	Marque Sign at BIMT Entrance							75,000			\$75,000
	<u>DAMES POINT</u>										
	Cruise Terminal Fender Maintenance							22,000			\$22,000
	HVAC Embark (units, ducts, controls, etc) (QTY 2)							200,000			\$200,000
	<u>TALLEYRAND</u>										
	ZPMC Crane #10486										
	Trolley rail clip and bolt replacement							40,000			\$40,000
	Catenary side roller shaft and bearing replacement							15,000			\$15,000
	ZPMC Crane #10487										
	Trolley rail clip and bolt replacement							40,000			\$40,000
	Catenary side roller shaft and bearing replacement							15,000			\$15,000
	Boom Cable							40,000			\$40,000
	Impsa Crane #7381										
	Drive room AC replacement							13,000			\$13,000
	Elevator safety devices							12,000			\$12,000
	Resistor grid replacements							61,000			\$61,000
	Impsa Crane #7382										
	Drive room AC replacement							13,000			\$13,000
	Elevator safety devices							12,000			\$12,000
	Resistor grid replacements							61,000			\$61,000
	Elevator safety device 1516 IHI							13,000			\$13,000
	John Deere Tractor (40 - 60 hp with front end loader)							35,000			\$35,000
	Backup Generator & Transfer switch North Gate							75,000			\$75,000
	<u>SECURITY/SECURITY OPERATIONS CENTER</u>										
	SOC HVAC replacement							40,000			\$40,000
	SOC Parking Lot repair							25,000			\$25,000
	SOC Improvements (Paint/Carpet/Tile/Lighting)							30,000			\$30,000
	SOC Electric Trailer Tug							8,500			\$8,500
	Drone Replacement (2)							40,000			\$40,000
SOC Server Room HVAC replacement (2) Units							15,000			\$15,000	
<u>PCOB</u>											
Vehicle Purchases for all Terminals							750,000			\$750,000	
Replace Tour Bus							125,000			\$125,000	
Portwide signage upgrade							100,000			\$100,000	
SOC Report Writing Software							125,000			\$125,000	
IT Hardware/Software Upgrades							84,000			\$84,000	
PCOB Cooling Tower							30,000			\$30,000	
KleinPort PortControl Enhancements							12,500			\$12,500	
Maximo Upgrades							25,000			\$25,000	
Phone System Upgrade							50,000			\$50,000	
Access Control Center - IT Upgrade							25,000			\$25,000	
Crane Operating Technology Switch Upgrade (All cranes and one spare) - equipment purchase							60,000			\$60,000	
Fuel System Upgrade - Replace fuel master (TMT and BIMT) - Equipment, Software, Service							75,000			\$75,000	
Private Cellular Communications Network							150,000			\$150,000	
Upgrade 6 existing CCTV cabinets (3 at TMT, 3 at BIMT)							40,000			\$40,000	
PCOB 3rd Floor top-of-rack switch upgrade and 2nd fl NVR move							45,000			\$45,000	
Total Other Capital		\$0	\$0	\$75,000	\$0	\$0	\$3,167,500	\$0	\$0	\$3,242,500	
TOTAL CAPITAL PROJECTS		\$48,080,508	\$40,326,021	\$92,043,108	\$25,000	\$13,716,224	\$9,839,700	\$8,829,621	\$60,550,000	\$273,410,182	

**JACKSONVILLE AVIATION AUTHORITY
COMPARISON OF BUDGETS
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023**

	<u>Operating & Non Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Fund Transfers Out</u>	<u>Total</u>
FY 2021/2022 Original	\$ 65,908,737	\$ 6,297,072	\$ 170,102,500	\$ 22,090,287	\$ 264,398,596
FY 2022/2023 Proposed	\$ 72,568,212	\$ 13,860,801	\$ 372,999,000	\$ 41,438,531	\$ 500,866,544
\$ Change	\$ 6,659,475	\$ 7,563,729	\$ 202,896,500	\$ 19,348,244	\$ 236,467,948
% Change	10.10%	120.12%	119.28%	87.59%	89.44%
		<u>FY 2021/22</u>	<u>FY 2022/23</u>	<u>Change</u>	
	Full-time Positions	271	296	25	
	Part-time Hours	5,220	3,400	-1,820	

Overall Comments:

- Operating and Non-Operating budget shows an increase of 10% and is adding 25 positions for IT, maintenance, custodial services, airport operations, and security; most of the increase in JAA's total budget is in their Debt Service and Capital Budgets.
- There are increases in revenues due to anticipated increases in passenger activity and the addition of a new signatory airline, Breeze Airways.
- The increases in expenses are due to new positions, a new fixed price Aircraft Rescue and Fire Fighting services contract which includes aircraft rescue and firefighting services, medical rescue and related staffing, and the scheduling of repairs and maintenance at the airports that were delayed due to the pandemic.
- The increase in debt service is due to debt issued in FY 2021/22 for the Boeing project at Cecil Airport.
- The increase in JAA's Capital Budget is due to the \$300 million Concourse B project.

JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF THE FY 2022/2023 PROPOSED BUDGET

	2021/22	7 Months	12 Months	2022/23	2022/23 Proposed Budget	
	Original Budget	Actuals FY 2021/22	Projected FY 2021/22	Proposed Budget	\$ Change	% Change
OPERATING REVENUES						
Concessions	\$15,626,166	\$12,601,102	\$20,816,150	\$20,993,581	\$5,367,415	34.35%
Fees & Charges	18,052,320	11,803,979	19,986,686	22,477,883	4,425,563	24.52%
Space & Facility Rentals	30,065,211	17,315,404	29,560,248	32,820,031	2,754,820	9.16%
Parking	18,967,224	13,423,118	23,431,634	25,884,854	6,917,630	36.47%
Sale of Utilities	1,368,347	937,404	1,572,850	1,672,206	303,859	22.21%
Other Miscellaneous Operating Revenue	247,606	101,754	170,342	203,436	-44,170	-17.84%
TOTAL OPERATING REVENUES	\$84,326,874	\$56,182,761	\$95,537,910	\$104,051,991	\$19,725,117	23.39%
OPERATING EXPENDITURES						
Salaries	\$20,299,924	\$11,842,875	\$21,415,821	\$22,620,572	\$2,320,648	11.43%
Benefits	8,938,446	4,921,905	8,411,988	9,483,336	544,890	6.10%
Services & Supplies	16,780,051	9,380,085	16,820,928	18,377,498	1,597,447	9.52%
Repairs & Maintenance	8,585,605	3,721,713	8,946,650	10,102,167	1,516,562	17.66%
Promotion, Advertising and Dues	761,751	387,691	727,576	925,081	163,330	21.44%
Registrations & Travel	436,446	132,695	400,092	599,826	163,380	37.43%
Insurance Expense	1,829,000	1,054,873	1,634,740	1,977,455	148,455	8.12%
Cost of Goods for Sale	695,000	381,270	631,414	963,250	268,250	38.60%
Utilities, Taxes & Gov't Fees	4,671,853	2,516,446	4,280,902	4,678,822	6,969	0.15%
Operating Contingency	1,925,061	0	0	2,500,000	574,939	29.87%
TOTAL OPERATING EXPENDITURES	\$64,923,137	\$34,339,553	\$63,270,111	\$72,228,007	\$7,304,870	11.25%
INCOME FROM OPERATIONS	\$19,403,737	\$21,843,208	\$32,267,799	\$31,823,984	\$12,420,247	64.01%
NON-OPERATING REVENUES/(EXPENSES)						
Passenger Facility Charge Revenue	\$8,066,219	\$7,049,587	\$12,085,006	\$12,666,208	\$4,599,989	57.03%
Investment Income	1,470,343	-1,549,108	979,769	1,500,000	29,657	2.02%
Other Revenue	432,660	8,214,847	8,575,192	9,649,345	9,216,685	2130.24%
Debt Service	-6,297,072	-8,196,588	-8,363,284	-13,860,801	-7,563,729	120.12%
Other Expense	-985,600	-109,392	-225,558	-340,205	645,395	-65.48%
NET INCOME (LOSS) BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$22,090,287	\$27,252,554	\$45,318,924	\$41,438,531	\$19,348,244	87.59%
Transfer (to)/from Operating Capital Outlay	-\$30,472,500	-\$12,104,548	-\$24,992,061	-\$72,893,188	-\$42,420,688	139.21%
Transfer (to)/from Passenger Facility Charge Reserve	-5,036,751	-3,913,812	-3,913,812	0	5,036,751	-100.00%
Transfer (to)/from Retained Earnings	13,418,964	11,234,194	16,413,051	31,454,657	18,035,693	134.40%
SURPLUS/(DEFICIT)	\$0	\$22,468,388	\$32,826,102	\$0	\$0	N/A
Fulltime Positions	271	263	265	296	25	9.23%
Temporary Employee Hours	5,220	425	850	3,400	-1,820	-34.87%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023**

REVENUE OVERVIEW	\$ Change	% Change
<p>Concessions</p> <p>The increase is partially due to increases of \$3.1 million in on-airport car rentals driven by rental car companies reporting record prices due to higher demand and lower inventories. There are additional increases of \$1.1 million in food & beverage sales related to new tenants, \$281,187 in retail sales, \$269,377 in other concession fees, \$242,449 in fuel flowage fees for aircraft fuel sales, and \$179,760 in off-airport parking all of which are due to projected passenger activity in FY 2022/23.</p>	\$5,367,415	34.35%
<p>Fees & Charges</p> <p>The increase is mostly due to projected increases of \$2.6 million in signatory landing fees related to the addition of a new signatory airline, Breeze Airways. There are also increases of \$732,162 in air cargo landing fees due to projected increases in activity, \$372,654 in operating permit revenue related to the "under the wing" vendors at Jacksonville International Airport (JIA) due to increased passenger traffic, \$350,000 in landing fees for fixed base operators (FBO) due to an increase in operations and an additional charter company operating at JIA, \$327,989 in transportation network carriers (TNC) revenue based on increased passenger activity, and \$277,200 in rental car security fees based on increased passenger activity. The increases are slightly offset by a decrease of \$249,873 in landing fees - non-signatory due to a projected decrease in non-signatory airline traffic.</p>	\$4,425,563	24.52%
<p>Space & Facility Rentals</p> <p>The increase is due to increases of \$985,973 in signatory terminal rent and joint use space rent of common terminal areas due to Breeze Airways being added, \$800,000 in terminal per use fees due to higher passenger activity including more arriving planes, gate usage, overnight stays, and one less common use gate that is now exclusive to Breeze Airways, \$448,377 in hangar space rent at Cecil field due to a new lease with Man Tech, \$294,266 in hangar space rent at JIA due to contractual increases, and \$285,000 in aircraft airfield parking due to more arriving planes and overnight stays. The increases are partially offset by decreases of \$138,746 in joint use space non-signatory, \$136,430 in space rental non-signatory, and \$72,690 in general aviation ground rentals at JaxEx airport.</p>	\$2,754,820	9.16%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023**

REVENUE OVERVIEW	\$ Change	% Change
<p>Parking The increase is due to anticipated increases in passenger volume and the full year impact of rate increases that took effect June 1, 2022. There are no parking rate increases included in the FY 2022/23 budget.</p>	\$6,917,630	36.47%
<p>Sale of Utilities The increase is due to increases of \$210,000 in vehicle fuel sales based on higher prices and \$93,060 in sales of electricity, water/sewer, and garbage services based on projections for increased passenger traffic.</p>	\$303,859	22.21%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023**

EXPENDITURE OVERVIEW	\$ Change	% Change
<p>Salaries</p> <p>The increase is mostly due to increases of \$991,029 for 25 new positions (18 funded and 7 unfunded), for IT, maintenance, custodial services, airport operations, and security, \$875,469 for a 4% increase in pay rates for non-union employees and a 3% increase for union employees, and \$408,000 for the Employee Incentive Pay Plan (EIPP) which was reinstated in FY 2021/22.</p>	\$2,320,648	11.43%
<p>Benefits</p> <p>The increase is mostly due to increases of \$349,435 in pension costs due to increases in the Florida Retirement System employer contribution rate and a 4% increase in pay rates, \$187,996 in hospitalization insurance costs due to the addition of 18 funded positions, and \$100,102 in deferred compensation also due to the addition of 18 funded positions.</p>	\$544,890	6.10%
<p>Services & Supplies</p> <p>The increase is mostly due to an increase of \$1,509,164 in contractual services which is comprised of increases of \$891,487 for the Aircraft Rescue and Fire Fighting (ARFF) services contract with the City of Jacksonville due to the negotiation of a new fixed price contract that includes aircraft rescue and firefighting services, medical rescue, and related staffing. There are also increases of \$617,395 for ground transportation/parking services due to the addition of a new facility cleaning agreement, higher parking contract expenses, and credit card fees, \$195,399 for operating supplies, \$109,527 for gas, oil & grease, and \$97,527 for security services. The increase is partially offset by decreases of \$270,104 in consulting services due to reduced funding for a study of facility condition and functional obsolescence, and \$160,217 for landscaping due to a change in provider.</p>	\$1,597,447	9.52%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023**

EXPENDITURE OVERVIEW	\$ Change	% Change
<p>Repairs & Maintenance</p> <p>The increase is due to increases of \$477,282 for field maintenance at JIA and in building maintenance of \$438,358 at JIA, \$246,000 at JAxEx, \$241,554 at Herlong Recreational Airport, and \$149,547 at Cecil Airport. The increases are due to re-scheduling of refurbishments and upgrades for various equipment and systems that were previously delayed due to the pandemic and increased maintenance required due to increases in passenger traffic.</p>	\$1,516,562	17.66%
<p>Promotion, Advertising and Dues</p> <p>The increase is mostly due to an increase of \$115,000 for marketing efforts in the greater Jacksonville area for advertising of new routes and service related to the new signatory airline Breeze Airways and \$34,436 for promotional events due to a return to pre-pandemic levels of promotional activity.</p>	\$163,330	21.44%
<p>Registrations & Travel</p> <p>The increase is due to a projected return to pre-pandemic travel requirements for employee attendance at events and conferences.</p>	\$163,380	37.43%
<p>Insurance Expense</p> <p>The increase is due to increases of \$81,000 in property & casualty, \$64,400 in general liability, and \$30,000 in increased costs due to claims and forecasted activity. The increases are partially offset by decreases of \$24,685 in terminal liability and \$2,260 in other insurance and bonds.</p>	\$148,455	8.12%
<p>Cost of Goods for Sale</p> <p>The increase is due to projections for higher fuel prices continuing in FY 2022/23.</p>	\$268,250	38.60%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023**

NON-OPERATING REVENUE (EXPENSE) OVERVIEW	\$ Change	% Change
<p>Passenger Facility Charge (PFC) Revenue The increase is due to a projected return to pre-pandemic levels of passenger traffic in FY 2022/23.</p>	\$4,599,989	57.03%
<p>Other Revenue The increase is due to \$8,890,000 related to the anticipated receipt of American Rescue Plan Act (ARPA) grants during FY 2022/23 and \$351,685 in timber sales at JIA.</p>	\$9,216,685	2130.24%
<p>Debt Service The increase is due to increases of \$4,619,524 related to the \$156 million in debt issued in FY 2021/22 to finance the construction of the Boeing project at Cecil Airport and \$2,883,861 in scheduled principal payments for the Series 2021 Refunding Revenue Note.</p>	-\$7,563,729	120.12%
<p>Other Expense The decrease is due to a decrease of \$675,000 in other non-operating expense related to financing costs for debt issued in FY 2021/22 for the Boeing project at Cecil Airport. The decrease is partially offset by an increase of \$33,605 in timber expense for the cost of timber sales at JIA.</p>	\$645,395	-65.48%

**JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF PROPOSED 2022/2023 CAPITAL BUDGET**

	<u>2021/2022 Original Budget</u>	<u>2022/2023 Proposed Budget</u>	<u>2022/23 Proposed Budget over 2021/22 Original</u>	
			<u>\$ Change</u>	<u>% Change</u>
Capital Funds				
Federal Contributions	\$630,000	\$61,125,108	\$60,495,108	9602.40%
State Contributions	8,000,000	47,248,312	39,248,312	490.60%
Tenant/Other Contributions	131,000,000	20,600,000	-110,400,000	-84.27%
PFC	0	171,132,392	171,132,392	0.00%
Operating Capital Outlay	30,472,500	72,893,188	42,420,688	139.21%
Total Capital Funds	<u>\$170,102,500</u>	<u>\$372,999,000</u>	<u>\$202,896,500</u>	<u>119.28%</u>
Capital Projects				
Jacksonville International Airport	\$7,687,000	\$349,478,000	\$341,791,000	4446.35%
Cecil Airport	161,782,500	3,225,000	-158,557,500	-98.01%
Cecil Spaceport	375,000	16,175,000	15,800,000	4213.33%
Jax Ex at Craig Airport	215,000	4,000,000	3,785,000	1760.47%
Herlong Airport	43,000	121,000	78,000	181.40%
Total Capital Projects	<u>\$170,102,500</u>	<u>\$372,999,000</u>	<u>\$202,896,500</u>	<u>119.28%</u>
Surplus (Deficit)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

JACKSONVILLE AVIATION AUTHORITY
Analysis of FY 2022/23 Proposed Capital Budget

Capital Funding by Source	\$ Change	% Change
<p>Federal Contributions The increase is due to FAA grants of \$45,000,000 for the Concourse B Program and \$12,367,608 for airfield wetland mitigation at JIA, and \$3,600,000 for airfield drainage and runway incursion mitigation at Jacksonville Executive at Craig Airport.</p>	\$60,495,108	9602.40%
<p>State Contributions The increase is due to FDOT grants of \$40,748,312 for the Concourse B Program and \$2,500,000 for Air Cargo Ramp 3 expansion at JIA, and \$4,000,000 for eastside roadway improvements at Cecil Spaceport.</p>	\$39,248,312	490.60%
<p>Tenant/Other Contributions The decrease is due to \$131,000,000 in financing that was executed in FY 2021/22 for the Boeing project at the Cecil Airport.</p>	-\$110,400,000	-84.27%
<p>Passenger Facility Charge (PFC) The increase is primarily due to funding \$163,950,000 for the Concourse B Program.</p>	\$171,132,392	N/A
<p>Operating Capital Outlay (JAA) The increase is primarily due to funding \$50,301,688 for the Concourse B Program.</p>	\$42,420,688	139.21%

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2022/2023 BUDGET**

OPERATING REVENUES	
Concessions	\$20,993,581
Fees & Charges	22,477,883
Space & Facility Rentals	32,820,031
Parking	25,884,854
Sale of Utilities	1,672,206
Other Miscellaneous Operating Revenue	203,436
TOTAL OPERATING REVENUES	<u><u>\$104,051,991</u></u>
OPERATING EXPENDITURES	
Salaries	\$22,620,572
Benefits	9,483,336
Services and Supplies	18,377,498
Repairs & Maintenance	10,102,167
Promotion, Advertising and Dues	925,081
Registrations & Travel	599,826
Insurance Expense	1,977,455
Cost of Goods for Sale	963,250
Utilities, Taxes & Gov't Fees	4,678,822
Operating Contingency	2,500,000
TOTAL OPERATING EXPENDITURES	<u><u>\$72,228,007</u></u>
OPERATING INCOME	<u><u>\$31,823,984</u></u>
NON-OPERATING REVENUES	
Passenger Facility Charge	\$12,666,208
Investment Income	1,500,000
Other Revenues	9,649,345
TOTAL NON-OPERATING REVENUES	<u><u>\$23,815,553</u></u>
NON-OPERATING EXPENDITURES	
Debt Service	\$13,860,801
Other Expenditures	340,205
TOTAL NON-OPERATING EXPENDITURES	<u><u>\$14,201,006</u></u>
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND	<u><u>\$41,438,531</u></u>
Transfer (to)/from Operating Capital Outlay	-\$72,893,188
Transfer (to)/from Passenger Facility Charge Reserve	\$0
Transfer (to)/from Retained Earnings	31,454,657
SURPLUS/(DEFICIT)	<u><u>\$0</u></u>
TOTAL REVENUES	<u><u>\$127,867,544</u></u>
TOTAL APPROPRIATIONS	<u><u>\$127,867,544</u></u>
FULLTIME POSITIONS	<u><u>296</u></u>
TEMPORARY EMPLOYEE HOURS	<u><u>3,400</u></u>

