OFFICE OF THE COUNCIL AUDITOR

FY 2026/27 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Will Lahnen - Chair
Chris Miller - Vice Chair
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Mike Gay
Rahman Johnson
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Meeting #4
August 21, 2026

COUNCIL AUDITOR'S OFFICE
TABLE OF CONTENTS
MEETING #4

Jacksonville Port Authority....3

JEA....18

Streets and Highway 5-Year Road Program....58

Local Option ½ Cent Transportation....59

Local Option Gas Tax (6 Cents)....60

5 Cent Local Option Gas Tax....62

Ninth-Cent Fuel Tax....64

Jacksonville Transportation Authority....66

Downtown Vision Inc.....93

Downtown Investment Authority....95

Downtown Economic Development Fund....97

Public Parking....98

Tax Increment Districts....101

Office of Economic Development....117

Cecil Field Trust Fund....119

Medical Examiner....121

Public Health....123

Neighborhoods....124

Mosquito Control – State....128

Housing Finance Authority....129

Office of Ethics, Compliance, and Oversight....133

Office of Inspector General....134

Jacksonville Port Authority
Analysis of FY 2026/2027 Proposed Budget

	FY 25/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 26/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Revenues						
Containers	$ 34,867,790	$ 22,661,131	$ 34,642,185	$ 36,082,432	$ 1,214,642	3.48%
Autos	16,336,401	12,529,170	19,161,370	20,409,537	4,073,136	24.93%
Military	1,906,278	1,594,186	1,646,780	1,947,405	41,127	2.16%
Break Bulk	7,268,404	5,468,180	6,284,505	6,451,571	(816,833)	-11.24%
Liquid Bulk	1,647,877	632,999	963,499	1,082,900	(564,977)	-34.29%
Dry Bulk	3,240,560	2,247,712	3,491,172	3,704,420	463,860	14.31%
Cruise	8,498,525	6,805,990	8,602,316	9,480,719	982,194	11.56%
Other Operating Revenues	4,689,550	3,018,699	4,571,347	4,656,002	(33,548)	-0.72%
Total Operating Revenues	$ 78,455,385	$ 54,958,067	$ 79,363,174	$ 83,814,986	$ 5,359,601	6.83%
Operating Expenditures						
Salaries	$ 18,110,047	$ 11,720,131	$ 17,802,600	$ 19,254,982	$ 1,144,935	6.32%
Employee Benefits	8,676,150	5,624,500	8,554,717	9,407,352	731,202	8.43%
Services & Supplies	7,819,245	4,646,754	7,565,539	8,174,104	354,859	4.54%
Security Services	7,601,648	4,902,266	7,579,566	7,870,190	268,542	3.53%
Business Travel	588,868	261,484	552,868	637,766	48,898	8.30%
Business Training	386,055	108,307	390,156	440,370	54,315	14.07%
Promotion, Advertising, Dues	857,526	474,971	852,702	852,830	(4,696)	-0.55%
Utility Services	1,284,765	710,157	1,281,199	1,384,790	100,025	7.79%
Repairs & Maintenance	3,163,082	1,932,888	3,121,108	3,370,204	207,122	6.55%
Crane Maintenance Pass Thru	(1,200,000)	(352,472)	(521,336)	(600,000)	600,000	-50.00%
Berth Maintenance Dredging	11,200,000	5,259,378	10,413,560	10,554,554	(645,446)	-5.76%
Miscellaneous	216,405	127,554	216,046	256,733	40,328	18.64%
Total Operating Expenditures	$ 58,703,791	$ 35,415,918	$ 57,808,725	$ 61,603,875	$ 2,900,084	4.94%
Operating Income	$ 19,751,594	$ 19,542,149	$ 21,554,449	$ 22,211,111	$ 2,459,517	12.45%
Non-Operating Revenues/(Expenses)						
Debt Service	$ (16,728,549)	$ (10,510,381)	$ (15,765,572)	$ (19,008,182)	$ (2,279,633)	-13.63%
Investment Income	1,077,744	1,384,116	2,265,120	1,221,717	143,973	13.36%
Shared Revenue from Primary Govt	11,013,769	7,060,350	10,486,575	10,500,000	(513,769)	-4.66%
LOC Advance	(1,038,960)	(932,131)	(932,131)	(1,233,394)	(194,434)	-18.71%
Trademark License Fee	1,038,960	932,131	932,131	1,233,394	194,434	18.71%
Operating Grants	237,500	33,579	237,500	62,500	(175,000)	-73.68%
Other Revenue	8,500	2,322	8,500	3,360	(5,140)	-60.47%
Other Expenses	(3,360)	(3,927)	(5,891)	(8,500)	(5,140)	-152.98%
Total Non-Operating Revenues/(Expenses)	$ (4,394,396)	$ (2,033,941)	$ (2,773,768)	$ (7,229,105)	$ (2,834,709)	-64.51%
Net Income Before Capital Contribution	$ 15,357,198	$ 17,508,208	$ 18,780,681	$ 14,982,006	$ (375,192)	-2.44%
Transfer to Operating Capital Outlay	$ (15,357,198)	$ (17,508,208)	$ (13,874,064)	$ (14,982,006)	$ 375,192	2.44%
Surplus/(Deficit)	$ -	$ -	$ 4,906,617	$ -	$ -	
Full-Time Positions	186			188	2	
Part-Time Hours	7,540			14,148	6,608	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED FY 2026/27 BUDGET