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2022/2023 BUDGET
CAPITAL**

REVENUES

Federal Contributions	\$61,125,108
State Contributions	47,248,312
Tenant/Other Contributions	20,600,000
PFC	171,132,392
Operating Capital Outlay	72,893,188
Total Revenues	<u><u>\$372,999,000</u></u>

APPROPRIATIONS AND RESERVES

CAPITAL PROJECTS

Jacksonville International Airport	\$349,478,000
Cecil Airport	3,225,000
Cecil Spaceport	16,175,000
Craig Airport	4,000,000
Herlong Airport	121,000
Total Appropriations	<u><u>372,999,000</u></u>

TOTAL APPROPRIATIONS AND RESERVES	<u><u>\$372,999,000</u></u>
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**Council Auditor's Office
Recommendations
Jacksonville Aviation Authority
Proposed FY 2022/23 Budget**

JAA concurs with all recommendations

1. Attach a Revised Schedule H which offers more line item detail of FY 2022/23 capital projects.

**JACKSONVILLE AVIATION AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

Airport	Description	FUNDING SOURCES					Budget 2023 Total Capital Commitments
		JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER	
Jacksonville International Airport	Airfield Wetland Mitigation		\$1,132,392	\$12,367,608			\$13,500,000
	PA System Upgrade or Replacement		750,000				750,000
	Elevator Replacement 17 & 18		400,000				400,000
	Replace Ticketing Escalators 1 & 2		1,400,000				1,400,000
	Bulldozer	375,000					375,000
	Air Cargo 3 Ramp Expansion	2,500,000			2,500,000		5,000,000
	Concourse B Program	50,301,688	163,950,000	45,000,000	40,748,312		300,000,000
	IT Infrastructure Refresh FY23	580,000					580,000
	JAX Canopy and Steel Structure Support Replacement (additional funding)	1,000,000					1,000,000
	Airfield Beacon Relocation	100,000					100,000
	Ticketing Window Replacement		400,000				400,000
	HBS System Computer		900,000				900,000
	Design and Construct Hangar					10,000,000	10,000,000
	Four Winds Migration or Replacement	175,000					175,000
	Video Surveillance / Ccure	235,000					235,000
	Daily/Hourly Garage Escalator Rehabilitation Ph 1 of 3	400,000					400,000
	Taxiway M1 Widening					1,600,000	1,600,000
	TWY F Rehab and Extension	1,000,000				3,000,000	4,000,000
	Air Cargo 1 Roof	3,000,000					3,000,000
	FedEx Roof (additional funding)	2,200,000					2,200,000
	TIBA Pay In Lane Stations	300,000					300,000
	Engineering Salaries	600,000					600,000
	Rehabilitate Landside Bathrooms		2,200,000				2,200,000
	JIA Small Cap	363,000					363,000
		\$63,129,688	\$171,132,392	\$57,367,608	\$43,248,312	\$14,600,000	\$349,478,000
Cecil Airport	Cecil Airport AWOS Replacement	\$17,500		\$157,500			\$175,000
	Taxiway A Reconstruction (A4 to 36R) - Design	3,000,000					3,000,000
	Cecil Airport Small Cap	50,000					50,000
		\$3,067,500	\$0	\$157,500	\$0	\$0	\$3,225,000
Cecil Spaceport	Eastside Roadway	\$6,000,000			\$4,000,000	\$6,000,000	\$16,000,000
	Fabric Hangar Reskin	175,000					175,000
	Cecil Spaceport Small Cap	0					0
		\$6,175,000	\$0	\$0	\$4,000,000	\$6,000,000	\$16,175,000
Jacksonville Executive at Craig Airport	Airfield Drainage Project	\$200,000		\$1,800,000			\$2,000,000
	Runway Incursion Mitigation	200,000		1,800,000			2,000,000
	JAXEx Small Cap	0					0
		\$400,000	\$0	\$3,600,000	\$0	\$0	\$4,000,000
Herlong Recreational Airport	Herlong Recreational Airport Small Cap	121,000					\$0
		\$121,000	\$0	\$0	\$0	\$0	\$121,000
	Total Capital	\$72,893,188	\$171,132,392	\$61,125,108	\$47,248,312	\$20,600,000	\$372,999,000

**COUNCIL AUDITOR'S OFFICE
EMPLOYEE INCENTIVE PLAN SUMMARY
JACKSONVILLE AVIATION AUTHORITY
PROPOSED BUDGET FY 2022/2023**

PURPOSE

The objective of the Jacksonville Aviation Authority (JAA) Employee Incentive Pay Plan (EIPP) is to reward employees for their contributions to the Authority's achievement of defined goals and to encourage exceptional performance in administering their duties. The JAA Board of Directors approved the plan on May 24, 2010 for non-bargaining unit employees only. On October 22, 2012 the JAA Board approved the revised plan to include the bargaining unit employees. The plan was suspended in FY 2020/21 and reinstated in FY 2021/22. The plan was revised again in November of 2021 by the CEO to change the payout from a percentage to a flat rate and reduced the operating margin percentage from 20% to 15% for when an incentive can be awarded.

JAA FY 2022/23 BUDGET

The amount budgeted for the EIPP in FY 2022/23 is \$408,000.

ELIGIBILITY

All full time and part-time JAA employees who have been employed for at least 180 days and work a scheduled minimum of 35 hours per week are eligible to participate in the plan. Temporary employees are not eligible. The incentive payment is discounted based on the number of days of employment between 180 and 359 days during the fiscal year. Additionally, any employee under a management contract with JAA is eligible to participate in the EIPP (the CEO is the only contracted employee).

INCENTIVE AWARD METRICS

Incentive payments will be awarded if JAA obtains an operating margin of at least 15% for the fiscal year. The operating margin and operating margin percentage are based upon the Statement of Revenues, Expenses and Changes in Net Assets as presented in JAA's Annual Comprehensive Financial Report (ACFR).

INCENTIVE AWARD FOR NON-BARGAINING EMPLOYEES:

Maximum pay per qualified employee: \$1,500.

If the operating margin percentage (rounded to the nearest percent) is:

- 30% or greater, the award is \$1,500.
- 25% or greater, but less than 30% the award is \$1,250.
- 20% or greater, but less than 25% the award is \$1,000.
- 15% or greater, but less than 20% the award is \$750.
- Less than 15% no incentive award is given.

JEA
Comparison of Budgets
Approved FY 2021/22 to Proposed FY 2022/23
Electric, Water & Wastewater and District Energy System (000s)

	Electric		Water & Wastewater		District Energy		Transfers In/Out	Total Budget	City Contribution
	Operating Budget	Capital Budget	Operating Budget	Capital Budget	Operating Budget	Capital Budget			
FY 2021/22 Budget	\$1,289,900	\$240,802	\$541,509	\$362,402	\$8,840	\$5,550	-\$417,975	\$2,031,028	\$121,212.37
FY 2022/23 Proposed	\$1,515,782	\$275,106	\$603,538	\$400,000	\$12,852	\$6,936	-\$391,146	\$2,423,068	\$122,424.50
\$ Change	\$225,882	\$34,304	\$62,029	\$37,598	\$4,012	\$1,386	\$26,829	\$392,040	\$1,212.13
% Change	17.51%	14.25%	11.45%	10.37%	45.38%	24.97%	6.42%	19.30%	1.00%

Notes:

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

	Budget FY 2021/22	Proposed FY 2022/23	Change
Electric System	1,527	1,583	56
Water & Wastewater System	650	705	55
District Energy System	6	6	0
Total JEA	2,183	2,294	111

(2) Detail of City Contribution:

	Budget FY 2021/22	Proposed FY 2022/23	Change
Electric System	\$94,545.65	\$95,491.11	\$945.46
Water & Wastewater	\$26,666.72	\$26,933.39	\$266.67
Totals	\$121,212.37	\$122,424.50	\$1,212.13

Overall Comments:

- JEA is adding 111 new positions. The Electric System will have 56 new positions under Information Technology, Economic Development, Real Estate, Human Resources, Marketing, and Administrative. The Water and Wastewater System will have 55 new positions which will include mechanics, engineers, project management, and inspectors.
- The increase in the Electric System operating budget is primarily due to fuel revenue and expense based on the monthly adjustments for fuel costs.
- The Electric System is budgeted with a base rate increase to be effective April 2023. Board approval and a rate hearing is needed for the rate to become effective.
- The Non-Fuel Purchased Power Budget includes a \$124 million contribution to the rate stabilization fund to prepare for an increase in expense once the Vogtle units come online. JEA's budget is based on Unit 3 becoming operational by June 2023. JEA is forecasting Unit 4 becoming operational by September 2024.
- The Water and Wastewater System has two scheduled Capacity and Extension Fee increases on 10/1/2022 and 4/1/2023, which have already been approved by the Board.
- The District Energy System has proposed changes to the rate structure included in the FY 2022/23 budget. The Board approval for the new rate structure will be at the August Board meeting and a rate hearing will be scheduled in September 2022.
- The current assessment calculation of the annual contribution to the City expires on 9/30/2023. The Council may reconsider the assessment calculation after October 1, 2022. If the calculation is not reconsidered the assessment will be calculated in the current manner.
- The total estimated cost for JEA's new headquarters is approximately \$100 million.

**CALCULATION OF JEA ELECTRIC CONTRIBUTION
FOR FISCAL YEAR 2022-2023**

Month	Total kWh Sales (1)	Less Interchange kWh Sales (2)	Net kWh Sales
May 2021	934,118,511	11,889,000	922,229,511
June	1,098,776,371	5,797,000	1,092,979,371
July	1,159,393,010	600,000	1,158,793,010
August	1,195,990,320	305,000	1,195,685,320
September	1,232,132,883	60,000	1,232,072,883
October	1,042,098,722	177,000	1,041,921,722
November	881,354,780	949,000	880,405,780
December	928,544,740	458,000	928,086,740
January 2022	933,568,830	1,015,000	932,553,830
February	940,259,279	488,000	939,771,279
March	970,305,530	750,000	969,555,530
April	865,542,625	2,663,000	862,879,625
Totals	12,182,085,601	25,151,000	12,156,934,601
		(3)	0.007468
			\$ 90,787,988

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 of each year.
(4) One quarter of a mill or \$3,039,234 has been dedicated to the JPA for port expansion.

**CITY WATER/SEWER CONTRIBUTION FORMULA
FOR FISCAL YEAR 2022-2023**

MONTH	Water Consumption kGals (1)	Sewer Consumption kGals (1)	Adjustments Total kGals (3)	Total Net Consumption kGals
May 2021	3,719,785	2,444,581	-330,287	5,834,079
June	4,267,812	2,698,097	-383,764	6,582,146
July	3,563,507	2,398,519	-275,679	5,686,347
August	3,425,958	2,312,104	-234,198	5,503,864
September	3,468,287	2,414,116	-237,720	5,644,683
October	3,581,020	2,382,459	-269,109	5,694,370
November	3,350,726	2,234,120	-276,519	5,308,327
December	3,436,514	2,367,982	-248,336	5,556,160
January 2022	3,352,200	2,350,960	-232,849	5,470,311
February	2,822,238	2,058,104	-148,118	4,732,224
March	3,475,647	2,498,604	-187,030	5,787,221
April	3,176,811	2,231,783	-208,664	5,199,930
Totals	41,640,506	28,391,431	-3,032,272	66,999,663
			(2)	0.3892000
				\$ 26,076,269

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 of the prior year.
(3) Adjustments include Summer Discount, Water Large (large industrial customer), Sewer LTD (wholesale sewer rate) and Water Reuse Consumption.

JEA
CALCULATION OF JEA CITY CONTRIBUTION
Proposed FY 2022/23

A - Millage Calculation

Electric	\$90,787,988	78%
Water	26,076,269	22%
	\$116,864,256	

B - Floor Calculation

FY 16 (Base Year)	\$114,187,538
FY 17	\$115,329,413
FY 18	\$116,482,708
FY 19	\$117,647,535
FY 20	\$118,824,010
FY 21	\$120,012,250
FY 22	\$121,212,373
FY 23	\$122,424,496

Recommended Budget FY 2021/22

Electric	\$95,491,107	78%
Water	26,933,389	22%
Floor	\$122,424,496	

Conclusion:

The millage calculation of \$116,864,256 is less than the minimum payment of \$122,424,496; therefore, the minimum payment of \$122,424,496 is the recommended Budget for FY 2022/23 for the Electric and Water/Sewer Systems.

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 calculated, JEA shall pay the City each fiscal year, from 2016/2017 through 2022/2023, 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.

The current assessment calculation expires on 9/30/2023. The Council may reconsider the assessment calculation after October 1, 2022 and changes, if any by ordinance, shall become effective October 1, 2023. If the assessment calculation is not reconsidered the assessments shall be calculated using the existing formulas, including the minimum calculated amount, which increases by 1% each 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 2022/23 Electric System Operating Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

	2021/22 Original Budget	8 Months Actual FY 2021/22	12 Months Projected FY 2021/22	2022/23 Proposed Budget	2022/23 Proposed Budget over 2021/22 Original	
					\$ Change	% Change
Fuel Related Revenue & Expenses						
Revenue						
Fuel Related Revenue	\$368,900	\$308,046	589,837	\$671,607	\$302,707	82.06%
Net Fuel Related Revenues	\$368,900	\$308,046	589,837	\$671,607	\$302,707	82.06%
Expense						
Fuel Related and Purchased Power	\$375,632	\$355,756	631,191	\$670,534	\$294,902	78.51%
Transfer To/(From) Rate Stabilization	-7,285	-41,767	-41,767	0	7,285	-100.00%
Transfer To/(From) Other Regulatory Funds	0	-5,943	0	0	0	0.00%
Uncollectible Accts.	553	0	413	1,073	520	94.03%
Net Fuel Related Expenses	\$368,900	\$308,046	589,837	\$671,607	\$302,707	82.06%
Fuel Fund Surplus (Deficit)	\$0	\$0	0	\$0	\$0	
Base Rate Revenue & Expenses						
Revenues						
Base Rate Revenue	\$793,366	\$497,543	804,744	\$799,222	\$5,856	0.74%
Investment Income	3,195	1,454	2,531	5,794	2,599	81.35%
Other Revenues	124,439	117,822	125,968	39,159	-85,280	-68.53%
Total Operating Revenues	\$921,000	\$616,819	933,243	\$844,175	-\$76,825	-8.34%
Expenses						
Operating & Maintenance	\$255,776	\$139,504	229,250	\$269,167	\$13,391	5.24%
Environmental Charge	-1,558	508	-1,039	15,064	16,622	-1066.88%
Conservation Charge	6,832	4,150	6,838	6,832	0	0.00%
Natural Gas Pass Through Expense	918	945	1,251	1,595	677	73.75%
Non-Fuel Purchased Power	263,361	131,826	263,361	245,278	-18,083	-6.87%
Emergency Contingency	5,000	0	5,000	5,000	0	0.00%
PSC Fees	202	147	214	237	35	17.33%
Uncollectible Accts.	1,190	129	590	1,279	89	7.48%
Total Operating Expenses	\$531,721	\$277,209	505,465	\$544,452	\$12,731	2.39%
Operating Income	\$389,279	\$339,610	427,778	\$299,723	-\$89,556	-23.01%
Non-Operating Revenues/(Expenses)						
Debt Service	-\$109,817	-\$71,271	-107,982	-\$76,798	\$33,019	-30.07%
Operating Capital Outlay	-116,621	-145,000	-150,253	-54,262	62,359	-53.47%
Environmental Capital Outlay	-3,295	-4,238	-8,668	-472	2,823	-85.68%
Renewal & Replacement- Elec. Sys.	-65,000	-44,219	-66,329	-72,700	-7,700	11.85%
Interlocal Agreement	0	0	0	0	0	0.00%
Contribution to City's General Fund	-94,546	-63,030	-94,546	-95,491	-945	1.00%
Total Non-Operating Revenues/(Expenses)	-\$389,279	-\$327,758	-427,778	-\$299,723	\$89,556	-23.01%
Surplus/(Deficit)	\$0	\$11,852	0	\$0	\$0	
MWH Sales (000's)	12,200	7,619	12,343	12,200	0	0.00%
# of Accounts	501,049	505,125	506,859	509,393	8,344	1.67%

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	\$ Change	% Change
	(000s)	
Fuel Related Revenues:	\$302,707	82.06%
<p>The increase is based on previous and projected significant increases in fuel and purchased power expenses. In December of 2021, JEA began charging its customers a variable fuel rate that is set monthly based on projected monthly fuel and purchased power expenses. Projected sales are the same as FY 2021/22 at 12,200,000 MWh.</p>		
Fuel Related Expenses:		
Fuel Related and Purchased Power	\$294,902	78.51%
<p>The increase is due to projections that Fuel and purchased power prices for all of JEA’s generation will increase significantly in FY 2022/23.</p>		
Transfer To(From) Rate Stabilization	\$7,285	-100.00%
<p>The Fuel Rate Stabilization Fund was eliminated in December of 2021.</p>		
Uncollectible Accounts	\$520	94.03%
<p>The increase is due to an increase in the in the uncollectible rate from 0.15% to 0.16% which is based on economic conditions.</p>		
Base Related Revenues:		
Base Rate Revenue	\$5,856	0.74%
<p>The increase represents the six month impact of a projected increase in base rates of 1.5% which is currently projected to go into effect in April of 2023. The specific impact of the rate increase on residential and commercial customer bills will not be known until JEA finalizes the implementation of the increase and it is approved by the JEA Board.</p>		
Investment Income	\$2,599	81.35%
<p>The increase is a result of increases in investment yields and projected rate increases by the Federal Reserve Board.</p>		

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	\$ Change (000s)	% Change
<p>Other Revenues</p> <p>The decrease is primarily due to the removal of the one-time \$100 million payment from Florida Power and Light as part of the Scherer shutdown agreement received in FY 2021/22. The decrease is partially offset by increases of \$13.8 million in Other Revenue due to the use of Environmental Liability Reserve funds for the Kennedy Generating Station Remediation project, \$873,000 in Transmission Services Revenue due to higher market prices, \$209,971 in Miscellaneous Non-operating Income due to receipt of refunds for various miscellaneous sales invoices and earnings from JEA's 20% ownership of The Energy Authority (TEA) Solutions, and \$111,742 in Miscellaneous Customer Revenue due to receipt of reconnect and service fees.</p>	-\$85,280	-68.53%
<p>Base Related Expenses:</p>		
<p>Operating & Maintenance</p> <p>The increase is primarily based on increases of \$8.6 million in Other Services & Charges, \$7.4 million in Salaries due to an increase of 56 new positions, \$2.8 million in Insurance, and \$930,000 in Incentive Pay. The increased expenses are partially offset by decreases of \$2.5 million to Operating Reserve, \$2.0 million to Other Contingencies, \$461,000 to Supplies, \$299,000 to City Services, and \$100,000 to City Legal. In addition, capitalized labor credits were increased by \$602,000 and expense credits were increased by \$342,000. (DETAILED BREAKOUT PROVIDED ON THE O&M SCHEDULE AND THE EXPENDITURE VARIANCE OVERVIEW)</p>	\$13,391	5.24%
<p>Environmental Charge</p> <p>The increase includes \$14.2 million for the Kennedy Generating Station Remediation project (of which \$13.8 million will be funded through the Environmental Liability Reserve, as noted in the Other Revenues comment above). The remaining \$1.9 million increase is due to a lower budgeted withdrawal from the Environmental Rate Stabilization fund.</p>	\$16,622	-1066.88%
<p>Non-Fuel Purchased Power</p> <p>The decrease is primarily due to the early retirement of \$47.6 million in Scherer debt (which lowered expenses required by the Scherer purchase power agreement), and \$27.3 million in St. Johns River Power Park (SJRPP) debt in FY 2021/22 . The decrease is also due to decreases of \$1.8 million for SJRPP interest due to early debt retirement, \$1.6 million in Scherer repair & replacement, \$1.6 million in Scherer Transmission expenses, and \$1 million Scherer Operating & Maintenance expenses due to the decommissioning of Plant Scherer in early 2022. These decreases are partially offset by a \$99 million increase in the contribution to the Non-Fuel Purchased Power Rate Stabilization Fund to mitigate future rate increases related to the Vogtle Purchased Power agreement.</p>	-\$18,083	-6.87%

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	<u>\$ Change</u> <u>(000s)</u>	<u>% Change</u>
Debt Service	\$33,019	-30.07%
The decrease is due to lower scheduled debt principal and interest payments as a result of previous early debt retirements and debt refundings.		
Operating Capital Outlay	\$62,359	-53.47%
The decrease in Operating Capital Outlay represents a decreased contribution due to a decrease of \$76.8 million in Operating Revenues, an increase of \$13.3 million in Operating & Maintenance expense, and an increase of \$7.7 million Renewal & Replacement expense, which reduces the amount of available funds for pay-go of capital projects. The decrease is partially offset by a savings of \$33 million in debt service expenses.		
Environmental Capital Outlay	\$2,823	-85.68%
The decrease in the Environmental Capital Outlay is due to a decrease in Environmental capital project costs in FY 2022/23.		
Renewal and Replacement - Electric System	-\$7,700	11.85%
The increase is based on 5% of FY 2021/22's projected revenues at the time the FY 2022/23 budget was set.		

JEA
Analysis of Operating and Maintenance Expense
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
Electric System
(000s)

	<u>2021/22 Original Budget</u>	<u>8 Months Actual FY 2021/22</u>	<u>12 Months Projected FY 2021/22</u>	<u>2022/23 Proposed Budget</u>	<u>\$ Change 2022/23 Proposed Budget over 2021/22 Original</u>	<u>% Change 2022/23 Proposed Budget over 2021/22 Original</u>
Salaries	\$146,841	\$96,003	\$144,850	\$154,245	\$7,404	5.04%
Employee Benefits	61,054	37,004	58,700	61,101	47	0.08%
Incentive Pay	4,320	53	4,373	5,250	930	21.53%
Supplies	20,743	12,990	19,908	20,282	-461	-2.22%
City Services	610	143	347	311	-299	-49.02%
Other Intercompany Charges	82	180	207	44	-38	-46.34%
Other Services & Chgs.	128,230	61,130	103,118	136,841	8,611	6.72%
Other Contingencies	2,000	70	2,070	0	-2,000	-100.00%
City Legal Services	1,600	515	1,048	1,500	-100	-6.25%
Insurance	11,378	10,021	11,756	14,146	2,768	24.33%
Interest on Customer Deposits	61	727	748	34	-27	-44.26%
Operating Reserve	2,500	0	2,500	0	-2,500	-100.00%
Expense Credits	-91,202	-57,714	-88,101	-91,544	-342	0.37%
Trf. to WIP- Salaries	-23,563	-15,462	-23,042	-23,587	-24	0.10%
Trf. to WIP- Emp. Benefits	-8,878	-6,156	-9,232	-9,456	-578	6.51%
O & M Expense	<u>\$255,776</u>	<u>\$139,504</u>	<u>\$229,250</u>	<u>\$269,167</u>	<u>\$13,391</u>	<u>5.24%</u>

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed budget
Expenditure Variance Overview - Electric System

	\$ Change (000s)	% Change
Operating & Maintenance		
Salaries	\$7,404	5.04%
<p>The increase is the result of the addition of 56 new positions primarily for IT, management, or specialist jobs for the Electric System totaling \$4,951,811, as well as assumed general increases of 4% for appointed employees and Professional Employees Association (PEA) members and assumed general increases of 3.5% for all other bargaining units. In addition, there are step increases of 2.5% to 5%, depending on the bargaining unit. Bargaining unit contracts for FY 2022/23 are currently being negotiated so the actual impact on salaries will not be known until negotiations are complete.</p>		
Incentive Pay	\$930	21.53%
<p>The increase is due to an estimated 3.5% of payroll being budgeted for the Pay for Performance Program.</p>		
Supplies	-\$461	-2.22%
<p>The decrease is due to decreases of \$928,000 in supplies and materials for planned outages, \$765,000 in miscellaneous supplies and tools due to reduced need for PPE related to the pandemic, and \$177,000 in direct purchases. The decrease is mostly offset by a \$1.49 million increase in non-generation fuels purchases from Gate Fleet Services.</p>		
City Services	-\$299	-49.02%
<p>The decrease is due to JEA using Gate stations to refuel vehicles rather than exclusively using City of Jacksonville fueling services. This has allowed vehicles to be refueled almost anywhere in JEA's service territory and has provided flexibility that was not available when using only city owned fuel pumps.</p>		
Other Services & Charges	\$8,611	6.72%
<p>The \$8.6 million increase is mainly due to a \$2.0 million increase for an additional 3 months of lease payments due to delays in interior construction for the new headquarters and a \$1.5 million increase for 12 months of storage of facilities property once the existing headquarters building is closed. Other increases include a \$4 million increase for credit card convenience fees due to a change in policy whereby JEA will pay the fee for customers starting October 1, 2022, and a \$1.3 million increase in the Microsoft Support contract.</p>		
Other Contingencies	-\$2,000	-100.00%
<p>JEA decided not to budget a contingency due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses.</p>		

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed budget
Expenditure Variance Overview - Electric System

	\$ Change (000s)	% Change
Operating & Maintenance		
Insurance	\$2,768	24.33%
<p>The increase of \$2.8 million is primarily due to increases of \$1.2 million for Property Damage Insurance (general) and Property Damage Insurance for transmission and distribution assets due to market increases in claim activity related to storm losses, \$1.1 million for Cyber Liability Insurance due to increases in market claim activity related to cyber security breaches, \$146,000 for both General/ Automobile Liability Insurance and Workers Compensation Insurance based on estimated coverage costs provided by COJ, and \$106,000 for Public Officials Liability Insurance (including Director & Officer Liability) due to claims made for attorney fees associated with investigations and activities subsequent to the failed privatization of JEA.</p>		
Operating Reserve	-\$2,500	-100.00%
<p>JEA decided not to budget a reserve due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses.</p>		

JEA
Analysis of Proposed FY 2022/23 Electric System Capital Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

	<u>2021/22 Original Budget</u>	<u>8 Months Actual FY 2021/22</u>	<u>12 Months Projected FY 2021/22</u>	<u>2022/23 Proposed Budget</u>	<u>\$ Change 2022/23 Proposed Budget over 2021/22 Original</u>	<u>% Change</u>
Capital Funds						
Renewal & Replacement Deposits	\$65,000	\$44,219	\$66,329	\$72,700	\$7,700	11.85%
Construction Fund Investment Income	0	0	0	0	NA	NA
Debt	0	0	0	0	NA	NA
Other Proceeds	55,886	0	0	147,672	\$91,786	164.24%
Environmental Capital Outlay	3,295	4,238	8,668	472	-\$2,823	-85.68%
Operating Capital Outlay	<u>116,621</u>	<u>145,000</u>	<u>150,253</u>	<u>54,262</u>	<u>-62,359</u>	<u>-53.47%</u>
Total Capital Funds	<u><u>\$240,802</u></u>	<u><u>\$193,457</u></u>	<u><u>\$225,250</u></u>	<u><u>\$275,106</u></u>	<u><u>\$34,304</u></u>	<u><u>14.25%</u></u>
Capital Projects						
Generation Projects	\$40,010	\$18,762	\$39,647	\$61,902	\$21,892	54.72%
Transmission & Distribution	119,503	55,206	110,100	146,086	26,583	22.24%
Other	<u>81,289</u>	<u>25,347</u>	<u>74,014</u>	<u>67,118</u>	<u>-14,171</u>	<u>-17.43%</u>
Total Capital Projects	\$240,802	\$99,315	\$223,761	\$275,106	\$34,304	14.25%
Surplus (Deficit)	<u><u>\$0</u></u>	<u><u>\$94,142</u></u>	<u><u>\$1,489</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	

Note: Detailed listing of Capital Projects can be seen on the next five pages

Electric Project Title	FY23 Proposed ('000)
GENERATION	
Brandy Branch Generating - CT1 Rotor Replacement	9,794
Brandy Branch Generating - B52, B53 HRSG Feedwater Heater Replacement	8,595
Kennedy Generating - CT7 Hot Gas Path Inspection	5,923
Brandy Branch Generating - CT2 Hot Gas Path Inspection	5,745
Brandy Branch Generating - CT3 Hot Gas Path Inspection	5,745
Northside Generating - Generation Support Capital Improvements	4,000
Kennedy Generating - CT7 Rotor Replacement	3,106
Northside Generating - Energy Project Management Capital Improvement	3,000
Northside Generating - CT4 Major Inspection	2,800
Brandy Branch Generating - General Capital Improvements	2,000
Northside Generating - N00 6 Fuel Oil Tank Farm Electric Heat Tracing	1,835
Brandy Branch Generating - B52, B53 Transition Duct Liner	1,234
Northside Generating - N00 Pneumatic Conveying System for Biomass	1,178
Northside Generating - N00 Nitrogen and Dry Air Layup System	1,080
Northside Generating - N02 Fuel Feeder Replacement	1,045
Northside Generating - N02 Grid Floor Nozzle Replacement	962
Kennedy Generating - MarkVIe and EX2100e Upgrade	831
Northside Generating - N01 Boiler Elevator Overhaul	528
Northside Generating - N34 Electrical Equipment Upgrades	517
Vibration Monitoring System Upgrade	439
Northside Generating - N33, N34, N35, N36 Control System Upgrade	331
Brandy Branch Generating – B52, B53 Non-Optical Flame Detection Upgrade	264
Brandy Branch Generating - CT1 Hot Gas Path Inspection	250
Brandy Branch Generating - B50 Standby Diesel Generator Integration	213
Northside Generating - N02 Duct Burner Overhaul	163
Brandy Branch Generating and Kennedy Generating - Fire Protection Updates	110
Northside Generating - N01, N02 UPS Replacement	94
Northside Generating - N02 Turbine Valve and Actuator Overhaul	57
Brandy Branch Generating - B54 Excitation Transformer Replacement	46
Northside Generating – N01 HP/IP, Generator, Valves, and Actuators Overhaul	15
GENERATION SUBTOTAL	61,902
TRANSMISSION AND DISTRIBUTION	
Electric Distribution Maintenance Capital Upgrades	12,500
Customer Order Management - New Electric Service Additions	12,000
Customer Order Management - Development Driven Projects	9,750
Mayo 230-138-26kV Substation	7,110
Greenland Energy to Mayo 230kV Circuit 950 Addition	6,500
Substation Repair & Replace Projects - Transformer Replacements	5,900
College St Substation 13.2kV Switchgear Replacement	4,350
Pole Replacement Program	4,200
Real Estate - North Jacksonville Transmission Corridor Acquisition	3,625
Westside 230kV Transmission Corridor and Substation Site Acquisition	3,500

Electric Project Title	FY23 Proposed ('000)
Beeghly 393 Overhead Feeder Extension–Arnold Rd	3,450
General Underground Network and Commercial Repair & Replace	3,000
CEMI-5 Electric Distribution Betterment	3,000
Eagle LNG 138-13.8 kV Substation	2,750
Steelbald T4 Spare Transformer Addition for CMC Steel	2,435
Kennedy Substation Control Cable and Protection System Replacement	2,193
Ribault 138-26 kV T2 and Circuit Breaker 452 Addition	2,190
Electric Meters - Growth	2,100
Joint Participation Electric Relocation Projects	2,000
Underground Network Improvement Plan	1,988
Transmission and Substation Class Circuit Breaker Replacement Program	1,934
69kv - 663 line rebuild	1,879
St Johns 4kV Substation Rebuild	1,800
Normandy Substation - New Control House	1,800
Electric Distribution System Improvements	1,690
Circuits 853/822 Tower 39 Foundation Rehabilitation	1,650
Imeson 138-26kV T2 Procurement	1,600
Circuit 650 UG 69kV Reconductor Project	1,540
Georgia Street Pipe Type Cable Pump Plant Replacement	1,400
26kV Feeder Circuit Breaker Replacement	1,393
Energy Management System - Outage Management System Integration	1,300
JP - FDOT - Circuit 917 Relocation Between 9B and I-95	1,141
Water Street T2 Network Transformer Replacement	1,141
Mayo Substation Distribution Feeders	1,128
Ritter Park Circuit 428 Extension	1,120
Forest Sub 217 Feeder - Electric Distribution	1,100
Imeson 26kV Circuit 493 New Feeder Addition	1,100
Mayo Substation 230 kV Addition - Phase 2	1,012
Distribution System - Pole Removal	1,000
Transmission Line Relay Replacement Project	899
Normandy Substation Protection Improvement	840
SJRPP 230 - 26kV Substation	830
Hartley Rd Substation T1 and T2 LTC Replacement	820
Electric Meters - Replacement	810
General Substation Improvements	800
Mayo 230-138-26kV Substation - Protection & Controls	800
Park and King 4kV Substation Rebuild	763
General Distribution Improvements	750
Imeson 26kv Circuit 493 Substation Breaker and Cap Bank Addition	655
Ritter Park 429 Extension - Busch Dr	650
URD-2026 Reliability Improvement	645
Transmission Outdoor Potential Device Replacement	607
Mayo Substation - 138kV Transmission Interconnects	586
Automatic Recloser Deployment	500

Electric Project Title	FY23 Proposed ('000)
Transmission Insulator Replacement	500
4kV Rehab – Distribution Projects	500
Underground Cable Replacement Program - Existing Developments	500
Substation RTU Replacements - D20 to RTAC	500
Circuit 830 Static Wire Replacement	493
Starratt Rd Circuit 367 Reconductor Ph2	480
Ribault 138-26 kV T2 and Circuit 452 Addition - Protection & Controls	475
Ribault 26 kV Circuit 452 Addition	470
230 KV 138KV 69 kV Pole Refurbishment	450
West Jax Substation Protection Improvement	444
Starratt 138-26kV T2 and Circuit 368, 369 Addition - Substation	413
College St Substation 13kV Protection and Arc Flash Upgrade	410
Water Street Substation Compressor Replacement	400
Circuit 825 Static Wire Replacement	395
Transmission Capacitor Bank Controls Replacement	395
Ritter Park 429 Underground Feeder Extension - Yeager Rd	350
Greenland Energy 230kV Bay & Breaker Addition for Circuit 950	300
General Transmission Improvements	300
Steelbald Solar Center - Protection & Controls	287
West Jax 230/69 kV Substation Reliability Improvement - Protection & Controls	245
Richmond & Shadowlawn - OH-UG Electric Conversion	243
SOCC - Console Upgrade	240
Energy Management System - Base Upgrade Project	230
230kV Breaker Replacement - Protection & Controls	225
Capital Tools and Equipment - Underground Network and Service Centers	220
Northside Substation Improvements - Phase 2	220
Ritter Park 429 - Cedar Bay Rd Reconductor	210
St Johns 4kV Substation Rebuild - Protection & Controls	200
Energy Management System - RTU Upgrade Project	190
Circuit 645 UG 69kV Cable Replacement Project- PART B	182
Greenland Energy 230kV Bay & Breaker Addition for Circuit 950 - Protection & Controls	180
Hamilton 312 Reconductor	169
Circuit 645 UG 69kV Cable Replacement Project- PART A	165
Distribution Breaker Telemetry Enhancements	160
Eagle LNG 138-13.8 kV Substation - Protection & Controls	157
SJRPP Substation Distribution Feeders	150
Real Estate Services - Dunn Creek Sub Property Acquisition	150
Mayo Substation 230 kV Addition - Phase 2 - Protection & Controls	150
General Protection System Improvements Transmission	150
SEL-3355 Hardware Replacement	150
West Jax 230/69 kV Substation Reliability Improvement	127
Ckt 680 UG 69kV Reconductor Project	125
Ckt 690 UG 69kV Reconductor Project	125
Georgia St 13kV UG Distribution Survey	120

Electric Project Title	FY23 Proposed ('000)
Beeghly Circuit 394 New Feeder Addition	120
Westlake 333 Cisco Dr Reconductor	120
Eagle LNG 138kV Circuit 847 Interconnect	118
Bartram 230 kV Bay and Breaker Addition for Circuit 917 - Protection & Controls	114
Dinsmore 489 Lannie Rd Reconductor	100
General Transmission Improvements	100
Imeson 26kv Circuit 493 Substation Breaker and Cap Bank Addition - Protection & Controls	81
Lane 437 Reconductor	80
Capital Tools and Equipment - T&S Maintenance	80
McDuff Substation 4kV Circuits 4, 6, and 9 Relocation	80
Georgia St 170 Distribution Feeder Addition	60
Overhead-Underground Conversion in Neighborhoods	60
Electric Customer Service Response Tools and Equipment	55
SJRPP 230-26kV Distribution Substation - Protection & Controls	50
Starratt 138-26kV T2 and Circuit 368, 369 Addition - Protection & Controls	30
St Johns 4kV Distribution Feeder Getaway Rebuild	24
Starratt T2 Circuits 368 and 369 Addition	24
Circuit 684S Pipe-Type Cable Replacement	15
Real Estate - Imeson Substation - Property Acquisition	10
TRANSMISSION AND DISTRIBUTION SUBTOTAL	146,086

ELECTRIC OTHER	
Technology Services Projects	18,000
Fleet - Replacement	12,100
Capital Administrative Overhead	11,100
Facilities - Commonwealth - Admin Upgrades	5,749
Facilities - Southside Renovations - Phase 2	5,510
Facilities - Industrial Training Center	3,880
Facilities - Satellite Service Center	2,532
Facilities - Emergency Ops Center Hardened Facility	2,000
Facilities - JEA Headquarters	1,292
Fleet - Expansion	1,285
Security - General Improvements	650
Facilities - Roof Replacements	450
Facilities - Heating, Ventilation, and Air	430
Facilities - Lighting for Greenland Energy Center	315
Security - Fencing	260
Facilities - Paving and Site Improvements	250
Facilities - Generators	225
Facilities - Westside Building 5 Glove Lab Upgrades	200
Facilities - Building Upgrades	200
Facilities - Southside Asphalt Pavement Upgrade	200
Facilities - Duval County Schools PV System Removal	184
Facilities - Electrical and Lighting	100

Electric Project Title	FY23 Proposed ('000)
Facilities - Plumbing Upgrades	100
Utility Locate Group - Capital Equipment	50
Laboratory Equipment Upgrades	35
Security - Fire System Sprinklers	20
Facilities - Elevators	1
ELECTRIC OTHER SUBTOTAL	67,118
ELECTRIC GRAND TOTAL	275,106

JEA
Analysis of Proposed FY 2022/23 Water & Wastewater System Operating Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