BACKGROUND:
The Jacksonville Port Authority (JPA) is an independent agency of the Consolidated City of Jacksonville created in 1963 to own and operate marine facilities in Duval County. JPA operates three distinct terminals (1) Talleyrand Marine Terminal, (2) Dames Point Marine Terminal, and (3) Blount Island Marine Terminal. These terminals handle various cargo types that include containers, automobiles, bulk commodities, and military shipments, as well as cruise operations.

DAYS CASH ON HAND:

Fiscal Year	Days Cash on Hand
2020/21	223
2021/22	198
2022/23	221
2023/24	204
2024/25	211

Per Rating Agency, factors that could lead to an upgrade would be to have liquidity at or above 250 days cash on hand. Factors that could lead to a downgrade would be if cash on hand falls below 175 days.

OPERATING REVENUES:
1. Containers:
   - The increase of $1,214,642 is primarily due to contractual CPI escalators in the tenant contracts and not due to an increase in activity.

2. Autos:
   - The increase of $4,073,136 is primarily due to one new tenant that was planning to be Break Bulk converting their line of business to Autos. This is anticipated to generate $3,570,000 in additional revenue to Autos (net increase of $1,670,000 overall after factoring in the negative effect to Break Bulk revenue). There is also growth at the new Blount Island Marine Terminal Southeast Toyota facility that is projected to increase revenues by $446,000. The remaining increases are contractual CPI adjustments.

3. Break Bulk:
   - The decrease of $816,833 is due to the conversion of one new tenant to Auto instead of Break Bulk, as noted above, having a decline of $1,900,000 in this category. This is partially offset by a projected increase of $700,000 due to increased vessel activity for another tenant.

4. Liquid Bulk:
   - The decrease of $564,977 is due to the loss of a regular vessel call related to a reduced demand in caustic soda used in fine paper production. The decrease is to better align with current volume.

5. Dry Bulk:
   - The increase of $463,860 is primarily due to contractual CPI escalators totaling $611,000, which is partially offset by decrease of $147,000 due to a tenant ending its dry bulk operations in FY 2025/26.

6. Cruise:
   - The increase of $982,194 is primarily due to an increase of:
     - $748,000 for Norwegian Cruise Line due to:
       - budgeting a 100% occupancy rate (based on double occupancy per room) in FY 2026/27 compared to a budgeted 90% occupancy rate in FY 2025/26,
       - three additional cruise turns in FY 2026/27 (30 vs. 27), and
       - three additional ports of call for FY 2026/27.
     - $234,000 for Carnival due to a 3% CPI escalation.

OPERATING EXPENDITURES:

1. Salaries:
   - The increase of $1,144,935 is primarily due to increases of:
     - $675,000, which includes a 4% proposed annual increase based on union contracts, cost of living adjustments, and merit increases for union and non-union employees,
     - $195,000 to fund three unallocated and previously unfunded positions at $65,000 each (JPA is proposing to add two additional unfunded positions),
     - $175,000 for nine months of salary for a new Deputy Chief Commercial Officer position to eventually replace the outgoing Chief Commercial Officer that is departing in 2028.
     - $147,000 in multiple management positions related to organizational restructure, and
     - $143,000 for five part-time employees for cruise terminal parking operations due to bringing parking operations in-house.
   - These increases are partially offset by a decrease of $190,000 in overtime pay based on the current trend.

2. Employee Benefits:
   - The increase of $731,202 is primarily due to increases of:
     - $238,400 in health insurance premiums to better align with current costs and an anticipated 4.5% increase in premiums,
     - $160,292 in pension costs based on salary increases and anticipated FRS pension contribution rates,
     - $151,500 increase in beeper (stand by) pay due to changes in the union contract from a flat fee of $22.50 to $75 pursuant to the new union contracts, and
     - $97,716 in FICA and Medicare costs based on the increases in salary.