	2021/22 Original Budget	8 Months Actual FY 2021/22	12 Months Projected FY 2021/22	2022/23 Proposed Budget	\$ Change 2022/23 Proposed Budget over 2021/22 Original	% Change
Operating Revenues						
Water & Sewer Revenues	\$466,939	\$311,606	\$471,860	\$477,665	\$10,726	2.30%
Investment Income	2,076	1,520	2,212	3,243	1,167	56.21%
Capacity & Extension Fees	47,000	26,329	54,701	102,742	55,742	118.60%
Contributed Capital	0	0	0	0	NA	NA
Other Revenues	25,494	18,904	28,602	19,888	-5,607	-21.99%
Total Operating Revenues	<u>\$541,509</u>	<u>\$358,359</u>	<u>\$557,375</u>	<u>\$603,538</u>	<u>\$62,029</u>	<u>11.45%</u>
Operating Expenditures						
Operating & Maintenance	\$192,490	\$113,863	\$180,646	\$204,940	\$12,450	6.47%
Uncollectibles	700	88	321	573	-127	-18.14%
Emergency Contingency	1,000	0	1,000	1,000	0	0.00%
Total Operating Expenses	<u>\$194,190</u>	<u>\$113,951</u>	<u>\$181,967</u>	<u>\$206,513</u>	<u>\$12,323</u>	<u>6.35%</u>
Operating Income	<u>\$347,319</u>	<u>\$244,408</u>	<u>\$375,409</u>	<u>\$397,025</u>	<u>\$49,706</u>	<u>14.31%</u>
Non-Operating Revenues/(Expenses)						
Debt Service	-\$67,135	-\$39,604	-\$60,156	-\$103,138	-\$36,003	53.63%
Interlocal Payments	-21,000	-4,723	-24,687	-6,403	14,597	-69.51%
Capacity Fee Transfer	-47,000	-26,329	-54,701	-102,742	-55,742	118.60%
Operating Capital Outlay	-160,273	-135,774	-180,840	-130,075	30,198	-18.84%
Renewal & Replacement Fund	-25,244	-18,905	-28,358	-27,734	-2,490	9.86%
Contribution to City's General Fund	-26,667	-17,778	-26,667	-26,933	-266	1.00%
Total Non-Operating Revenues/(Expenses)	<u>-\$347,319</u>	<u>-\$243,113</u>	<u>-\$375,409</u>	<u>-\$397,025</u>	<u>-\$49,706</u>	<u>14.31%</u>
Surplus/(Deficit)	<u>\$0</u>	<u>\$1,295</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
Water Sales (kGals)	39,000,000	25,289,585	38,912,000	39,504,198	504,198	1.29%
Sewer Sales (kGals)	34,000,000	22,336,774	34,249,000	35,052,670	1,052,670	3.10%
Number of Accounts	693,179	705,533	705,533	717,315	24,136	3.48%

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Water & Wastewater System

	\$ Change	% Change
	(000s)	
Revenues:		
Water & Sewer Revenues	\$10,726	2.30%
The increase is due to projections for higher sales volume in FY 2022/23.		
Investment Income	\$1,167	56.21%
The increase is a result of previous increases in investment yields and projected rate increases by the Federal Reserve Board.		
Capacity & Extension Fees	\$55,742	118.60%
The increase is based on current construction activity and projections for FY 2022/23 as well increases in capacity fees scheduled to take effect on 10/1/2022 and 4/1/2023.		
Other Revenues	-\$5,607	-21.99%
The decrease is due to not budgeting the use of surplus revenue that was included in the FY 2021/22 budget at an amount of \$9.4 million, which is offset by increases in tappings, sewer connection, dumping, and late fees.		
Expenses:		
Operating & Maintenance	\$12,450	6.47%
The increase is primarily due to increases of \$4.4 million for salaries due to bargaining unit step increases and 55 new positions, \$4.0 million increase in additional supplies, \$2.0 million for the new Headquarters lease allocation, \$1.7 million in benefits, and \$2.0 million for new Credit Card fees. The increases are offset by a decrease of \$1.5 million due to the removal of the operating reserve. (DETAILED BREAKOUT PROVIDED ON THE O&M SCHEDULE AND THE EXPENDITURE VARIANCE OVERVIEW)		
Uncollectibles	-\$127	-18.14%
The decrease is due to the projected uncollectible rate changing from .014% to 0.12%.		

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Water & Wastewater System

	<u>\$ Change</u>	<u>% Change</u>
	<u>(000s)</u>	
Debt Service	-\$36,003	53.63%
The increase is due to an increase of \$29,868,130 in scheduled debt service on senior bonds and an increase of \$6,234,650 in scheduled debt service on subordinated bonds.		
Interlocal Payments	\$14,597	-69.51%
The decrease is due to one-time payments in FY 2021/22 of \$12.5 million for septic tank phaseouts and \$6.5 million for a 10 year pre-payment to Nassau County not being included in the FY 2021/22 budget which are partially offset by \$6.4 million in budgeted payments to Clay County, St. Johns County and the St Johns River Water Management District due under various interlocal agreements.		
Capacity Fee Transfer	-\$55,742	118.60%
The increase is based on current construction activity and projections for FY 2022/23 as well increases in capacity fees scheduled to take effect on 10/1/2022 and 4/1/2023.		
Operating Capital Outlay	\$30,198	-18.84%
The decrease is primarily due to debt service expense in FY 2022/23 leaving less earnings to contribute to capital projects.		
Renewal & Replacement Fund	-\$2,490	9.86%
Renewal & Replacement is calculated at 5% of prior year estimated revenues. The contribution has increased from FY 2021/22 due to higher estimated revenues but will be adjusted when actual data is known.		

JEA
Analysis of Operating and Maintenance Expense
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
Water & Wastewater System
(000s)

	2021/22 Original Budget	8 Months Actual FY 2021/22	12 Months Projected FY 2021/22	2022/23 Proposed Budget	\$ Change 2022/23 Proposed Budget over 2021/22 Original	% Change
Salaries	\$62,248	\$41,952	\$62,886	\$66,696	\$4,448	7.15%
Employee Benefits	24,632	14,524	23,698	26,366	1,734	7.04%
Incentive Pay	1,680	0	1,611	2,250	570	33.93%
Supplies	15,181	10,694	15,754	19,248	4,067	26.79%
Other Services & Charges	104,313	62,436	97,211	108,247	3,934	3.77%
Contracts and Contingencies	500	190	690	0	-500	-100.00%
Purchased Water & Treatment	30	35	45	45	15	50.00%
Insurance	4,052	941	1,558	5,038	986	24.33%
Operating Reserves	1,500	0	1,500	0	-1,500	-100.00%
Interest on Customer Deposits	23	242	249	13	-10	-43.48%
Expense Credits	-6,186	-5,582	-7,644	-6,969	-783	12.66%
Transfers to WIP Salaries	-11,273	-8,730	-12,530	-11,342	-69	0.61%
Transfers to WIP Emp. Benefits	-4,210	-2,839	-4,383	-4,652	-442	10.50%
Total O & M Expense	\$192,490	\$113,863	\$180,646	\$204,940	\$12,450	6.47%

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Expenditure Variance Overview - Water & Wastewater

Operating & Maintenance	\$ Change (000s)	% Change
<p>Salaries The increase is the result of the addition of 55 new positions in engineering, project management, inspection, mechanics, technical, scheduling, and administration for the Water & Wastewater System totaling \$3,461,227, as well as assumed general increases of 4% for appointed employees and Professional Employees Association (PEA) members and assumed general increases of 3.5% for all other bargaining units. In addition, there are step increases of 2.5% to 5%, depending on the bargaining unit. Bargaining unit contracts for FY 2022/23 are currently being negotiated so the actual impact on salaries will not be known until negotiations are complete.</p>	\$4,448	7.15%
<p>Employee Benefits The increase is primarily due to the addition of 55 new positions.</p>	\$1,734	7.04%
<p>Supplies The increase is primarily due to increases of \$3.2 million for Chemicals and Gases and \$700,000 for inventory.</p>	\$4,067	26.79%
<p>Other Services and Charges The increase is due to increases of \$2.0 million for the new Headquarters, \$1.3 million for the Manhole Inspection Program, and \$450,000 for the Residential & Commercial backflow prevention program.</p>	\$3,934	3.77%
<p>Contracts and Contingencies JEA decided not to budget a contingency due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses.</p>	-\$500	-100.00%
<p>Insurance The increase of \$986,000 is primarily due to a \$416,000 increase for Property Damage Insurance (general) and Property Damage Insurance for transmission and distribution assets due to market increases in claim activity related to storm losses, \$388,700 increase for Cyber Liability Insurance due to increases in market claim activity related to cyber security breaches, \$52,000 increases for both General/Automobile Liability Insurance and Workers Compensation Insurance based on estimated coverage costs provided by COJ, and a \$37,700 increase for Public Officials Liability Insurance (including Director & Officer Liability) due to claims made for attorney fees associated with investigations and activities subsequent to the failed privatization of JEA.</p>	\$986	24.33%
<p>Operating Reserve JEA decided not to budget a reserve due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses.</p>	-\$1,500	-100.00%

JEA
Analysis of Proposed FY 2022/23 Water & Wastewater System Capital Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

	<u>2021/22 Original Budget</u>	<u>8 Months Actual FY 2021/22</u>	<u>12 Months Projected FY 2021/22</u>	<u>2022/23 Proposed Budget</u>	<u>\$ Change 2022/23 Proposed Budget over 2021/22 Original</u>	<u>% Change</u>
Capital Funds						
Debt	\$129,886	\$0	\$0	\$0	-129,886	-100.00%
Other Proceeds	0	0	0	139,450	NA	NA
Renewal & Replacement Deposits	25,243	18,905	28,358	27,734	2,491	9.87%
Operating Capital Outlay	160,273	135,774	180,840	130,075	-30,198	-18.84%
Contributed Capital	0	0	0	0	NA	NA
Capacity Fees	47,000	26,329	54,701	102,742	55,742	118.60%
Total Capital Funds	<u>\$362,402</u>	<u>\$181,008</u>	<u>\$263,899</u>	<u>\$400,000</u>	<u>\$37,598</u>	<u>10.37%</u>
Capital Projects						
Water	\$96,792	\$41,277	\$90,633	\$117,561	\$20,769	21.46%
Sewer	231,120	85,796	191,293	233,489	2,369	1.03%
Other	34,490	14,953	35,220	48,950	14,460	41.92%
Total Capital Projects	<u>\$362,402</u>	<u>\$142,026</u>	<u>\$317,146</u>	<u>\$400,000</u>	<u>\$37,598</u>	<u>10.37%</u>
Surplus/(Deficit)	<u>\$0</u>	<u>\$38,982</u>	<u>-\$53,247</u>	<u>\$0</u>	<u>\$0</u>	

Note: Detailed listing of Capital Projects can be seen on the next seven pages

Water Project Title	FY23 Proposed ('000)
WATER	
Water Purification Demonstration Facility	34,756
SIPS - Deerwood - Southside Blvd Intertie to Deerwood III Water Plant - New	17,500
Water Meters - AMI Conversion	13,334
SIPS - US1 Booster Station - Old St Augustine Rd to US1 Booster Station - New	8,488
Galvanized Pipe Replacement - Program	8,054
RiverTown Water Plant - New 4.7 MGD Water Plant	6,644
McDuff Water Plant - Refurbishment Project	5,222
Water Delivery System - Repair & Replace	5,000
Well Rehabilitation and Replacement Program	4,863
Lofton Oaks Water Plant - Improvements	4,145
Norwood Water Plant - Rehabilitation	3,550
Water Transmission Replacement	2,712
Pritchard Rd - Old Plank Rd to Cisco Dr W - New Transmission	2,581
Lakeshore Water Plant - Reservoir Rehabilitation - Phase 2	2,460
Water Meters - Growth	2,450
Martin Luther King - Fairfax to Brentwood Water Main Replacement	2,368
Water Meters - Large Water Meter Replacement	2,248
Water Meters - Replacement	2,169
JP - Nassau - William Burgess Blvd - US 17 to Miner Rd - New	2,118
New World Av - Waterworks Ave to Chaffee Rd - New Transmission	2,089
SIPS - Greenland - Southside Blvd - Deerwood 3 to Greenland	2,084
Development Driven Projects	2,040
Beverly Hills Water Main Replacement	1,775
Royal Lakes Water Plant High Service Pump Expansion	1,764
Main Extensions and Taps	1,500
Water Treatment Plant Large Capital Improvements	1,460
SIPS - Main St Water Plant - 1st St to Franklin St - New Transmission	1,291
McDuff - Olga to Park - Water Main	1,159
E 1st St Main St to E 4th St - New Raw Water Main	1,155
North Grid Trihalomethane Mitigation Project	1,052
Oakridge Water Plant - High Service Pump Replacement	913

Water Project Title	FY23 Proposed ('000)
Forest Blvd - Stone Rd to T-Line - New Raw Water Main	770
Water Plant Capital Renewal & Replacement	750
JP - Joint Participation Projects	700
JP - JTA - 8th St Water Main Replacement - Mt Herman St to Boulevard St	585
Cecil Commerce Center - New Well No. 4	581
Ridenour Water Plant - New Well No. 8	520
Well Field Repair & Replace	500
Deerwood III Water Plant - Well 2 Replacement	494
Real Estate Services - Ridenour Water Plant - Well 9 - Property Acquisition	475
Lovegrove Water Plant - Electric System Upgrade	400
Southeast Water Plant - New Well No. 4	365
Southeast Water Plant - Ground Storage Tank	321
Hampton Falls Dr Electrical Ease. - San Pablo to Suni Pines Connection - 12 inch Water Main Replacement	290
301 Development - Water	250
Water Treatment Plant Reservoir Repair & Replace	250
Brierwood Water Plant - Well 1 Rehabilitation	229
Cisco Dr - Westlake Water Plant to Garden St - New Transmission	215
Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades	200
JP - COJ - McCoy's Creek – Cherokee St. to St. Johns River	182
Deerwood Water Plant - Well 5 Rehabilitation	152
Bessie Circle - Water Main Installation	135
Grid - Cost Participation - New	100
Arlington Water Plant Well No 4 Rehabilitation	92
Lofton Oaks Water Plant - Well 1 Rehabilitation	90
JP- FDOT - North Grid - Lem Turner - Capper Rd to Leonid	80
Ridenour Water Plant - Well 5 Rehabilitation	78
Beacon Hills Water Plant - Rehabilitation	62
JP - FDOT - JTB Blvd at Kernan Blvd - Water Main Replacement	60
JP - FDOT/COJ - Chaffee Rd - Westmeadows Dr S to Samaritan Wy - New Transmission	60
Community Hall Water Plant - Well 3 Rehabilitation	58
Ridenour Water Plant - Well 4 Rehabilitation	58
JP - FDOT - I95 and MLK Interchange - Water Main Replacement	50
JP - JTA - San Pablo Rd - Beach Blvd to Atlantic Blvd	43

Water Project Title	FY23 Proposed ('000)
JP - FDOT - SR212 (US90/Beach Blvd.) Southside Blvd. to Eve Dr - Water Main Replacement	36
JP - FDOT - Timuquana Rd (SR134) - Wesconnett to US17 - Water Main Replacement	28
JP - JTA - Alta Drive Roadway Improvements	13
JP - FDOT - I10 Widening - I295 to I95 - Water Main Replacement	12
JP - FDOT - Lane Ave S - Water Main Replacement - Distribution	10
JP - Pages Dairy Rd - Felmor Rd to Chester Ave - Transmission	7
JP - FDOT- SR202 - JTB at San Pablo Rd	2
Water Pipeline Crossings Resiliency	1
Market Adjustment	-40,685
WATER SUBTOTAL	117,561

SEWER	
Greenland Reclamation Facility - 4.0 MGD	56,725
Southwest Reclamation Facility - Expansion to 16 MGD	44,528
Nassau Regional Reclamation Facility - Expansion to 3 MGD	28,239
Buckman Reclamation Facility - Biosolids Conversion - Process Facility	18,782
US 1 - Greenland Reclamation Facility to CR 210 - Transmission - New - Reclaim	18,488
Nassau Regional Reclamation Facility - Effluent Management	7,891
Nassau - Radio Ave - Class III/IV - New Pump Station	5,999
Buckman Reclamation Facility - Biosolids RAW Sludge Holding Tank Restoration	5,980
Buckman Reclamation Facility - Disinfection System Replacement	5,790
Southwest - 5104 118th St - Class III/IV	5,701
Mandarin-Greenland Interconnect - Reclaim	5,411
SR200 - William Burgess Blvd to Police Lodge Rd - Transmission - Reclaim	4,510
Pumping Stations - Capital Equipment Replacement	4,500
Southwest - 6217 Wilson Bv - Class III/IV	4,415
Sewer Collection System Trenchless Repair & Replace	4,300
Sewer Collection System Repair & Replace	4,000
Manhole Inspection, Prioritization, and Rehabilitation or Replacement	3,600
Mandarin Reclamation Facility - Sludge Holding Tanks Rehabilitation	3,477
JP - SJC - CR210 - South Hampton to Ashford Mills - Transmission - Reclaim	3,073
Southwest - 5825 Robitzsch Lane - Class III/IV	2,966
Greenland - Burnt Mill Pump Station to Greenland Energy - Transmission - Force Main	2,958

Water Project Title	FY23 Proposed ('000)
Buckman Reclamation Facility - Fine Screen Replacement	2,935
Arlington East Reclamation Facility - Parallel Sludge Line	2,768
Monterey - 3254 Townsend Rd - Class III/IV - Pump Upgrade	2,505
Water Reclamation Facilities - Capital Equipment Replacement	2,500
5th St W - Imeson Rd to Melson Ave - Transmission - New - Force Main	2,478
Arlington East Reclamation Facility Upgrades - Influent Structure	2,385
District II - 11308 Harts Rd - Class III/IV	2,350
Resiliency - Pump Stations, Plants, Electrical Reliability	2,227
Mandarin - 106 Twin Creeks - Class III/IV - Booster Pump Station	2,170
Buckman Reclamation Facility - Biosolids Conversion - Operations/Maintenance Bldgs	1,981
Real Estate - Nassau Regional Reclamation Facility - Storage Tank and Boosters - Property Acquisition	1,970
District II - Robena Rd Booster Pump Station	1,910
Wastewater Large Capital Improvements	1,831
9247 Baymeadows Rd - Class III/IV - Pump Upgrade	1,799
Buckman Reclamation Facility - Biosolids Dryer Rehabilitation	1,793
Southwest - 4881 Timuquana Rd - Class III/IV	1,619
Development Driven Projects - Pump Stations	1,575
Arlington East Reclamation Facility Upgrades - Aeration Basin and Blowers	1,564
Development Driven Projects - Reclaim	1,512
25th St at Marlo St Gravy Sewer Replacement	1,509
Monterey - 5838 Pompano - Class III/IV - Pump Upgrade	1,501
SCADA RTU and Control Panel Upgrades	1,500
Main Extensions and Taps - Sewer	1,500
Large Diameter Cured In Place Piping	1,500
Buckman Reclamation Facility - Biosolids Facility Rehabilitation	1,382
Nassau - Radio Av - Reclaim Water Storage Tank and Booster Pump Station - Reclaim	1,240
Ridenour Water Plant - Storage and Repump - Reclaim	1,128
Cedar Bay Backup Power System	1,100
SEQ to Gate Parkway - Transmission - New - Reclaim	1,000
SWDE - Water Purification Piloting	1,000
JP - COJ - McCoys Creek – Cherokee St. to St. Johns River – Sewer	970
Margaret St. Area Sewer Main Installation	951
JP - Nassau - Chester Rd - David Hallman to Pages Dairy Rd - Reclaim	890