3. Services & Supplies:
   - The increase of $354,859 is primarily due to increases of:
     - $357,937 in other contractual services mainly related to an increase of $189,000 for St. Johns River monitoring, $49,000 for new AED-First Aid equipment, and the remaining related to increases in various other contracts,
     - $209,885 in gas, oil, and grease based on current fuel pricing considering current maximum exposure to JPA of $3.49 per gallon, and
     - $152,500 in property and casualty insurance based on an increase in property insurance rates.
   - The increase is partially offset by a decrease of:
     - $273,264 in workers' comp premiums based on current trends and changes in the methodology, and
     - $152,485 in parking management services due to JPA taking over cruise terminal parking with part-time staff as noted above.

4. Security Services:
   - The increase of $268,542 is primarily due to increases of:
     - $198,855 in private security going from $6,774,493 to $6,973,348 due to a 2.75% contractual rate increase, and
     - $69,687 for JSO costs going from $827,155 to $896,842 in FY 2026/27 based on the MOU between JPA and JSO entered into on September 30, 2024.

5. Business Travel:
   - The increase of $48,898 is primarily due to higher airfare and travel costs to support continued business development, international trade, and customer engagement activities. Of the increase, $25,000 is related to IT, safety, and security.

6. Business Training:
   - The increase of $54,315 is primarily due to increased training for employee development, operational readiness, and regulatory requirements. The increase is for increased IT, safety, and security training.

7. Promotion, Advertising, Dues:
   - This $852,830 in this category includes dues and memberships of $80,000 for the Jax Chamber of Commerce, $73,500 for the Florda Ports Council, and $25,000 for the Florida Chamber of Commerce as well as $80,000 for a customer appreciation event.

8. Utility Services:
   - The increase of $100,025 is primarily due to increases of $205,000 in utility costs at Blount Island and Talleyrand Marine Terminals and an increase of $40,000 based on an increase in utility costs at the Cruise terminal. These are partially offset by a decrease of $145,000 at the Dames Point Marine Terminal based on current trends.

9. Repairs & Maintenance:
   - The increase of $207,122 is primarily due to an increase of $105,000 related to facilities and equipment and $100,000 for a new cloud-based software payroll.

10. Crane Maintenance Pass Thru:
    - This line represents the crane maintenance costs paid by a tenant pursuant to the agreement between JPA and the tenant. JPA personnel will provide the expertise to maintain certain cranes and provide the needed crane supplies and equipment costs. The tenant will pay for these supplies and costs on a reimbursement basis to JPA.
    - The decrease of $600,000 is mainly due to the maintenance responsibility for 3 cranes budgeted in FY 2025/26 being transferred to the Blount Island Marine Terminal tenant and thus not needed in FY 2026/27. There is not a decrease in other costs (except overtime) since staff is now working on JPA's three new cranes.

11. Berth Maintenance Dredging:
    - The decrease of $645,446 is due to JPA projecting a reduction of cubic yards dredging.

12. Miscellaneous:
    - The increase of $40,328 is mainly related to credit card fees related to the cruise passenger volume.

NON-OPERATING REVENUES/EXPENSES:

1. Debt Service:
   - The increase of $2.3 million to $19 million is mainly due to the projected cost of new debt to be issued in FY 2025/26 of approximately $50 million.

2. Investment Income:
   - The increase is based on anticipated cash being lower than the current year, based on the spending down of capital funds, and a conservative interest accounting for potential rate cuts.

3. Shared Revenue from Primary Government:
   - The $10,500,000 represents the funding budgeted to be received by JPA pursuant to Interlocal Agreement. For FY 2026/27, the City projects the contribution to be $10,381,298 based on the three components (as described below). We have a recommendation below to correct the amount in the JPA budget:
     - JPA's portion of the excess Communication Services Tax of $6,351,903,
     - one-quarter mill from the JEA contribution of $3,229,395 based on ¼ mill of net kWH, and
     - a capital contribution of $800,000 which represents the approximate value of one-half mill in 1968.

4. LOC Advance:
   - This represents the second paydown on a line of credit related to an advance from JPA to Norwegian Cruise Lines. This is funded by passenger and marketing incentives that are now being earned by Norwegian Cruise Lines in FY 2026/27.

5. Trademark License Fee:
   - This represents the passenger and marketing incentives that would have been paid to Norwegian Cruise Lines that are being utilized to pay down the Line of Credit advance described above.

Jacksonville Port Authority
Analysis of FY 2026/2027 Proposed Capital Budget

Capital Funds	FY 2025/26 Original	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
State Funded	$ 42,259,968	$ 45,125,000	$ 2,865,032	6.78%
Federal Funded	11,751,000	1,305,000	(10,446,000)	-88.89%
Other/Local Funded	22,931,374	12,700,000	(10,231,374)	-44.62%
Tenant Contribution	17,367,500	69,810,000	52,442,500	301.96%
JPA Operating Funds	15,357,198	14,982,006	(375,192)	-2.44%
Funds Designated for Reinvestment	4,174,117	-	(4,174,117)	-100.00%
Cash Reserves	4,000,000	-	(4,000,000)	-100.00%
JPA Financing	55,275,395	42,577,194	(12,698,201)	-22.97%
Total Capital Funds	$ 173,116,552	$ 186,499,200	$ 13,382,648	7.73%
Capital Projects Area/Type				
Blount Island Marine Terminal	$ 53,697,000	$ 22,560,000	$ (31,137,000)	-57.99%
Dames Point Marine Terminal	12,820,000	3,221,000	(9,599,000)	-74.88%
Talleyrand Marine Terminal	7,845,000	53,710,000	45,865,000	584.64%
Crane Projects	20,918,804	6,883,000	(14,035,804)	-67.10%
Miscellaneous & Other Capital Projects	77,835,748	100,125,200	22,289,452	28.64%
Total Capital Projects	$ 173,116,552	$ 186,499,200	$ 13,382,648	7.73%
Surplus/(Deficit)	$ -	$ -	$ -	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED FY 2026/27 BUDGET

CAPITAL PROJECTS FUNDING:

1. State Funded:
   - The $45.1 million will primarily help fund:
     - $30,000,000 for the Multi-use Facility and Rail Development at Talleyrand Terminal,
     - $9,000,000 for Berth 20 T-Berth Construction at Blount Island, and
     - $2,000,000 for new entrance and security plaza at Blount Island.

2. Federal Funded:
   - The $1.3 million will fund various Port Security Projects.

3. Other/Local Funded:
   - The $12.7 million in funds being reappropriated from the City of Jacksonville is made up of:
     - $12.5 million for the Fulton Cut Power Lines Project, and
     - $200,000 to finish the JFRD station on Blount Island.

4. Tenant Contribution:
   - The $69.8 million in budgeted funds are mainly made up of:
     - $50,000,000 for planned "Portwide Terminal Expansion" to expand the international container business at the Blount Island Marine Terminal and further develop container operations at Dames Point Marine Terminal,
     - $16,000,000 for land acquisition funded by the tenant per the MOU for the Multi-Use Facility (Kerr-McGee site at Talleyrand),
     - $2,135,000 in crane upgrades, and
     - $1,250,000 for TMT Auto Processing Facility Development at Talleyrand Terminal.

5. JPA Operating Funds:
   - The $15 million is from JPA's Operating budget and is used to help fund several projects throughout JPA's Capital budget with cash.

6. Funds Designated for Reinvestment:
   - There are no funds designated for reinvestment in FY 2026/2027.

7. Cash Reserves:
   - There are no cash reserves being used for capital projects in FY 2026/2027.

8. JPA Financing:
   - The $42.6 million will be used to help fund several projects throughout JPA's Capital budget with debt.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED FY 2026/27 BUDGET

RECOMMENDATIONS:

1. We recommend the following adjustments to Schedule I:
    a. Correct the description names from "Multi-use Facility Development (Design, Construction)" to "Services & Supplies," "Multi-use Facility Development Rail" to "Security Services," and "Repairs & Maintenance Projects" to "Repairs & Maintenance."
    b. Decrease the "Shared Revenue from Primary Govt" line under Non-Operating Revenues by $118,702 from $10,500,000 to $10,381,298 to align with the amount in the Mayor's Proposed Budget. This should be offset with a decrease in the "Debt Service" line under Non-Operating Expenditures by the same amount. This will balance the revenues and expenditures for JPA's budget.

2. We recommend amending Schedule J to change the name of the project "Backflow 10" with shut-off valves" to "West Terminal Development Phase II."

(Note – We will have a recommendation to correct some names and category for some projects on the five-year CIP schedule in Ordinance 2026-505 to match Schedule J of the Budget Ordinance.)

These recommendations have no impact to Special Council Contingency and JPA is in agreement.

These actions are reflected in the following schedules.

JACKSONVILLE PORT AUTHORITY
FY 2026/2027 BUDGET

OPERATING REVENUES		
Containers	$	36,082,432
Autos		20,409,537
Military		1,947,405
Break Bulk		6,451,571
Liquid Bulk		1,082,900
Dry Bulk		3,704,420
Cruise		9,480,719
Other Operating Revenues		4,656,002
TOTAL OPERATING REVENUES	$	83,814,986
OPERATING EXPENDITURES		
Salaries	$	19,254,982
Employee Benefits		9,407,352
Services and Supplies		8,174,104
Security Services		7,870,190
Business Travel		637,766
Business Training		440,370
Promotion, Advertising, Dues		852,830
Utility Services		1,384,790
Repairs & Maintenance		3,370,204
Crane Maintenance Pass Thru		(600,000)
Berth Maintenance Dredging		10,554,554
Other Operating Expenditures		256,733
TOTAL OPERATING EXPENDITURES	$	61,603,875
OPERATING INCOME	$	22,211,111
NON-OPERATING REVENUES		
Investment Income	$	1,221,717
Shared Revenue from Primary Govt		10,381,298
Operating Grants		62,500
LOC Advance		(1,233,394)
Other Revenue		3,360
TOTAL NON-OPERATING REVENUES	$	10,435,481
NON-OPERATING EXPENDITURES		
Debt Service	$	18,889,480
Trademark License Fee		(1,233,394)
Other Expenditures		8,500
TOTAL NON-OPERATING EXPENDITURES	$	17,664,586
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	$	14,982,006
Transfer to Operating Capital Outlay	$	(14,982,006)
SURPLUS/(DEFICIT)	$	-
TOTAL REVENUES	$	94,250,467
TOTAL APPROPRIATIONS	$	94,250,467
Full Time Positions		188
Temporary Employee Hours		14,148