Water Project Title	FY23 Proposed ('000)
Air Release Valves - Inspection, Prioritization, and Rehabilitation or Replacement	875
4511 Spring Park Rd Lift Station	826
JP - Nassau - Wm Burgess Blvd - US 17 to Miner Rd - New - Force Main	808
Buckman Reclamation Facility - Biosolids Process Renewal and Replacement	740
Monterey - 7732 Merrill Rd - Class III/IV - Pump Station Upgrade & 2530 Mayapple Pump Station Upgrade	718
Arlington East Reclamation Facility - Secondary MCC Replacement	663
JP - Nassau - Chester Rd - David Hallman to Pages Dairy Rd - Force Main	650
Development Driven Projects - Sewer	636
Arlington East - 8331 Princeton Sq - Class III/IV - Pump Upgrade	600
McMillan St Pump Station Effluent Piping S20B - Force Main Replacement	522
Southwest Service Area Infiltration and Inflow Analysis and Remediation	500
Wastewater Odor Control - All Plants and Pump Stations	500
Buckman Reclamation Facility - Blower System Improvements	481
Norwood Ave. Sewer Main Installation	441
RiverTown Booster Pump Station - Reclaim	405
Arlington East - 8751 Bayleaf Dr - Class III/IV - Pump Upgrade	402
JP - Joint Participation Projects - Sewer	400
Pirates Cove Rd 8" Force Main Replacement	379
District II - 10800 Key Haven Bv - Class III/IV	367
South Shores Sub-Aqueous Force Main Rehabilitation	353
Nocatee South Reclaim Improvements	350
Buckman Reclamation Facility -1636 Talleyrand Av - Class III/IV	336
District II - Reclaimanch Rd - Tradeport Dr to DUV-14491 Master Pump Station - Force Main	304
SWDE - Deep Injection Exploratory Wells	300
Arlington East Reclamation Facility - Reclaim Filter - Increase Capacity from 8 to 10 MGD	300
SCADA Renewal & Replacement	268
301 Development - Sewer	250
SWDE - Arlington East Reclamation Facility - Disinfection Conversion to High Level UV	250
SWDE - Planning, Zoning, and Land Acquisition	250
Clark and Main: Kentucky St to Gun Club Rd - Force Main	247
Buckman Reclamation Facility Outfall Improvements- Phase 1	200
Davis - Gate Pkwy to RG Skinner - Transmission - Reclaim	191
Twin Creeks Reclaim Storage Tank and Booster Pump Station - Reclaim	190

Water Project Title	FY23 Proposed ('000)
Ponte Vedra Additional SBR, Influent Jet Headers, & UV replacement	157
Monterey - 8043 Carlotta Rd - Class III/IV - Pump Upgrade	152
JP - COJ - Six Mile Bridge and Utilities Replacement	107
Buckman Reclamation Facility - Aeration Basin Air Header and Diffuser Replacement	107
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100
Grid - Cost Participation - New - Force Main	100
Grid - Cost Participation - New - Reclaim	100
JP - COJ - Old Middleburg Rd - Argyle Forest Blvd to Maynard Place - Transmission - New - Force Main	56
Reuse Delivery Repair & Replace	55
JP - FDOT - Timuquana Rd (SR134) - Wesconnett to US17 - Force Main Replacement	54
Monterey Reclamation Facility Improvements - Phase 1	50
Southwest - POW MIA Memorial Pkwy - Normandy Blvd to Parkland Master Pump Station - Force Main	50
Southwest - 103rd Street at Piper Glen Blvd - Force Main	50
Diesel-driven Backup Pump Repair & Replace	50
Manhole SCADA Repair & Replace	50
Reuse Facility - Capital Equipment Replacement	50
JP- FDOT - District II - Lem Turner - Capper Rd to Leonid - Force Main	47
Nassau Regional Reclamation Facility - SR200 West of I-95 RW Storage Tank and Booster Pump Station - Reclaim	44
Nocatee North Reclaim Storage Tank	18
CR210 - Longleaf Pine Pkwy to Shearwater Rd - Trans – Reclaim	12
JP - FDOT - I10 Widening - I295 to I95 - Force Main Replacement	12
Holiday Road Master Pump Station Rehabilitation - Phases 1 and 2	10
JP - JTA - Alta Drive Roadway Improvements - Sewer	7
Sewer Pipeline Crossings Resiliency	1
JP - FDOT - Copper Circle Lift Station Replacement	-218
Market Adjustment	-80,804
SEWER SUBTOTAL	233,489

WATER OTHER	
Technology Services Projects	14,000
Fleet - Replacement	8,600
Capital Administrative Overhead	7,500
Fleet - Expansion	4,219
Facilities - Generators	2,253

Water Project Title	FY23 Proposed ('000)
Facilities - Main St Lab Emergency Generator Project	1,513
Facilities - Blacks Ford Reclamation Facility New Parking and Storage Building	1,486
Facilities - District II Reclamation Facility New Plant Entrance	1,390
Facilities - Satellite Service Centers	844
Facilities - Mandarin Reclamation Facility - Facility Parking and Storm Water Upgrades - Phase 2	711
Security Improvements	650
Laboratory Instrumentation - PFAS	650
Facilities - Heating, Ventilation, and Air	520
Facilities - Arlington East Reclamation Facility Storage Building	518
Facilities - Fleet Service Operations Building Renovations	500
Facilities - District II Reclamation Facility - New Storage Building and Site Upgrades	469
Facilities - Roof Replacements	435
Facilities - Blanding Blvd Lift Station Entrance Drive	413
Facilities - Building Upgrades	400
Facilities - Electric and Lighting Systems	400
Security - Fencing	260
Facilities - Plumbing Upgrades	250
Facilities - Paving and Site Improvements	250
Facilities - Elevators	250
Laboratory Equipment Upgrades	250
Real Estate - Easement Location and Acquisitions	150
Utility Locate Group - Capital Equipment	50
Security - Fire Alarm and Sprinkler Systems	20
WATER OTHER SUBTOTAL	48,950
WATER GRAND TOTAL	400,000

JEA
Analysis of Proposed FY 2022/23 District Energy System Operating Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

	<u>2021/22 Original Budget</u>	<u>8 Months Actual FY 2021/22</u>	<u>12 Months Projected FY 2021/22</u>	<u>2022/23 Proposed Budget</u>	<u>\$ Change 2022/23 Proposed Budget over 2021/22 Original</u>	<u>% Change</u>
OPERATING BUDGET:						
Operating Revenues						
Revenues	\$8,840	\$5,243	\$8,527	\$12,852	\$4,012	45.39%
Investment Income	0	1	1	0	0	
Total Operating Revenues	<u>\$8,840</u>	<u>\$5,244</u>	<u>\$8,528</u>	<u>\$12,852</u>	<u>\$4,012</u>	<u>45.39%</u>
Operating Expenditures						
Operating and Maintenance	\$5,128	\$2,779	\$4,948	\$6,449	\$1,321	25.76%
Total Operating Expenditures	<u>\$5,128</u>	<u>\$2,779</u>	<u>\$4,948</u>	<u>\$6,449</u>	<u>\$1,321</u>	<u>25.76%</u>
Operating Income	<u>\$3,712</u>	<u>\$2,465</u>	<u>\$3,580</u>	<u>\$6,403</u>	<u>\$2,691</u>	<u>72.51%</u>
Non-Operating Revenues/(Expenses)						
Debt Service	-\$3,171	-\$2,022	-\$3,039	-\$3,242	-\$71	2.24%
Rate Stabilization - Debt Management	0	0	0	0	NA	NA
Renewal & Replacement	-427	-268	-402	-415	12	-2.81%
Operating Capital Outlay	-114	0	-139	-2,746	-2,632	2308.77%
Total Non-Operating Revenues/(Expenses)	<u>-\$3,712</u>	<u>-\$2,290</u>	<u>-\$3,580</u>	<u>-\$6,403</u>	<u>-\$2,691</u>	<u>72.49%</u>
Surplus/(Deficit)	<u>\$0</u>	<u>\$175</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - District Energy System

	<u>\$ Change</u>	<u>% Change</u>
	(000s)	
Operating Revenue		
Revenues	\$4,012	45.39%
The increase is primarily due to proposed changes to DES rate structure for FY 2022/23, including changes to demand rates and variable rates in order to better recover the cost of providing service. If the proposed changes are approved by the Board in August 2022, a rate hearing is planned for September 30, 2022.		
Operating Expenditures		
Operating and Maintenance	\$1,321	25.76%
The increase is due to an increase of \$1.67 million in Other Services and Charges, an increase of \$24,000 to Salaries due to bargaining unit increases, and \$38,000 to Insurance expenses partially offset by the elimination of the Operating Reserve of \$100,000, and an increase in Expense Credits of \$269,000. (DETAILED BREAKOUT GIVEN ON NEXT TWO PAGES)		
Non- Operating Revenues/ (Expenses)		
Operating Capital Outlay	-\$2,632	2308.77%
The increase is due to the additional revenue from proposed rate changes exceeding the increase in expenses. This will provide more cash to transfer to Operating Capital Outlay.		

JEA
Analysis of Operating and Maintenance Expense
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
District Energy System
(000s)

	2021/22 Original Budget	8 Months Actual FY 2021/22	12 Months Projected FY 2021/22	2022/23 Proposed Budget	\$ Change 2022/23 Proposed Budget over 2021/22 Original	% Change
Salaries	\$605	\$388	\$606	\$629	\$24	3.97%
Employee Benefits	228	141	225	220	-8	-3.51%
Supplies	116	42	69	90	-26	-22.41%
Other Services & Chgs.	3,882	2,182	3,987	5,554	1,672	43.07%
Intercompany Charges	70	44	69	60	-10	-14.29%
Insurance	156	53	73	194	38	24.36%
Operating Reserve	100	0	0	0	-100	-100.00%
Expense Credits	-29	-71	-81	-298	-269	927.59%
O & M Expense	\$5,128	\$2,779	\$4,948	\$6,449	\$1,321	25.76%

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Expenditure Variance Overview - District Energy System

	<u>\$ Change</u>	<u>% Change</u>
Operating & Maintenance	(000s)	
Other Services and Charges	\$1,672	43.07%
The increase is due to increases of \$1.16 million due to rising fuel costs for electricity generation impacting Utilities Expense and a \$550,000 increase in Industrial Services for scheduled thermal storage tank rehabilitation.		
Operating Reserve	-\$100	-100.00%
JEA decided not to budget a reserve due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses.		
Expense Credits	-\$269	927.59%
Increase in Expense Credits is primarily due to the addition of Capitalized Administrative Overhead credit for \$237,000 to reimburse other systems for work done.		

JEA
Analysis of FY 2022/23 Proposed Capital Budget
District Energy System
(000s)

	2021/22 Original Budget	8 Months Actual FY 2021/22	12 Months Projected FY 2021/22	2022/23 Proposed Budget	\$ Change 2022/23 Proposed Budget over 2021/22 Original	% Change
Capital Funds						
Debt	\$3,967	\$0	\$0	\$3,500	-\$467	-11.77%
Other Proceeds	1,042	1,798	5,227	275	-767	-73.64%
Renewal & Replacement	427	268	402	415	-12	-2.81%
Operating Capital Outlay	114	0	139	2,746	2,632	2308.77%
Total Capital Funds	\$5,550	\$2,066	\$5,768	\$6,936	\$1,386	24.97%
Capital Projects						
District Energy System Projects	\$5,550	\$2,066	\$5,768	\$6,936	\$1,386	24.97%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	

CAPITAL BUDGET:

Description	FY 2022/23
Hogans Creek - Line Extension - Jags Performance Facility	6,432
District Energy System - Repair & Replace Improvements	450
Security - District Energy System	50
Capital Administrative Overhead	4
District Energy Total	\$6,936

**JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2023**

	Electric System	Water System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$671,607,062	\$0	\$0	\$671,607,062
Total Net Revenues	<u>671,607,062</u>	<u>0</u>	<u>0</u>	<u>671,607,062</u>
FUEL EXPENSES:				
Fuel & Purchased Power	\$671,607,062	\$0	\$0	\$671,607,062
FUEL SURPLUS/(DEFICIT)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$791,048,000	\$450,442,215	\$12,851,763	\$1,254,341,978
Environmental Charge Revenue	7,442,000	27,223,026	0	34,665,026
Conservation Charge & Demand Side Revenue	732,000	0	0	732,000
Other Revenues	37,660,665	19,887,497	0	57,548,162
Natural Gas Pass Through Revenue	1,498,857	0	0	1,498,857
Total Base Related Revenues	<u>\$838,381,522</u>	<u>\$497,552,738</u>	<u>\$12,851,763</u>	<u>\$1,348,786,023</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$269,166,868	\$198,437,566	\$6,449,156	\$474,053,590
Environmental	16,998,000	6,501,783	0	23,499,783
Conservation & Demand-side Management	7,111,667	0	0	7,111,667
Natural Gas Pass Through Expense	1,595,137	0	0	1,595,137
Non-Fuel Purchased Power	245,277,616	0	0	245,277,616
Non-Fuel Uncollectibles & PSC Tax	1,515,596	573,198	0	2,088,794
Emergency Reserve	5,000,000	1,000,000	0	6,000,000
Total Base Related Expenses	<u>\$546,664,884</u>	<u>\$206,512,547</u>	<u>\$6,449,156</u>	<u>\$759,626,587</u>
BASE OPERATING INCOME:	\$291,716,638	\$291,040,191	\$6,402,607	\$589,159,436
NON-OPERATING REVENUE:				
Investment Income	\$5,793,688	\$3,242,935	\$0	\$9,036,623
Transfer To/From Fuel Recovery	0	0	0	0
Capacity Fees	0	102,742,334	0	102,742,334
Total Non Operating Revenues	<u>\$5,793,688</u>	<u>\$105,985,269</u>	<u>\$0</u>	<u>\$111,778,957</u>
NON-OPERATING EXPENSES:				
Debt Service	\$76,798,079	\$103,138,134	\$3,241,758	\$183,177,971
Demand-side Management - Rate Stabilization	-279,667	0	0	-279,667
Environmental - Rate Stabilization	-1,933,468	0	0	-1,933,468
Total Non Operating Expenses	<u>\$74,584,944</u>	<u>\$103,138,134</u>	<u>\$3,241,758</u>	<u>\$180,964,836</u>
BASE INCOME BEFORE TRANSFERS	\$222,925,382	\$293,887,326	\$3,160,849	\$519,973,557
City Contribution Expense	\$95,491,107	\$26,933,389	\$0	\$122,424,496
Interlocal Payments	0	6,403,033	0	6,403,033
Renewal and Replacement Fund	72,700,000	27,734,150	415,355	100,849,505
Operating Capital Outlay	54,262,275	117,953,177	2,745,494	174,960,946
Environmental Capital Outlay	472,000	12,121,243	0	12,593,243
Capacity Fees	0	102,742,334	0	102,742,334
Operating Contingency	0	0	0	0
Total Non-Fuel Expenses	<u>\$222,925,382</u>	<u>\$293,887,326</u>	<u>\$3,160,849</u>	<u>\$519,973,557</u>
SURPLUS/(DEFICIT)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUES	\$1,515,782,272	\$603,538,007	\$12,851,763	\$2,132,172,042
TOTAL APPROPRIATIONS	\$1,515,782,272	\$603,538,007	\$12,851,763	\$2,132,172,042
BUDGETED EMPLOYEE POSITIONS	1,583	705	6	2,294
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

**JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2023**

	Electric System	Water System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 72,700,000	\$ 27,734,150	\$ 415,355	\$ 100,849,505
Operating Capital Outlay	54,262,275	117,953,177	2,745,494	174,960,946
Environmental Capital Outlay	472,000	12,121,243	-	12,593,243
Capacity Fees	-	102,742,334	-	102,742,334
Debt Proceeds	-	-	3,500,000	3,500,000
Other Proceeds	147,671,725	139,449,096	275,151	287,395,972
Total Capital Funds	<u>\$ 275,106,000</u>	<u>\$ 400,000,000</u>	<u>\$ 6,936,000</u>	<u>\$ 682,042,000</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 61,902,000	\$ -	\$ -	\$ 61,902,000
Transmission & Distribution Projects	146,086,000	-	-	146,086,000
District Energy Projects	-	-	6,936,000	6,936,000
Water Projects	-	117,561,000	-	117,561,000
Sewer Projects	-	233,489,000	-	233,489,000
Other Projects	67,118,000	48,950,000	-	116,068,000
Total Capital Projects Subtotal	<u>\$ 275,106,000</u>	<u>\$ 400,000,000</u>	<u>\$ 6,936,000</u>	<u>\$ 682,042,000</u>
Capital Reserve	-	-	-	-
Total Capital Projects	<u>\$ 275,106,000</u>	<u>\$ 400,000,000</u>	<u>\$ 6,936,000</u>	<u>\$ 682,042,000</u>

**COUNCIL AUDITOR’S OFFICE
JEA PAY FOR PERFORMANCE PLAN SUMMARY
PROPOSED BUDGET FY 2022/2023**

PURPOSE

The purpose of the JEA Pay for Performance plan is to “focus employees and managers on key corporate measures and objectives, as well as to push the organization toward a continuous improvement culture with resulting operational excellence” and reward exceptional performance as measured against pre-established goals. The JEA Board of Directors shall review and approve the program each fiscal year. The Pay for Performance plan for FY 2021/22 was approved by the JEA Board of Directors on August 24, 2021. The JEA Board has not yet reviewed and approved the Pay for Performance Plan parameters and payouts for FY 2022/23, but the Board is expected to take it up at the Board Meeting on September 20, 2022.

JEA FY 2022/23 BUDGET

The amount budgeted for the JEA Pay for Performance plan is \$7,500,000. This represents approximately 70% of the maximum potential payout. The current total estimated cost for FY 2022/23 may not exceed \$10,715,000 or 5% of budgeted payroll. The budgeted Pay for Performance amount is listed as “incentive pay” within Operating & Maintenance expense.

ELIGIBILITY

All full time and part-time JEA appointed, and union employees are eligible to participate in the program, except for the Managing Director/Chief Executive Officer. The annual program cost shall not exceed 5% of total payroll in any given year. In addition, all plan participants shall be eligible for the same percentage of payout based on the achievement of the metrics, not to exceed the lesser of 5% of base salary or \$20,000.

PERFORMANCE GOALS

These will not be determined by the JEA Board of Directors until September 20, 2022, at the earliest.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2022/23 BUDGET
 PUBLIC WORKS
 STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (10401)**

PROPOSED BUDGET BOOK – Page # 30

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 Constitutional Fuel Tax (2 cents) between JTA and the City is now split 50/50. This is an “all years” fund.

REVENUE:

1. State Shared Revenue:

- The budgeted amount of \$4,508,448 represents 50% of the Constitutional Fuel Tax (2 cents) revenues. These revenues are impacted by the consumption of gasoline, which is directly affected by the state of the economy, tourism, and the infusion of more gasoline-efficient vehicles and hybrids.

2. Contribution From Local Units:

- This budgeted amount represents the City’s portion that is distributed from the fiscal agent to the City and is used to fund capital projects.

EXPENDITURES:

1. Capital Outlay:

- This expenditure represents the City’s portion of the Constitutional Fuel Tax (2 cents) that is used to fund capital projects. This funding is proposed to be used to fund a portion of the FY 2022/23 Capital Improvement Projects as noted below.

Project Name in CIP	FY 2022/23 Proposed
Roadway Resurfacing	\$ 4,508,448

2. Grants, Aids & Contributions:

- Per the interlocal agreement with JTA, 50% of the Constitutional Fuel Tax (2 cents) is transferred to a fiscal agent for distribution to JTA.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
PUBLIC WORKS
LOCAL OPTION ½ CENT TRANSPORTATION (10402)**

PROPOSED BUDGET BOOK – Page # 31

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. Local Option Sales Tax:

- The budgeted amount represents the revenues estimated to be generated from the local option half-cent sales tax. The increase of \$14,414,469 is based on recent actuals.