REVISED SCHEDULE I

Jacksonville Port Authority

FY 2026/2027 PROPOSED CAPITAL BUDGET

	STATE	FEDERAL	LOCAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	JPA FINANCING	TOTAL
Blount Island (BIMT)							
Berth 20 T-Berth Construction (New Berth 21)	9,000,000					3,000,000	**$ 12,000,000**
New Entrance and Security Plaza (Roadway, Plaza, Restrooms)	2,000,000					4,000,000	**$ 6,000,000**
Berth 30, 31, 32 (Design, Construction)	1,500,000					500,000	**$ 2,000,000**
Upgrades due to Inspections				150,000	430,000		**$ 580,000**
Building Upgrades - CFS Building				275,000	275,000		**$ 550,000**
New RPM for Lane 6						500,000	**$ 500,000**
Building Upgrades FY27					370,000		**$ 370,000**
Stormwater Upgrades					210,000		**$ 210,000**
New Facility JFRD FS# 48			200,000				**$ 200,000**
Terminal Wide Asphalt Facility Rehab					150,000		**$ 150,000**
Total Blount Island	12,500,000	-	200,000	425,000	1,435,000	8,000,000	**$ 22,560,000**
Dames Point (DPMT)							
Cruise Terminal Upgrades					1,143,806	1,717,194	**$ 2,861,000**
Electrical Panel Substation Upgrades (DPMT Wash pad)					125,000		**$ 125,000**
Physical Security Enhancements for Cruise Terminal					85,000		**$ 85,000**
Test/Clean Electrical Switchgear (Crane)					80,000		**$ 80,000**
Fender Upgrades					70,000		**$ 70,000**
Total Dames Point	-	-	-	-	1,503,806	1,717,194	**$ 3,221,000**
Talleyrand (TMT)							
Multi-use Facility Development (Design, Construction)	28,700,000					14,560,000	**$ 43,260,000**
Multi-use Facility Development Rail	1,300,000					1,300,000	**$ 2,600,000**
TMT Auto Processing Facility Development	1,250,000			1,250,000			**$ 2,500,000**
Pile, Cap and Beam Rehab (Cleaning, Design, Construction) 6 & 7						2,500,000	**$ 2,500,000**
Building Upgrades FY27	282,500				282,500		**$ 565,000**
Stormwater Upgrades	262,500				262,500		**$ 525,000**
Terminal Wide Asphalt Facility Rehab	250,000				250,000		**$ 500,000**
Railroad Upgrades	237,500				237,500		**$ 475,000**
Upgrades due to Inspections					275,000		**$ 275,000**
Berth 6 Crane Beam Stow Pin Sockets					275,000		**$ 275,000**
Crane Rail Upgrade Plan	100,000				100,000		**$ 200,000**
West Terminal Development Phase II	17,500				17,500		**$ 35,000**
Total Talleyrand	32,400,000	-	-	1,250,000	1,700,000	18,360,000	**$ 53,710,000**
Crane and Crane Projects							
Hanjung #8841 Crane Upgrades					3,325,000		**$ 3,325,000**
ZPMC #10777 Crane Upgrades				905,000			**$ 905,000**
ZPMC #10776 Crane Upgrades				825,000			**$ 825,000**
ZPMC #10486 Crane Upgrades					815,000		**$ 815,000**
ZPMC #10778 Crane Upgrades				405,000			**$ 405,000**
IMPSA #7382 Crane Upgrades					220,000		**$ 220,000**
IMPSA #7381 Crane Upgrades					160,000		**$ 160,000**
Paceco #105 Crane Upgrades					150,000		**$ 150,000**
Hanjung #8844 Crane Upgrades					58,000		**$ 58,000**
ZPMC #10487 Crane Upgrades					20,000		**$ 20,000**
Total Crane and Crane Projects	-	-	-	2,135,000	4,748,000	-	**$ 6,883,000**