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 fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2022/23 BUDGET
 PUBLIC WORKS
 LOCAL OPTION GAS TAX (10403)**

PROPOSED BUDGET BOOK – Page # 32

BACKGROUND:

The Local Option Gas Tax is the tax of six cents on every gallon of motor fuel and diesel 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 in which the City receives one cent and JTA receives the remaining five cents of the gas tax. In FY 2021/22, City Council approved an extension of the Local Option Gas Tax until August 31, 2046 with Ordinance 2021-223-E, which beginning September 1, 2036, the City and JTA will each receive three cents of the gas tax. 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. This is an “all years” fund.

REVENUE:

1. Local Option Fuel Tax:
 - The budgeted amount represents 100% of the revenues (six of the six cents) estimated to be generated from the local option gas tax.

2. Contribution from Local Units:
 - This line represents the City’s portion (one of the six cents) that is distributed from the fiscal agent back to the City and is used to fund capital projects.

EXPENDITURES:

1. Capital Outlay:
 - This expenditure represents the one cent of Local Option Gas Tax retained for City use. The amounts below represent the proposed funding by project from the local option gas tax.

Fund	Dept.	Project Name	Expenditures
10403	PW	Roadway Resurfacing	\$4,335,808
10403	PW	Sidewalk Construction – New	1,000,000
10403	PW	Roadway Safety Project – Pedestrian Crossing	83,952
Total			\$5,419,760

2. Grants Aids & Contributions:
 - This expenditure represents the transfer of 100% of Local Option Gas Tax to the fiscal agent that remits the City portion (one of the six cents) back to the City. The remaining portion (five of the six cents) are remitted to JTA.

SERVICE LEVEL CHANGES:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (10403)**

PROPOSED BUDGET BOOK – Page # 32

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR’S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR’S PROPOSED FY 2022/23 BUDGET
5 – CENT LOCAL OPTION GAS TAX (10404)**

PROPOSED BUDGET BOOK – Page # 33

BACKGROUND:

The 5 - Cent Local Option Gas Tax is the tax of five cents on every gallon of motor fuel sold in Duval County per F.S. 206.41(1)(e). Diesel fuel is not subject to this tax. In FY 2021/22, City Council approved Ordinance 2021-223-E which enacted the levy of the 5 – Cent Local Option Gas Tax (LOGT) commencing January 1, 2022, through December 31, 2051. The 5 – Cent LOGT revenue is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement with each receiving two and one-half cents (\$0.025). The tax proceeds are used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan or expenditures needed to meet immediate local transportation problems and other transportation-related expenditures that are critical for building comprehensive roadway networks by local governments. Eligible uses of funding are: construction of new roads, the reconstruction or resurfacing of existing roads, or the paving of existing graded roads are deemed to increase capacity, and such projects can be included in the capital improvements element of an adopted comprehensive plan.

REVENUE:

1. Local Option Fuel Tax:

- The budgeted amount represents 100% of five-cent local option gas tax from motor fuel sales. The increase is mostly due to the current year’s budget being budgeted for only nine months based on the new tax taking effect January 1, 2022.

2. Contribution from Local Units:

- The budgeted amount represents 50% of five-cent local option gas tax that is distributed from the fiscal agent back to the City and is used to fund capital projects.

EXPENDITURES:

1. Capital Outlay

- This expenditure represents 50% of five-cent local option gas tax retained by the City and spent on roadway resurfacing.

2. Grants, Aids & Contributions

- This expenditure represents the transfer of 100% of five-cent local option gas tax to the fiscal agent that remits 50% of the funds back to the City and 50% of the funds to JTA.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
NINTH-CENT FUEL TAX (10405)**

PROPOSED BUDGET BOOK – Page # 34

BACKGROUND:

The Ninth-Cent Fuel Tax is the tax of one cent on every gallon of motor fuel sold in Duval County. In FY 2021/22, City Council approved Ordinance 2021-223-E which enacted the levy of the Ninth-Cent Fuel Tax commencing January 1, 2022, through December 31, 2051. This tax was already charged on diesel fuel per F.S. 206.87(1)(b) and deposited into the General Fund/GSD. The portion on diesel is 100% the City's. The Ninth-Cent Fuel Tax revenue from motor fuel is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement with each receiving one-half cent (\$0.005). Eligible uses of funding are: public transportation operations and maintenance, roadway and right-of-way maintenance, roadway and right-of-way drainage, streetlight installation, operation, maintenance, and repair, traffic signs, traffic engineering, signalization, and pavement markings installation, operation, and repair, bridge maintenance and operation, and debt service for capital projects including construction or reconstruction of roads and sidewalks.

REVENUE:

1. Local Option Fuel Tax:
 - The budgeted amount represents 100 % of Ninth-Cent Fuel Tax from motor fuel sales. The increase is mostly due to the current year's budget being budgeted for only nine months based on new tax being effective January 1, 2022.
2. Contribution from Local Units:
 - The budgeted amount represents 50% of Ninth-Cent Fuel Tax that is distributed from the fiscal agent back to the City and is used to fund capital projects.

EXPENDITURES:

1. Capital Outlay
 - This expenditure represents 50% of Ninth-Cent Fuel Tax retained by the City and spent on roadway resurfacing.
2. Grants, Aids & Contributions
 - This expenditure represents the transfer of 100% of Ninth-Cent Fuel Tax to the fiscal agent that remits 50% of the funds back to the City and 50% of the funds to JTA.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

None.

**Jacksonville Transportation Authority
Comparison of Budgets
2021/22 to 2022/23
Operating and Capital Budgets**

	Bus		Connexion		Skyway		Ferry		General Fund		Transfers Out	Total Budget
	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital		
Approved FY2022	\$117,854,162	\$45,684,830	\$17,788,892	\$1,723,414	\$6,915,013	\$5,665,777	\$2,859,594	\$6,342,916	\$2,507,561	\$9,344,748	-\$18,960,847	\$197,726,060
Proposed FY2023	\$128,622,873	\$14,382,834	\$21,606,141	\$1,716,000	\$9,141,136	\$1,265,014	\$3,219,594	\$4,199,250	\$3,478,106	\$12,553,111	-\$25,267,190	\$174,916,869
Dollar Increase/(Decrease)	\$10,768,711	-\$31,301,996	\$3,817,249	-\$7,414	\$2,226,123	-\$4,400,763	\$360,000	-\$2,143,666	\$970,545	\$3,208,363	-\$6,306,343	-\$22,809,191
Percentage Increase/(Decrease)	9.14%	-68.52%	21.46%	-0.43%	32.19%	-77.67%	12.59%	-33.80%	38.70%	34.33%	33.26%	-11.54%

Employee Headcount			
Budget	Original FY2022 FT	Proposed FY2023 FT	Change
Union			
Bus Operators	368	368	0
Bus Supervisors/Dispatchers	24	24	0
Bus Maintenance	122	124	2
Skyway Maintenance	24	22	-2
Connexion Maintenance	15	14	-1
Customer Service	6	6	0
Ferry Maintenance	0	0	0
Total	559	558	-1
Non-Union			
Engineering (CCP)	11	11	0
Automation	7	8	1
Corporate	130	160	30
Bus	85	82	-3
Skyway	19	15	-4
Connexion	7	6	-1
Ferry	0	0	0
Total	259	282	23

Grand Total	818	840	22
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Amounts flowing through the City of Jacksonville to Jacksonville Transportation Authority:	
City Contribution (Connexion)*	\$1,735,395
Sales Tax (General Fund)*	3,000,000
Local Option Gas Tax (Bus)*	14,878,344
Local Option Gas Tax (Capital)*	12,553,111
Sales Tax (Bus)*	89,500,560
	\$121,667,410

*Amounts are before any Recommendations

JTA Vehicle Fleet Totals (@ year-end)		
Vehicle Type	FY2022	FY2023
Buses*	236	217
Connexion (CTC)	106	100
Non-Revenue Support	84	85
Total	426	402

* Bus Fleet Breakdown		
Bus Type	FY2022	FY2023
Fixed Route Fleet	148	139
First Coast Flyers	58	58
Community Shuttle	0	0
Active Fleet Total	206	197
Contingency	30	20
Total Buses	236	217

Overall Comments:

- JTA is adding 30 positions under Administration/Corporate for customer service, recruiting, facilities, and procurement.
- Operating Revenues under the Bus Division is driven by an increase for the half cent sales tax, along with debt service savings of \$11.2 million from a prepayment of Better Jacksonville Program debt.
- For Operating Expenses under all divisions Services Expense is increasing due to contractual increases and an increase in the corporate allocation to the divisions.
- The Capital Budget includes a full year of the 5 cents and 9th cent Local Option Gas Taxes.

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Bus Division**

	FY 2021/22 Original Budget	6 Months Actuals FY 2021/22	12 Months Projected FY 2021/22	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget over FY 2021/22 Original	
					\$ Change	% Change
Operating Revenues						
Federal, State & Local Grants	\$18,783,669	\$18,039,211	\$23,178,422	\$9,569,099	-\$9,214,570	-49.06%
Local Option Gas Tax	14,658,748	7,812,355	14,724,710	14,878,344	219,596	1.50%
Net Sales Tax - Operating	73,073,556	41,421,420	78,042,840	89,500,560	16,427,004	22.48%
Passenger Fares	8,545,927	2,889,850	5,779,700	6,808,898	-1,737,029	-20.33%
Federal Preventative Maintenance	1,750,000	875,000	1,750,000	6,780,000	5,030,000	287.43%
Non-Transportation Revenue	1,040,275	553,941	1,107,882	1,084,868	44,593	4.29%
Interest Earnings	1,987	2,064	4,128	1,104	-883	-44.44%
Total Operating Revenues	\$117,854,162	\$71,593,841	\$124,587,682	\$128,622,873	\$10,768,711	9.14%
Operating Expenditures						
Salaries and Wages	\$40,464,875	\$18,245,813	\$40,691,626	\$42,699,057	\$2,234,182	5.52%
Fringe Benefits	18,175,581	11,561,504	21,723,008	22,122,174	3,946,593	21.71%
Fuel and Lubricants	3,498,523	2,121,959	4,543,918	4,279,925	781,402	22.34%
Materials and Supplies	5,035,291	2,215,423	4,530,846	5,483,127	447,836	8.89%
Services	21,501,651	10,520,195	22,040,390	23,737,161	2,235,510	10.40%
Insurance	998,400	323,371	746,742	1,018,040	19,640	1.97%
Travel/Training/Dues & Subscriptions	528,254	268,211	526,422	849,137	320,883	60.74%
All Other/Miscellaneous	2,258,059	2,428,203	3,486,406	1,963,349	-294,710	-13.05%
Contingency	6,432,681	0	0	1,203,713	-5,228,968	-81.29%
Transfer to Connexion	12,729,376	6,899,484	13,583,777	15,518,365	2,788,989	21.91%
Transfer to Skyway	4,680,402	2,985,701	4,571,402	7,870,727	3,190,325	68.16%
Transfer to Ferry	1,551,069	741,106	1,265,212	1,878,098	327,029	21.08%
Total Operating Expenditures	\$117,854,162	\$58,310,970	\$117,709,749	\$128,622,873	\$10,768,711	9.14%
Surplus/(Deficit)	\$0	\$13,282,871	\$6,877,933	\$0	\$0	N/A

**Jacksonville Transportation Authority
 FY 2021/22 Original Budget vs. FY 2022/23 Budget
 Bus Division - Operating Variance Overview**

Revenues	\$ Change	% Change
<p>Federal, State & Local Grants The decrease is primarily due to The American Rescue Plan (ARP) Act funding of \$10.3 million budgeted in FY 2021/22, that is not budgeted for FY 2022/23.</p>	-\$9,214,570	-49.06%
<p>Local Option Gas Tax The increase is based on JTA estimates for the six cent Local Option Gas Tax.</p>	\$219,596	1.50%
<p>Net Sales Tax - Operating The increase is based on JTA estimates for the 1/2 Cent Sales and Constitutional Gas Taxes, along with additional debt service savings from the scheduled prepayment of the BJP debt. This is the net amount after paying the debt service on the BJP debt.</p>	\$16,427,004	22.48%
<p>Passenger Fares The decrease is based on actuals for the current fiscal year.</p>	-\$1,737,029	-20.33%
<p>Federal Preventative Maintenance The increase represents a larger allocation going to the Bus Division. These funds are from the Section 5307 Urbanized Area Formula Program Grant and can be used for both operating and capital expenses.</p>	\$5,030,000	287.43%

**Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Bus Division - Operating Variance Overview**

Expenditures	\$ Change	% Change
<p>Salaries and Wages The increase is primarily due to an increase in negotiated union employee contracts and a 5% performance based increase for non-union staff. This is partially offset by the reclassification of accounts from Salaries and Wages to Fringe Benefits done in FY 2021/22.</p>	\$2,234,182	5.52%
<p>Fringe Benefits The increase is primarily due to increased pension contributions for both FRS and Union pensions, as well as a reclassification of accounts that were previously budgeted in Salaries and Wages.</p>	\$3,946,593	21.71%
<p>Fuel and Lubricants The increase is due to anticipated increases in fuel prices.</p>	\$781,402	22.34%
<p>Materials and Supplies The increase is primarily due to anticipated price increases for tires and the replenishment of JTA's STAR card inventory.</p>	\$447,836	8.89%
<p>Services The increase is primarily due to the following: (1) facility maintenance contractual rate increases for janitorial services and bus stop cleaning & maintenance, (2) ReadIRide and Express Select contractual rate increases from the service providers, and (3) expected advertising cost increases.</p>	\$2,235,510	10.40%
<p>Travel/Training/Dues & Subscriptions The increase is primarily due to increased travel for JTA personnel to present at national and international conferences, travel and training returning to normalized levels, and increases in dues and subscriptions.</p>	\$320,883	60.74%
<p>All Other/Miscellaneous The decrease is primarily due to COVID related expenses (i.e. personal protective equipment) budgeted in FY 2021/22, that are not budgeted for in FY 2022/23.</p>	-\$294,710	-13.05%
<p>Contingency The decrease is primarily due to a higher contingency amount that was budgeted in FY 2021/22 to cover estimated salary increases expected from Collective Bargaining negotiations with the Unions. The \$1.2 million budget for FY 2022/23 is to cover unforeseen expenses.</p>	-\$5,228,968	-81.29%
<p>Transfer to Connexion This funding is necessary to balance the Connexion budget and support expenses in Connexion operations.</p>	\$2,788,989	21.91%
<p>Transfer to Skyway This funding is necessary to balance the Skyway budget and support expenses in Skyway operations.</p>	\$3,190,325	68.16%
<p>Transfer to Ferry This funding necessary to balance the Ferry budget and support expenses in Ferry operations.</p>	\$327,029	21.08%

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Connexion Division**

	FY 2021/22 Original Budget	6 Months Actuals FY 2021/22	12 Months Projected FY 2021/22	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget over FY 2021/22 Original	
					\$ Change	% Change
Operating Revenues						
Federal, State & Local Grants	\$347,327	-\$21,253	\$368,580	\$1,760,175	\$1,412,848	406.78%
Passenger Fares	1,109,380	355,040	710,080	800,124	-309,256	-27.88%
State Transportation Disadvantaged Funds	1,826,890	550,533	1,101,066	1,592,082	-234,808	-12.85%
City of Jacksonville (Paratransit Contribution)	1,525,919	781,417	1,525,919	1,735,395	209,476	13.73%
Federal Preventative Maintenance	250,000	125,000	250,000	200,000	-50,000	-20.00%
Non-Transportation Revenue	0	150	300	0	0	N/A
Transfer from Bus Operations	12,729,376	6,899,484	13,583,777	15,518,365	2,788,989	21.91%
Total Operating Revenues	\$17,788,892	\$8,690,371	\$17,539,722	\$21,606,141	\$3,817,249	21.46%
Operating Expenditures						
Salaries and Wages	\$2,633,342	\$1,268,332	\$2,536,664	\$2,955,238	\$321,896	12.22%
Fringe Benefits	1,082,210	642,610	1,135,220	1,570,984	488,774	45.16%
Fuel and Lubricants	890,010	544,946	839,892	818,318	-71,692	-8.06%
Materials and Supplies	865,676	207,030	729,346	885,935	20,259	2.34%
Services	12,061,666	5,897,769	12,045,538	14,751,304	2,689,638	22.30%
Insurance	1,174	1,706	1,706	5,260	4,086	348.04%
Travel/Training/Dues & Subscriptions	67,509	36,045	67,490	123,819	56,310	83.41%
All Other/Miscellaneous	187,305	91,933	183,866	205,283	17,978	9.60%
Contingency	0	0	0	290,000	290,000	N/A
Total Operating Expenditures	\$17,788,892	\$8,690,371	\$17,539,722	\$21,606,141	\$3,817,249	21.46%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Connexion Division - Operating Variance Overview**

JTA is designated as the Duval County Transportation Coordinator, which JTA has named the Connexion Division. 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.

Revenues	\$ Change	% Change
Federal, State & Local Grants The increase is based on anticipated Section 5307 Urbanized Area Formula Program grant funding for ADA related operating expenses.	\$1,412,848	406.78%
Passenger Fares The decrease is based on actuals for the current fiscal year for Connexion. This is partially offset by an increase in projected ridership for the Connexion Plus service.	-\$309,256	-27.88%
State Transportation Disadvantaged Funds The decrease is primarily due to an anticipated reduction in ridership eligible for Transportation Disadvantaged Grant funding.	-\$234,808	-12.85%
City of Jacksonville (Paratransit Contribution) Pursuant to a January 2006 agreement (Ordinance 2005-1516) between the City of Jacksonville and JTA, this is an annual subsidy contributed by the City, indexed for inflation, for JTA's paratransit service. The budget amount of \$1,735,395 will need to change to \$1,657,216. (See Recommendations)	\$209,476	13.73%
Transfer from Bus Operations This funding is necessary to balance the Connexion budget and support expenses in Connexion operations.	\$2,788,989	21.91%
Expenditures	\$ Change	% Change
Salaries and Wages The increase is primarily due to an increase in negotiated union employee contracts and a 5% performance based increase for non-union staff. This is partially offset by the reclassification of accounts from Salaries and Wages to Fringe Benefits in FY 2021/22.	\$321,896	12.22%
Fringe Benefits The increase is primarily due to increased pension contributions for both FRS and Union pensions, as well as a reclassification of accounts that were previously budgeted in Salaries and Wages.	\$488,774	45.16%
Services The increase is primarily due to an anticipated contract rate increase with MV Transportation for Connexion services and increased costs for the Connexion Plus service due to projected increased ridership.	\$2,689,638	22.30%
Contingency The budgeted Contingency is for anticipated increases in transportation costs.	\$290,000	N/A

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Skyway Division**

	FY 2021/22 Original Budget	6 Months Actuals FY 2021/22	12 Months Projected FY 2021/22	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change % Change	
Operating Revenues						
Federal, State & Local Grants	\$234,611	\$62,967	\$245,934	\$240,578	\$5,967	2.54%
Federal Preventative Maintenance	2,000,000	1,000,000	2,000,000	1,020,000	-980,000	-49.00%
Non-Transportation Revenue	0	775	1,550	9,831	9,831	N/A
Transfer from Bus Operations	4,680,402	2,985,701	4,571,402	7,870,727	3,190,325	68.16%
Total Operating Revenues	\$6,915,013	\$4,049,443	\$6,818,886	\$9,141,136	\$2,226,123	32.19%
Operating Expenditures						
Salaries and Wages	\$2,903,521	\$1,367,883	\$2,735,766	\$2,845,228	-\$58,293	-2.01%
Fringe Benefits	1,398,747	707,399	1,334,798	1,684,734	285,987	20.45%
Fuel and Lubricants	7,798	3,088	6,176	8,500	702	9.00%
Materials and Supplies	1,041,018	737,318	924,636	2,043,718	1,002,700	96.32%
Services	697,860	622,452	744,904	1,291,235	593,375	85.03%
Insurance	496,947	391,800	783,600	729,493	232,546	46.79%
Travel/Training/Dues & Subscriptions	30,378	14,583	29,166	56,001	25,623	84.35%
All Other/Miscellaneous	338,744	204,920	259,840	348,227	9,483	2.80%
Contingency	0	0	0	134,000	134,000	N/A
Total Operating Expenditures	\$6,915,013	\$4,049,443	\$6,818,886	\$9,141,136	\$2,226,123	32.19%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Skyway Division - Operating Variance Overview

Revenues	\$ Change	% Change
<p>Federal Preventative Maintenance The decrease is due to a reduced allocation going to the Skyway Division. These funds are from the Section 5307 Urbanized Area Formula Program Grant and can be used for both operating and capital expenses.</p>	-\$980,000	-49.00%
<p>Transfer from Bus Operations This funding is necessary to balance the Skyway budget. The increase is due to the reduced allocation of Federal Preventative Maintenance grant revenue and increased expenses in Skyway operations.</p>	\$3,190,325	68.16%
Expenditures	\$ Change	% Change
<p>Fringe Benefits The increase is primarily due to increased pension contributions for both FRS and Union pensions, as well as a reclassification of accounts that were previously budgeted in Salaries and Wages.</p>	\$285,987	20.45%
<p>Materials and Supplies The increase is due to anticipated needed repairs to the Skyway system, which includes the replacement of motors and other components of the Skyway vehicles, as well as ongoing repairs and maintenance to the Skyway structure.</p>	\$1,002,700	96.32%
<p>Services The increase is primarily due to increased corporate allocated expenses for the following: (1) advertising/marketing cost increases, (2) consulting services, (3) sustainability assessments and (4) required regulatory inspections.</p>	\$593,375	85.03%
<p>Insurance The increase is based on projections received from JTA's insurance broker.</p>	\$232,546	46.79%
<p>Contingency The budgeted contingency is to cover unforeseen expenses during FY 2022/23.</p>	\$134,000	N/A

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Ferry Division**

	FY 2021/22 Original Budget	6 Months Actuals FY 2021/22	12 Months Projected FY 2021/22	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change % Change	
Operating Revenues						
Federal, State & Local Grants	\$127,823	\$104,467	\$208,934	\$78,879	-\$48,944	-38.29%
Passenger Fares	1,180,702	655,131	1,310,262	1,262,617	81,915	6.94%
Non-Transportation	0	0	0	0	0	N/A
Transfer from Bus Operations	1,551,069	741,106	1,265,212	1,878,098	327,029	21.08%
Total Operating Revenues	\$2,859,594	\$1,500,704	\$2,784,408	\$3,219,594	\$360,000	12.59%
Operating Expenditures						
Salaries and Wages	\$222,375	\$104,459	\$208,918	\$297,099	\$74,724	33.60%
Fringe Benefits	63,376	50,995	101,990	152,190	88,814	140.14%
Fuel and Lubricants	213,593	197,446	204,892	213,593	0	0.00%
Materials and Supplies	10,210	4,636	9,272	10,506	296	2.90%
Services	2,182,832	1,058,648	2,117,296	2,363,747	180,915	8.29%
Insurance	55,210	27,374	54,748	78,847	23,637	42.81%
Travel/Training/Dues & Subscriptions	9,278	5,218	8,436	18,908	9,630	103.79%
All Other/Miscellaneous	102,720	51,928	78,856	34,704	-68,016	-66.21%
Contingency	0	0	0	50,000	50,000	N/A
Total Operating Expenditures	\$2,859,594	\$1,500,704	\$2,784,408	\$3,219,594	\$360,000	12.59%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Ferry Division - Operating Variance Overview**

Revenues	\$ Change	% Change
Passenger Fares The increase is based on actuals from the current fiscal year, which is partially offset by the Ferry haul out required by the U.S. Coast Guard. The ferry is anticipated to be out of service for approximately ten weeks.	\$81,915	6.94%
Transfer from Bus Operations This funding is necessary to balance the Ferry budget and support increased expenses in Ferry operations.	\$327,029	21.08%
Expenditures	\$ Change	% Change
Salaries and Wages The increase is due to a larger portion of the corporate allocated expenses being allocated to the Ferry.	\$74,724	33.60%
Fringe Benefits The increase is due to a larger portion of the corporate allocated expenses being allocated to the Ferry.	\$88,814	140.14%
Services The increase is primarily due to an anticipated cost increase based on a five-year extension for the HMS Ferries contract. The current contract expires on September 30, 2022.	\$180,915	8.29%
All Other/Miscellaneous The decrease is due to the FY 2021/22 budget including the expense of \$92,600 on the ferry office space which included teardown, delivery, setup charges with reconnection services that is not budgeted for in FY2022/23. This is partially offset by bank fees for ferry credit card transactions that was not budgeted in FY 2021/22.	-\$68,016	-66.21%
Contingency The budgeted contingency is to cover unforeseen expenses during FY 2022/23.	\$50,000	N/A

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
General Fund**

	FY 2021/22 Original Budget	6 Months Actuals FY 2021/22	12 Months Projected FY 2021/22	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change % Change	
Operating Revenues						
Net Sales Tax - Operating	\$2,032,848	\$1,016,424	\$2,032,848	\$3,000,000	\$967,152	47.58%
Non-Transportation Revenue	124,098	11,088,728	12,477,456	159,674	35,576	28.67%
Interest Earnings	350,615	-1,104,575	-1,309,150	318,432	-32,183	-9.18%
Total Operating Revenues	\$2,507,561	\$11,000,577	\$13,201,154	\$3,478,106	\$970,545	38.70%
Operating Expenditures						
Salaries & Wages	\$1,493,493	\$484,004	\$968,008	\$1,251,312	-\$242,181	-16.22%
Fringe Benefits	418,807	271,533	543,066	628,442	209,635	50.06%
Materials and Supplies	10,721	11,632	13,264	12,517	1,796	16.75%
Services	503,738	695,738	791,476	1,155,831	652,093	129.45%
Insurance	220	124	248	392	172	78.18%
Training/Travel/Dues & Subscriptions	49,787	18,240	26,480	83,177	33,390	67.07%
All Other/Miscellaneous	30,795	18,191	21,382	24,148	-6,647	-21.58%
Contingency	0	0	0	322,287	322,287	N/A
Total Operating Expenditures	\$2,507,561	\$1,499,462	\$2,363,924	\$3,478,106	\$970,545	38.70%
Surplus/(Deficit)	\$0	\$9,501,115	\$10,837,230	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
General Fund - Operating Variance Overview**

Revenues	\$ Change	% Change
Net Sales Tax - Operating The increase is due to an increase in projects and JTA initiatives which has increased costs for this division. The administrative portion of the sales tax allocation is used to cover the costs for this division.	\$967,152	47.58%
Non-Transportation Revenue The increase is based on average rental revenues received over the last 3 years.	\$35,576	28.67%
Expenditures	\$ Change	% Change
Salaries & Wages The decrease is due to the reclassification of accounts from Salaries and Wages to Fringe Benefits, this is partially offset by a 5% performance based increase for non-union staff.	-\$242,181	-16.22%
Fringe Benefits The increase is due to increased pension contributions, as well as a reclassification of accounts previously budgeted in Salaries and Wages.	\$209,635	50.06%
Services The increase is primarily due to professional services which include consulting for construction and engineering projects/programs.	\$652,093	129.45%
Contingency The budgeted contingency is to cover unforeseen expenses during FY 2022/23.	\$322,287	N/A

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Capital Budget
All Divisions**

	FY 2021/22	FY 2022/23	FY 2022/23 Proposed Budget	
	Original Budget	Proposed Budget	over FY 2021/22 Original \$ Change	% Change
Capital Funds				
Federal Contributions	\$45,955,481	\$19,096,696	-\$26,858,785	-58.45%
JTA Local Match	22,806,204	15,019,513	-7,786,691	-34.14%
Total Capital Funds	\$68,761,685	\$34,116,209	-\$34,645,476	-50.38%
Capital Projects				
Bus Division	\$45,684,830	\$14,382,834	-\$31,301,996	-68.52%
Connexion Division	1,723,414	1,716,000	-7,414	-0.43%
Skyway Division	5,665,777	1,265,014	-4,400,763	-77.67%
Ferry Division	6,342,916	4,199,250	-2,143,666	-33.80%
General Fund	9,344,748	12,553,111	3,208,363	34.33%
Total Capital Projects	\$68,761,685	\$34,116,209	-\$34,645,476	-50.38%
Surplus/(Deficit)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Capital Budget
All Divisions**

Capital Funds	\$ Change	% Change
<p>Federal Contributions The decrease is primarily due to CARES Act funding of \$14.4M, Section 5339b Bus and Bus Facilities Grant funding of \$13.7M, and Transit Oriented Development funding of \$2.2M budgeted in FY 2021/22, that is not budgeted for in FY 2022/23. The decrease is partially offset by anticipated new grants consisting of the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant of \$3.5M, Federal Lands Access Program grant of \$1.7M, and Renewable Energy Generation for Electric Vehicles grant of \$1.6M being budgeted in FY 2022/23.</p>	-\$26,858,785	-58.45%
<p>JTA Local Match The decrease is primarily due to JTA not budgeting for the Section 5339b Bus and Bus Facilities grant, the Transit Oriented Development grant, and the Capital Projects Fund in FY 2022/23. This is partially offset by the required match percentage for requested grant revenues and JTA's portion of the Local Option Gas Taxes (5 cent and 9th cent).</p>	-\$7,786,691	-34.14%
<hr/>		
Capital Projects	\$ Change	% Change
<p>Bus Division The decrease is primarily due to JTA not receiving the CARES Act, 5339b Bus and Bus Facilities, and Transit Oriented Development grants totaling \$30.3M in FY 2022/23.</p>	-\$31,301,996	-68.52%
<p>Skyway Division The decrease is primarily due to the cost for the rehabilitation of the Skyway trains budgeted in FY 2021/22, that is not budgeted for in FY 2022/23.</p>	-\$4,400,763	-77.67%
<p>Ferry Division The decrease is primarily due to the construction costs of the St. Johns River Ferry gantry system budgeted in FY 2021/22, that is not budgeted for in FY 2022/23. This is partially offset by funding for the ferry haul out that is required two out of every five years as well as improvements on the Ft. George Island ferry landing.</p>	-\$2,143,666	-33.80%
<p>General Fund The increase is due to budgeting a full year of JTA's portion of the new Local Option Gas Taxes (5 cent and 9th cent) to be received in FY 2022/23. Project costs include the planning and/or design of 17 projects, including the Emerald Trail and the Skyway Rehabilitation & Downtown Service Expansion.</p>	\$3,208,363	34.33%

**Jacksonville Transportation Authority
FY 2022/23 Capital Budget - Projects**

Capital Projects	Federal Portion	State Cash	JTA Cash	JTA/Other In-Kind	Project Costs
Bus Division					
Agency-Wide Fire Alarm Upgrade	\$194,961	\$0	\$0	\$0	\$194,961
Building 9 Generator	350,000	0	0	0	350,000
Bus Related - Shop Equipment	60,000	0	0	0	60,000
Bus Stop Amenities	150,000	0	0	0	150,000
Bus Stop Shelter Sitework	150,000	0	0	0	150,000
CCTV Upgrades	50,000	0	0	0	50,000
Desktop Computer Hardware	100,000	0	0	0	100,000
Electric Charging Infrastructure @ Armsdale	1,200,000	0	378,000	0	1,578,000
Electrical Upgrades	200,000	0	0	0	200,000
Electronic Vehicle Key Box	24,229	0	0	0	24,229
Emergency Blue Light Stations	75,000	0	0	0	75,000
Escalator Modernization	2,000,000	0	0	0	2,000,000
Facilities - Shop Equipment	46,400	0	0	0	46,400
Fixed Route Vehicle Replacement (CNG)	4,991,500	0	0	0	4,991,500
HVAC Replacements	100,000	0	0	0	100,000
Hybrid DPIM	236,816	0	0	0	236,816
Mobile Anti-Vehicle Barriers	100,000	0	0	0	100,000
Myrtle Bldg 6 Maintenance - Steam Pit	50,000	0	0	0	50,000
Myrtle Unleaded Fuel Tank Improvements	60,000	0	0	0	60,000
Network Computer Hardware	200,000	0	0	0	200,000
Renovate Armsdale PNR and Test & Learn Facility Bathrooms/Breakroom Area	60,000	0	0	0	60,000
Travel/Inspection - Fixed Route Replacement Vehicles	23,824	0	0	0	23,824
Ultimate Urban Circulator (U ² C)	1,728,552	0	1,728,552	0	3,457,104
Upgrade transformer - Armsdale PNR and Test N Learn Facility	125,000	0	0	0	125,000
Bus Division Total	\$12,276,282	\$0	\$2,106,552	\$0	\$14,382,834
Connexion Division					
Rolling Stock - Paratransit	\$1,716,000	\$0	\$0	\$0	\$1,716,000
Connexion Division Total	\$1,716,000	\$0	\$0	\$0	\$1,716,000
Skyway Division					
Acosta Bridge Railing Project	\$250,000	\$0	\$0	\$0	\$250,000
Inventory Parts	1,015,014	0	0	0	1,015,014
Skyway Division Total	\$1,265,014	\$0	\$0	\$0	\$1,265,014

**Jacksonville Transportation Authority
FY 2022/23 Capital Budget - Projects**

Capital Projects	Federal Portion	State Cash	JTA Cash	JTA/Other In-Kind	Project Costs
Ferry Division					
Timucuan Preserve Access/St. Johns Ferry	\$1,439,400	\$0	\$359,850	\$0	\$1,799,250
Ferry Enhancements and Structural Improvements	2,400,000	0	0	0	2,400,000
Ferry Division Total	\$3,839,400	\$0	\$359,850	\$0	\$4,199,250
General Fund Division					
Jobs for Jax Projects					
U2C	\$0	\$0	\$6,262,194	\$0	\$6,262,194
Emerald Trail	0	0	3,348,767	0	3,348,767
Complete Streets	0	0	1,057,931	0	1,057,931
Transit Enhancements	0	0	880,586	0	880,586
Ferry	0	0	410,643	0	410,643
NW Corridor	0	0	352,039	0	352,039
Commuter Rail	0	0	85,254	0	85,254
Unassigned amount	0	0	155,697	0	155,697
General Fund Division Total	\$0	\$0	\$12,553,111	\$0	\$12,553,111
Total Capital Projects					
	\$19,096,696	\$0	\$15,019,513	\$0	\$34,116,209

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Administration/Corporate**

	FY 2021/22 Original Budget	6 Months Actuals FY 2021/22	12 Months Projected FY 2021/22	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change	% Change
Operating Expenditures						
Salaries and Wages (2)	\$11,118,728	\$5,222,945	\$10,245,890	\$11,883,971	\$765,243	6.88%
Fringe Benefits (3)	3,168,793	2,549,736	4,999,472	6,087,616	2,918,823	92.11%
Materials and Supplies	510,500	145,613	291,226	420,241	-90,259	-17.68%
Services (4)	7,153,945	3,503,514	6,207,028	8,144,494	990,549	13.85%
Insurance	10,486	5,883	11,765	13,999	3,513	33.50%
Travel/Training/Dues & Subscriptions (5)	463,919	260,883	371,766	756,338	292,419	63.03%
All Other/Miscellaneous	504,510	312,614	425,228	548,161	43,651	8.65%
Total Operating Expenditures	\$22,930,881	\$12,001,187	\$22,552,374	\$27,854,820	\$4,923,939	21.47%

Corporate Operating Variance Overview

- 1) Contains functional areas such as Finance, Human Resources, Procurement, Grants, Customer Service, Information Technology, Business Intelligence, Marketing, Government Relations, Audit & Compliance, Payroll, etc.
- 2) The increase in Salaries and Wages is primarily due to corporate job reclassifications and promotions along with a 5% JTA administration performance-based increase, which is partially offset by the reclassification of accounts from Salaries and Wages to Fringe Benefits.
- 3) Fringe Benefits are budgeted at 51% of Salaries & Wages primarily due to the reclassification of accounts from Salaries and Wages to Fringe Benefits.
- 4) The increase in Services is primarily due to anticipated increases in advertising & marketing services, consulting services, and required sustainability assessments.
- 5) The increase is primarily due to increased travel for JTA personnel to present at national and international conferences and travel returning to normalized levels, as well as an increase in dues and subscriptions.

JTA Operations Budget	
Total Operating Budget	\$166,067,850
Total Transfers Out	-25,267,190
Operating Contingency	-2,000,000
Total	\$138,800,660

Percentage Dedicated to
Corporate Operations

20.07%

Division Allocation		
Bus	20,473,293	73.5%
CTC	4,038,949	14.5%
Skyway	1,866,273	6.7%
Ferry	696,371	2.5%
Engineering	779,935	2.8%
Total	\$27,854,821	100.0%

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2022/2023**

	<u>Bus</u>	<u>Connexion</u>	<u>Skyway</u>	<u>Ferry</u>	<u>General Fund</u>	<u>Total</u>
<u>Estimated Operating Revenues</u>						
Federal, State & Local Grants	\$9,569,099	\$1,760,175	\$240,578	\$78,879	\$0	\$11,648,731
Local Option Gas Tax	14,878,344	0	0	0	0	14,878,344
Net Sales Tax - Operating	89,500,560	0	0	0	3,000,000	92,500,560
Passenger Fares	6,808,898	800,124	0	1,262,617	0	8,871,639
State Transportation Disadvantaged Funds	0	1,592,082	0	0	0	1,592,082
City of Jacksonville (Paratransit Contribution)	0	1,735,395	0	0	0	1,735,395
Federal Preventative Maintenance	6,780,000	200,000	1,020,000	0	0	8,000,000
Non-Transportation Revenue	1,084,868	0	9,831	0	159,674	1,254,373
Interest Earnings	1,104	0	0	0	318,432	319,536
Transfer from Bus Operations to Connexion	0	15,518,365	0	0	0	15,518,365
Transfer from Bus Operations to Skyway	0	0	7,870,727	0	0	7,870,727
Transfer from Bus Operations to Ferry	0	0	0	1,878,098	0	1,878,098
Total Estimated Operating Revenues	<u>\$128,622,873</u>	<u>\$21,606,141</u>	<u>\$9,141,136</u>	<u>\$3,219,594</u>	<u>\$3,478,106</u>	<u>\$166,067,850</u>
SCHEDULE O						
<u>Operating Expenditures</u>						
Salaries and Wages	\$42,699,057	\$2,955,238	\$2,845,228	\$297,099	\$1,251,312	\$50,047,934
Fringe Benefits	22,122,174	1,570,984	1,684,734	152,190	628,442	26,158,524
Fuel and Lubricants	4,279,925	818,318	8,500	213,593	0	5,320,336
Materials and Supplies	5,483,127	885,935	2,043,718	10,506	12,517	8,435,803
Services	23,737,161	14,751,304	1,291,235	2,363,747	1,155,831	43,299,278
Insurance	1,018,040	5,260	729,493	78,847	392	1,832,032
Travel/Training/Dues & Subscriptions	849,137	123,819	56,001	18,908	83,177	1,131,042
All Other/Miscellaneous	1,963,349	205,283	348,227	34,704	24,148	2,575,711
Contingency	1,203,713	290,000	134,000	50,000	322,287	2,000,000
Transfer to Connexion	15,518,365	0	0	0	0	15,518,365
Transfer to Skyway	7,870,727	0	0	0	0	7,870,727
Transfer to Ferry	1,878,098	0	0	0	0	1,878,098
Total Operating Expenditures	<u>\$128,622,873</u>	<u>\$21,606,141</u>	<u>\$9,141,136</u>	<u>\$3,219,594</u>	<u>\$3,478,106</u>	<u>\$166,067,850</u>
Full Time Positions	729	45	49	0	17	840
Temporary Employee Hours	36,550	5,640	2,026	0	2,403	46,619

SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2022/2023**

	<u>Bus</u>	<u>Connexion</u>	<u>Skyway</u>	<u>Ferry</u>	<u>General Fund</u>	<u>Total</u>
<u>ESTIMATED REVENUES</u>						
Federal Grants	\$12,276,282	\$1,716,000	\$1,265,014	\$3,839,400	\$0	\$19,096,696
Local Match (JTA)	2,106,552	0	0	359,850	12,553,111	15,019,513
Total Estimated Revenues	<u>\$14,382,834</u>	<u>\$1,716,000</u>	<u>\$1,265,014</u>	<u>\$4,199,250</u>	<u>\$12,553,111</u>	<u>\$34,116,209</u>

SCHEDULE Q

APPROPRIATIONS

Computer Equipment	\$300,000	\$0	\$0	\$0	\$0	\$300,000
Electric Charging Infrastructure	1,578,000	0	0	0	0	1,578,000
Facilities Improvements	3,338,785	0	0	0	0	3,338,785
Ferry Enhancements and Structural Improvements	0	0	0	2,400,000	0	2,400,000
Lot & Facility Improvements	0	0	0	1,799,250	0	1,799,250
Miscellaneous Construction Projects	0	0	0	0	12,553,111	12,553,111
Miscellaneous Support Equipment	261,045	0	0	0	0	261,045
Rehab/Renov Stations	0	0	250,000	0	0	250,000
Rolling Stock - Fixed Route	4,991,500	0	0	0	0	4,991,500
Rolling Stock - Paratransit	0	1,716,000	0	0	0	1,716,000
Security Equipment	50,000	0	0	0	0	50,000
Shop Equipment	106,400	0	1,015,014	0	0	1,121,414
Transit Satellite Amenities	300,000	0	0	0	0	300,000
Ultimate Urban Circulator (U ² C), Planning	3,457,104	0	0	0	0	3,457,104
Total Appropriations	<u>\$14,382,834</u>	<u>\$1,716,000</u>	<u>\$1,265,014</u>	<u>\$4,199,250</u>	<u>\$12,553,111</u>	<u>\$34,116,209</u>

SCHEDULE R

**COUNCIL AUDITOR’S OFFICE
RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2022/23**

JTA concurs with all recommendations.