Jacksonville Port Authority

FY 2026/2027 PROPOSED CAPITAL BUDGET

	STATE	FEDERAL	LOCAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	JPA FINANCING	TOTAL
Miscellaneous Projects							
Portwide Terminal Expansion				50,000,000			**$ 50,000,000**
Power Line Project			12,500,000			9,500,000	**$ 22,000,000**
Land Acquisition				16,000,000		5,000,000	**$ 21,000,000**
PSGP Rd 25 Security Projects		705,000			235,000		**$ 940,000**
PSGP Rd 26 Security Projects		541,500			180,500		**$ 722,000**
Capacity Creation Bartram Island DMMA Cell B2 - USACE MOA					500,000		**$ 500,000**
Capitalized Engineering					300,000		**$ 300,000**
FSTED Rd 25 Security Projects	112,500				37,500		**$ 150,000**
Buck Island Entrance Gate Operator and Cameras					150,000		**$ 150,000**
FSTED Rd 26 Security Projects	112,500				37,500		**$ 150,000**
Capacity Creation DMMA Buck Island Cell B (Design, Permit)					125,000		**$ 125,000**
PSGP Rd 24 Security Projects		58,500			19,500		**$ 78,000**
Construct Outdoor Awing SOC					50,000		**$ 50,000**
Asphalt Repairs, Seal Coating and Restriping - SOC					45,000		**$ 45,000**
Total Miscellaneous	225,000	1,305,000	12,500,000	66,000,000	1,680,000	14,500,000	**$ 96,210,000**
OTHER CAPITAL							
BLOUNT ISLAND							
Painters Enclosed 20' trailer (Replacement life-cycle)					25,000		**$ 25,000**
BIMT 4 Post Add Interior Jacks					20,000		**$ 20,000**
DAMES POINT							
CT Purchase 2 golf carts					36,000		**$ 36,000**
TALLEYRAND							
TMT Terminal: Truck Scales Upgrade to PDX (Lane 3 North Gate)					55,000		**$ 55,000**
Boat House (T-11) Paint Interior/Exterior					25,000		**$ 25,000**
PCOB/SOC/PORTWIDE MISC							
Harbor Deepening Monitoring Fees					2,614,200		**$ 2,614,200**
Vehicle Purchases for all Terminals					350,000		**$ 350,000**
PCOB Improvements					300,000		**$ 300,000**
IT Hardware/Software Upgrades					250,000		**$ 250,000**
Marketing Ford Passenger Van XLT					80,000		**$ 80,000**
Portwide Access Control Enhancements - Non Grant					60,000		**$ 60,000**
Port wide CCTV Enhancements - Non Grant					60,000		**$ 60,000**
Structured Cabling Enhancements-PCOB					40,000		**$ 40,000**
Total Other Capital	-	-	-	-	3,915,200	-	**$ 3,915,200**
Total Capital Projects	$ 45,125,000	$ 1,305,000	$ 12,700,000	$ 69,810,000	$ 14,982,006	$ 42,577,194	**$ 186,499,200**

Jacksonville Port Authority

Proposed Capital Projects FY27-FY31

Location	Description	TOTAL	FY 27	FY 28	FY29	FY30	FY31
Blount Island	Berth 30, 31, 32	$ 180,000,000	2,000,000	58,000,000	60,000,000	30,000,000	30,000,000
	Berth 20 T-Berth Construction	$ 12,000,000	12,000,000				
	New Entrance and Security Plaza	$ 6,000,000	6,000,000				
	Redevelopment of ACC Site	$ 4,000,000			4,000,000		
	Blount Island Blvd Widening from Intermodal to WM Mills	$ 4,000,000				4,000,000	
	Auto tenant terminal expansion at Pond 2	$ 3,500,000			2,500,000	1,000,000	
	Stormwater Upgrades	$ 3,150,000	210,000	940,000	2,000,000		
	WM Mills Widening from Blount Island Blvd to Dave Rawls	$ 2,700,000		2,700,000			
	Heavy-Tracked equipment Concrete Pad Yard at Berth 22	$ 2,250,000		2,250,000			
	Add Outbound Lane at Security Plaza	$ 2,120,000		2,120,000			
	Roadway: Intermodal Drive Widening and BI Blvd Intersection	$ 2,000,000			2,000,000		
	Dave Rawls Expansion Flyover to WM Mills Phase II Cont.	$ 1,720,000		1,720,000			
	Redevelopment of Old FS48 Site	$ 1,500,000					1,500,000
	Equipment Shelter @ BIMT Maintenance Compound	$ 1,200,000		1,200,000			
	Equipment Repair and Wash facility at Crane Watch Bldg.	$ 750,000		750,000			
	Upgrades due to Inspections	$ 580,000	580,000				
	Building Upgrade	$ 550,000	550,000				
	Railroad Upgrade	$ 545,000			545,000		
	New RPM for Lane 6	$ 500,000	500,000				
	Roof Upgrade and Rehabilitation	$ 500,000		500,000			
	Crane Rail Replacement and Grouting	$ 400,000		300,000	100,000		
	Building Upgrade	$ 370,000	370,000				
	Roadway: Access Control Building Parking lot expansion	$ 300,000					300,000
	Intermodal Drive Widening and BI Blvd Intersection	$ 250,000		250,000			
	Building Upgrade	$ 245,000					245,000
	Railroad Upgrade	$ 234,000					234,000
	New Facility JFRD FS# 48	$ 200,000	200,000				
	Terminal Wide Asphalt Facility Rehab	$ 200,000		200,000			
	Pile, Cap and Beam Rehab BIMT	$ 200,000			200,000		
	Terminal Wide Asphalt Facility Rehab	$ 200,000			200,000		
	Blount Island Blvd Widening from Intermodal to WM Mills	$ 200,000			200,000		
	Terminal Wide Asphalt Facility Rehab	$ 200,000				200,000	
	Berth 22 High and Heavy Yard to Concrete	$ 180,000		180,000			
	Asphalt Facility Rehab	$ 150,000	150,000				
	Utilities Upgrade	$ 150,000		150,000			
	Upgrade MUSCO Lighting	$ 100,000			100,000		
	Warehouse#1 Fire Suppression System Repairs	$ 50,000			50,000		
	Track & Ties repaired/replaced	$ 45,000		45,000			
	Track & Ties repaired/replaced	$ 45,000				45,000	
	Replace/rebuild/Upgrade Backflow devices and meters at all BIMT wharfs	$ 20,000					20,000
	Total Blount Island	**$ 233,304,000**	**$ 22,560,000**	**$ 71,305,000**	**$ 71,895,000**	**$ 35,245,000**	**$ 32,299,000**
Dames Point	DPMT North Expansion 40-acre site	$ 47,800,000		2,800,000	10,000,000	10,000,000	25,000,000
	Cruise Terminal Upgrades	$ 2,861,000	2,861,000				
	Build Permanent restroom and customs Exam Station HVAC	$ 830,000			830,000		
	CT Baggage Screening Facility	$ 700,000		700,000			
	New DPMT Equipment Storage Shelter	$ 500,000		500,000			
	Utilities Upgrade	$ 480,000		480,000			
	Building Upgrade	$ 295,000		295,000			
	Cruise Terminal Repairs Per Inspections	$ 230,000			230,000		
	Building Upgrade	$ 200,000			200,000		
	Fender Refurbishments: Berth 16, 17 & 18	$ 190,000	70,000	120,000			
	Cruise Terminal Upgrade	$ 170,000		170,000			
	Electrical Panel Substation upgrades	$ 125,000	125,000				
	New DPMT Equipment Storage Shelter	$ 125,000			125,000		
	DPMT Pond Control Structures	$ 100,000		100,000			
	Physical Security Enhancements for Cruise Terminal	$ 85,000	85,000				
	Test/Clean Electrical Switchgear	$ 80,000	80,000				
	Lighting Upgrades MUSCO	$ 50,000			50,000		
	Total Dames Point	**$ 54,821,000**	**$ 3,221,000**	**$ 5,165,000**	**$ 11,435,000**	**$ 10,000,000**	**$ 25,000,000**