Recommendations:

1. We recommend attaching Revised Schedules O, P, Q, and R to reflect the following changes:
 - a) We recommend increasing the “Local Option Gas Tax” revenue under Bus on Schedule O by \$1,005,953 from \$14,878,344 to \$15,884,297. This will bring JTA’s budget in agreement with the City for this revenue stream.
 - b) We recommend increasing the “Net Sales Tax – Operating” revenue under Bus on Schedule O by \$6,349,975 from \$89,500,560 to \$95,850,535. This will bring JTA’s budget in agreement with the City for this revenue stream.
 - c) We recommend increasing the “Contingency” expenditure line under Bus on Schedule P by \$7,355,928 from \$1,203,713 to \$8,559,641. This will balance JTA’s revenues and expenditures.
 - d) We recommend decreasing the “City of Jacksonville (Paratransit Contribution)” revenue under Connexion on Schedule O by \$78,179 from \$1,735,395 to \$1,657,216. We also recommend increasing the “Federal, State, & Local Grants” revenue under Connexion on Schedule O by \$78,179 from \$1,760,175 to \$1,838,354. This will bring JTA’s budget in agreement with the City for this revenue stream and will balance JTA’s revenues and expenditures.
 - e) We recommend increasing the “Local Match (JTA)” revenue line under Bus on Schedule Q by \$1,096,448, from \$2,106,552 to \$3,203,000. We also recommend increasing the “Ultimate Urban Circulator (U2C), Planning” expenditure line under Bus on Schedule R by \$1,096,448 from \$3,457,104 to \$4,553,552. This will balance JTA’s Capital Budget under the Bus Division.
 - f) We recommend increasing the “Local Match (JTA)” revenue line under General Fund on Schedule Q by \$280,342 from \$12,553,111 to \$12,833,453. We also recommend increasing the “Miscellaneous Construction Projects” expenditure line under General Fund on Schedule R by \$280,342 from \$12,553,111 to \$12,833,453. This will bring JTA’s budget in agreement with the City for this revenue stream and will balance JTA’s Capital Budget under the General Fund.
2. We recommend amending the Budget Ordinance language related to JTA to reflect revised schedules and a revised sales tax revenue budget amount of \$98,850,535.

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2022/2023**

	<u>Bus</u>	<u>Connexion</u>	<u>Skyway</u>	<u>Ferry</u>	<u>General Fund</u>	<u>Total</u>
<u>Estimated Operating Revenues</u>						
Federal, State & Local Grants	\$9,569,099	\$1,838,354	\$240,578	\$78,879	\$0	\$11,726,910
Local Option Gas Tax	15,884,297	0	0	0	0	15,884,297
Net Sales Tax - Operating	95,850,535	0	0	0	3,000,000	98,850,535
Passenger Fares	6,808,898	800,124	0	1,262,617	0	8,871,639
State Transportation Disadvantaged Funds	0	1,592,082	0	0	0	1,592,082
City of Jacksonville (Paratransit Contribution)	0	1,657,216	0	0	0	1,657,216
Federal Preventative Maintenance	6,780,000	200,000	1,020,000	0	0	8,000,000
Non-Transportation Revenue	1,084,868	0	9,831	0	159,674	1,254,373
Interest Earnings	1,104	0	0	0	318,432	319,536
Transfer from Bus Operations to Connexion	0	15,518,365	0	0	0	15,518,365
Transfer from Bus Operations to Skyway	0	0	7,870,727	0	0	7,870,727
Transfer from Bus Operations to Ferry	0	0	0	1,878,098	0	1,878,098
Total Estimated Operating Revenues	<u>\$135,978,801</u>	<u>\$21,606,141</u>	<u>\$9,141,136</u>	<u>\$3,219,594</u>	<u>\$3,478,106</u>	<u>\$173,423,778</u>

REVISED SCHEDULE O

Operating Expenditures

Salaries and Wages	\$42,699,057	\$2,955,238	\$2,845,228	\$297,099	\$1,251,312	\$50,047,934
Fringe Benefits	22,122,174	1,570,984	1,684,734	152,190	628,442	26,158,524
Fuel and Lubricants	4,279,925	818,318	8,500	213,593	0	5,320,336
Materials and Supplies	5,483,127	885,935	2,043,718	10,506	12,517	8,435,803
Services	23,737,161	14,751,304	1,291,235	2,363,747	1,155,831	43,299,278
Insurance	1,018,040	5,260	729,493	78,847	392	1,832,032
Travel/Training/Dues & Subscriptions	849,137	123,819	56,001	18,908	83,177	1,131,042
All Other/Miscellaneous	1,963,349	205,283	348,227	34,704	24,148	2,575,711
Contingency	8,559,641	290,000	134,000	50,000	322,287	9,355,928
Transfer to Connexion	15,518,365	0	0	0	0	15,518,365
Transfer to Skyway	7,870,727	0	0	0	0	7,870,727
Transfer to Ferry	1,878,098	0	0	0	0	1,878,098
Total Operating Expenditures	<u>\$135,978,801</u>	<u>\$21,606,141</u>	<u>\$9,141,136</u>	<u>\$3,219,594</u>	<u>\$3,478,106</u>	<u>\$173,423,778</u>
Full Time Positions	<u>729</u>	<u>45</u>	<u>49</u>	<u>0</u>	<u>17</u>	<u>840</u>
Temporary Employee Hours	<u>36,550</u>	<u>5,640</u>	<u>2,026</u>	<u>0</u>	<u>2,403</u>	<u>46,619</u>

REVISED SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2022/2023**

	<u>Bus</u>	<u>Connexion</u>	<u>Skyway</u>	<u>Ferry</u>	<u>General Fund</u>	<u>Total</u>
<u>ESTIMATED REVENUES</u>						
Federal Grants	\$12,276,282	\$1,716,000	\$1,265,014	\$3,839,400	\$0	\$19,096,696
Local Match (JTA)	3,203,000	0	0	359,850	12,833,453	16,396,303
Total Estimated Revenues	\$15,479,282	\$1,716,000	\$1,265,014	\$4,199,250	\$12,833,453	\$35,492,999

REVISED SCHEDULE Q

APPROPRIATIONS

Computer Equipment	\$300,000	\$0	\$0	\$0	\$0	\$300,000
Electric Charging Infrastructure	1,578,000	0	0	0	0	1,578,000
Facilities Improvements	3,338,785	0	0	0	0	3,338,785
Ferry Enhancements and Structural Improvements	0	0	0	2,400,000	0	2,400,000
Lot & Facility Improvements	0	0	0	1,799,250	0	1,799,250
Miscellaneous Construction Projects	0	0	0	0	12,833,453	12,833,453
Miscellaneous Support Equipment	261,045	0	0	0	0	261,045
Rehab/Renov Stations	0	0	250,000	0	0	250,000
Rolling Stock - Fixed Route	4,991,500	0	0	0	0	4,991,500
Rolling Stock - Paratransit	0	1,716,000	0	0	0	1,716,000
Security Equipment	50,000	0	0	0	0	50,000
Shop Equipment	106,400	0	1,015,014	0	0	1,121,414
Transit Satellite Amenities	300,000	0	0	0	0	300,000
Ultimate Urban Circulator (U ² C), Planning	4,553,552	0	0	0	0	4,553,552
Total Appropriations	\$15,479,282	\$1,716,000	\$1,265,014	\$4,199,250	\$12,833,453	\$35,492,999

REVISED SCHEDULE R

**COUNCIL AUDITOR’S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2022/2023**

INCENTIVE BACKGROUND

JTA has four unions which have pay for performance incentives. The four unions are the Amalgamated Transit Union (ATU), the American Federation of State, County, and Municipal Employees (AFSCME), the International Association of Machinists (IAM), and the International Association of Machinists – Customer Service (IAM – Customer Service). The four unions each have their own team incentive metrics. In addition, the ATU, AFSCME, and IAM Union members each have individual metrics for Safety and Attendance. The JTA Board approves the IAM – Customer Service and AFSCME contracts as these are state employees. The Jax Transit Management (JTM) Board approves the IAM and ATU contracts as these are private employees. The union contracts were approved as follows: ATU – 10/1/2021, IAM – 11/3/2020, AFSCME – 5/21/2019, and IAM-Customer Service – 12/2/2019. Each contract has a three-year term. JTA will begin negotiations on the IAM – Customer Service contract in September 2022. The AFSCME contract is currently in negotiations with JTA for a new contract and until a new contract is signed the provisions of the old contract will be followed.

JTA FY 2022/23 BUDGET

The total payout for FY 2022/23 would be \$302,057 if all the employees earned the maximum incentive available. JTA budgets these incentives in the Bus, Connexion, and Skyway Divisions' salary line. JTA states that it does not have pay for performance incentive plans for employees company wide.

ELIGIBILITY

The ATU, AFSCME, and IAM Union eligibility for incentives are the same: All full-time employees are eligible to participate in the plan. Newly hired employees with less than one full year of service will receive the performance incentive on a pro-rated basis, depending on the start date. Employees must be on the payroll as of December 31st of the calendar year, except retirees or employees on lay-off who will receive pro-rated benefits for the months worked in the calendar year.

The IAM – Customer Service Union employee is eligible for incentives once the 180-day probation period has been successfully completed and both full-time and part-time employees are eligible.

TEAM INCENTIVES for ATU, AFSCME, and IAM

Union members are eligible to receive 0.50% of annual gross wages. If the minimum percentage goals are met, then the minimum allocation of 0.25% of gross wages will be divided proportionally for each measurement. If the maximum percentage goals are met, then the maximum allocation of 0.50% of gross wages will be divided proportionally for each measurement.

Performance Goal	ATU (Bus Operator Team)	AFSCME (Supervisors/Dispatchers Team)	IAM (Maintenance Workers)
Fixed Route On Time Performance	Min 79% - Max 81%	Min 79% - Max 81%	Min 79% - Max 81%
Fixed Route off the Lot Performance	Min 91% - Max 93%	Min 91% - Max 93%	N/A
Fixed Route Customer Satisfaction	Min 81% - Max 83.5%	Min 81% - Max 83.5%	N/A

**COUNCIL AUDITOR’S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2022/2023**

Performance Goal	ATU (Bus Operator Team)	AFSCME (Supervisors/Dispatchers Team)	IAM (Maintenance Workers)
Fixed Route Mean Distance Between Vehicle Failures	N/A	N/A	Min 13,500 miles – Max 14,000 miles
Connexion Mean Distance Between Vehicle Failure	N/A	N/A	Min 26,000 miles – Max 27,000 miles
Fixed Route Bus Stop Cleanliness	N/A	N/A	Min 73% - Max 75%
Connexion Vehicle Cleanliness	N/A	N/A	Min 88% - Max 90%
Fixed Route Vehicle Cleanliness	N/A	N/A	Min 80% - Max 82%
Skyway Vehicle On Time PM Inspections	N/A	N/A	Min 88% - Max 90%
Skyway Vehicle Cleanliness	N/A	N/A	Min 80% - Max 82%
Skyway Station Cleanliness	N/A	N/A	Min 78% - Max 80%

TEAM INCENTIVE FOR IAM – CUSTOMER SERVICE

Only three classifications of employees fall under this union, Customer Experience Coordinators, Customer Service Representatives and Media Delivery Specialists. The IAM – Customer Service union does not have individual safety or attendance incentives in their contract.

All union members are eligible to receive 1% of annual gross wages if they receive a score of successful or higher. The scoring range for the union members is outstanding, exceeds expectations, successful, developing, and unsatisfactory. Below are the categories the three classifications of employees are rated on.

Customer Experience Coordinators	Customer Service Representatives	Media Delivery Specialists
Communication and Collaboration	Communication and Collaboration	Customer Focus
Company Advocacy and Adaptability	Company Advocacy and Adaptability	Personal Effectiveness
Initiative	Initiative	Adherence
Job Knowledge	Job Knowledge	Training
Problem Solving/Decision Making	Problem Solving/Decision Making	N/A
Professional Accountability	Professional Accountability	N/A
Quality of Work	Quality of Work	N/A

**COUNCIL AUDITOR’S OFFICE
 PAY FOR PERFORMANCE PLAN SUMMARY
 JACKSONVILLE TRANSPORTATION AUTHORITY
 PROPOSED BUDGET FY 2022/2023**

INDIVIDUAL INCENTIVES for ATU, AFSCME and IAM

Individual performance goals are based on attendance and safety and are earned or paid on a quarterly basis and are only for ATU, AFSCME and IAM.

Attendance Goal

Each quarter, union members can earn a day or half-day of leave for each thirteen-week period no sick leave is taken as shown below. If the day or half-day is not used within a nine-month period, the union members will be paid for the day or half-day at the member’s regular straight hourly rate.

Performance Goal	ATU (Bus Operator Team)	AFSCME (Supervisors/Dispatchers Team)	IAM (Maintenance Workers)
Attendance Performance Goal	Earn one-half day for each thirteen weeks no sick leave is taken	Earn one-half day for each thirteen weeks no sick leave is taken	Earn one day for each thirteen weeks no sick leave is taken

Safety Incentive Goal

Union members are eligible to receive 0.50% of annual gross wages for the quarterly period for the safety incentive. Members will be disqualified from receiving a quarterly safety incentive payment under the following conditions:

- An employee who incurs a recordable on the job injury (in which the employee’s rule violation contributed to the injury).
- Employees who incur a loss of time of one or more full days as a result of an on-the-job injury in which they were at fault.
- An employee who causes a property damage claim.
- An employee who causes a vehicular accident.
- An employee who fails to timely report an on-the-job injury, a property damage, or a vehicle accident.
- An employee who receives a disciplinary suspension for a safety related infraction.
- An employee who tests positive for drugs or alcohol pursuant to the Employer’s Substance Abuse Policy, shall forfeit his/her safety incentive payment for four consecutive quarters.

Jacksonville Transportation Authority
 Union Contractual Incentives
 FY19 - FY22

	Perfect Attendance - Employees			Perfect Attendance - Days			Safety - \$			Safety - # *			Performance Incentive**		
	ATU	IAM	AFSCME	ATU	IAM	AFSCME	ATU	IAM	AFSCME***	ATU	IAM	AFSCME***	ATU	IAM	AFSCME
FY19															
1st Qtr	46	83		23.0	83.0	0.0									
2nd Qtr	32	67		16.0	67.0	0.0									
3rd Qtr	44	65		22.0	65.0	0.0									
4th Qtr	47	65		23.5	65.0	0.0									
Totals	169	280		84.5	280.0	0.0	\$64,193.05	\$40,040.00	N/A	934	527	N/A	\$0.00	\$0.00	N/A
FY20															
1st Qtr	40	66		20.0	66.0	0.0									
2nd Qtr	39	73		19.5	73.0	0.0									
3rd Qtr	0	54	0	0.0	54.0	0.0									
4th Qtr	84	58	0	42.0	58.0	0.0									
Totals	163	251	0	81.5	251.0	0.0	\$107,830.00	\$54,927.95	\$6,632.20	1,228	528	66	\$0.00	\$0.00	\$0.00
FY21															
1st Qtr	40	58	0	20.0	58.0	0.0									
2nd Qtr	33	37	8	16.5	37.0	4.0									
3rd Qtr	20	49	0	10.0	49.0	0.0									
4th Qtr	33	53	0	16.5	53.0	0.0									
Totals	126	197	8	36.5	95.0	4.0	\$114,734.69	\$75,337.41	\$7,546.95	1,113	508	88	\$0.00	\$0.00	\$0.00
FY22															
1st Qtr	63	44	0	31.5	44.0	0.0									
2nd Qtr	20	57	0	10.0	57.0	0.0									
Totals	83	101	0	41.5	101.0	0.0	\$44,809.45	\$23,884.99	\$6,150.41	508	248	19	N/A	N/A	N/A

* # represents cumulative number of individuals awarded over all quarters for the year
 ** Performance incentives are only paid at year-end. The incentive was not earned in FY19, FY20 or FY21.
 *** AFSCME incentives began December, 2019

TRANSIT OPERATIONS
 FY21 Annual Union Performance Incentive Tracking

		FY 21 ACTUAL	FY 21 GOAL
IAM PERFORMANCE	Fixed Route OTP	79.1%	80%
	Mean Distance Between Vehicle Failures		
	Fixed Route	15,144	13,750
	Connexion	23,879	26,500
	Skyway Vehicle Completed On-Time Preventive Maintenance Inspections	90%	89%
	Cleanliness		
	Fixed Route Bus Stops	65.4%	74%
	Fixed Route Vehicles	77.9%	81%
	Connexion Vehicle Cleanliness	92.9%	89%
	Skyway Stations*		79%
	Skyway Vehicles*		81%
	Skyway Track PM Inspections	95%	89%
	Tag Count		
	Fixed Route/Connexion	98.0%	97%
	Skyway	98.0%	98%
		YTD	GOAL
Fixed Route OTP	79.1%	80%	
Customer Survey Courteousness, Friendliness and Helpfulness	73.0%	82%	
Fixed Route Off the Lot Performance	95.0%	92%	
<i>*Measures below were included in chart but not agreement*</i>			
ATU PERFORMANCE	Mean Distance Between Vehicle Failures		
	Fixed Route	15,100	13,750
	Cleanliness		
	Fixed Route Bus Stops	65.4%	74%
	Fixed Route Vehicles	77.9%	81%

*Annual survey was not conducted for FY21