Jacksonville Port Authority

Proposed Capital Projects FY27-FY31

Location	Description	TOTAL	FY 27	FY 28	FY29	FY30	FY31
Talleyrand	Multi-use Facility Development	$ 43,260,000	43,260,000				
	West terminal Development Phase II	$ 20,035,000	35,000	5,000,000	5,000,000	5,000,000	5,000,000
	Sedimentation Prevention System	$ 20,000,000				10,000,000	10,000,000
	Pile, Cap and Beam Rehab	$ 4,000,000	2,500,000	1,500,000			
	Multi-use Facility Development Rail	$ 2,600,000	2,600,000				
	TMT Auto Processing Facility Development	$ 2,500,000	2,500,000				
	Terminal Development and Stormwater upgrade	$ 2,025,000	525,000	500,000	500,000	500,000	
	Terminal Wide Asphalt Facility Rehab	$ 1,435,000	500,000	935,000			
	Building Upgrade	$ 1,150,000	565,000	585,000			
	Crane Rail Upgrade Plan	$ 550,000	200,000	350,000			
	Railroad Upgrade	$ 475,000	475,000				
	Fender Replacement Construction	$ 400,000		400,000			
	Genset & Transfer Switch	$ 350,000				350,000	
	South terminal Development	$ 320,000			320,000		
	Add 3rd High mast Pole	$ 300,000				300,000	
	Inspection Repair	$ 275,000	275,000				
	Berth 6 Crane Beam Stow Pin Sockets	$ 275,000	275,000				
	North Dock Restroom Replace Roof	$ 15,000				15,000	
	South Fire Pump House: Replace Roof	$ 15,000				15,000	
	Total Talleyrand	**$ 99,980,000**	**$ 53,710,000**	**$ 9,270,000**	**$ 5,820,000**	**$ 16,180,000**	**$ 15,000,000**
Crane Projects	Purchase of Crane #4 & #5	$ 38,000,000		18,000,000			20,000,000
	ZPMC #10486 Crane Upgrade	$ 3,555,000		1,655,000	1,835,000	65,000	
	Hanjung #8841 Crane Upgrade	$ 3,325,000	3,325,000				
	ZPMC #10487 Crane Upgrade	$ 2,730,000		2,630,000	35,000	65,000	
	Hanjung #8810 Crane Upgrade	$ 2,595,000		2,090,000	110,000	395,000	
	Hanjung #8811 Crane Upgrade	$ 2,170,000		1,740,000	50,000	380,000	
	Hanjung #8841 Crane Upgrade	$ 2,000,000		1,235,000	415,000	350,000	
	Paceco #106 Crane Upgrade	$ 1,985,000		1,510,000	325,000	150,000	
	Paceco #105 Crane Upgrade	$ 1,485,000		1,010,000	325,000	150,000	
	Hanjung #8844 Crane Upgrade	$ 980,000		980,000			
	ZPMC #10777 Crane Upgrade	$ 905,000	905,000				
	ZPMC #10776 Crane Upgrade	$ 825,000	825,000				
	ZPMC #10486 Crane Upgrade	$ 815,000	815,000				
	Terminal Development	$ 800,000		800,000			
	ZPMC #10778 Crane Upgrade	$ 520,000		275,000	100,000	145,000	
	ZPMC #10776 & #10777 Crane Upgrade	$ 500,000		130,000	110,000	260,000	
	ZPMC #10778 Crane Upgrade	$ 405,000	405,000				
	IMPSA #7382 Crane Upgrade	$ 360,000		300,000	20,000	40,000	
	IMPSA #7381 Crane Upgrade	$ 260,000		200,000	20,000	40,000	
	Terminal Development	$ 250,000		250,000			
	IMPSA #7382 Crane Upgrade	$ 220,000	220,000				
	IMPSA #7381 Crane Upgrade	$ 160,000	160,000				
	Paceco #105 Crane Upgrade	$ 150,000	150,000				
	ZPMC #10777 Crane Upgrade	$ 80,000		80,000			
	Hanjung #8844 Crane Upgrade	$ 58,000	58,000				
	ZPMC #10487 Crane Upgrade	$ 20,000	20,000				
	Total Crane & Crane Projects	**$ 65,153,000**	**$ 6,883,000**	**$ 32,885,000**	**$ 3,345,000**	**$ 2,040,000**	**$ 20,000,000**

Jacksonville Port Authority

Proposed Capital Projects FY27-FY31

Location	Description	TOTAL	FY 27	FY 28	FY29	FY30	FY31
General	Port wide Terminal Expansion	$ 50,000,000	50,000,000				
Port Related	Miscellaneous Land Acquisition	$ 41,000,000	21,000,000	5,000,000	5,000,000	5,000,000	5,000,000
	Power Lines - Phase 2	$ 22,000,000	22,000,000				
	DMMA: Buck Island Cell B Capacity Creation	$ 4,500,000		1,500,000			3,000,000
	Capitalized Engineering	$ 1,500,000	300,000	300,000	300,000	300,000	300,000
	PSGP Rd 25 Grant MDA	$ 940,000	940,000				
	Outer Channel Maintenance	$ 900,000		300,000	300,000	300,000	
	PSGP Rd-26 Security Grant	$ 722,000	722,000				
	DMMA: Buck Island Access Road Bridge	$ 700,000		700,000			
	Capacity Creation Buck Island Cell B & Bartram Island Cell B2 Capacity Creation	$ 625,000	625,000				
	DMMA: Bartram Island Cell C Slope Stabilization	$ 500,000		500,000			
	DMMA: Bartram Island DMMA Cell B2 Capacity Creation	$ 500,000		500,000			
	DMMA: Bartram Island DMMA Cell B2 Capacity Creation	$ 500,000			500,000		
	Terminal Upgrade: Blount Island / Heckscher Drive CCTV Enhancement & Pole	$ 500,000		500,000			
	SOC New Mobile Office Building	$ 335,000		250,000	85,000		
	Equipment Storage	$ 350,000		350,000			
	BIMT Main Gate Mass Notification Signage	$ 200,000		200,000			
	Public Safety Heckscher Boat Dock	$ 155,000		80,000	50,000	25,000	
	FSTED PSGP 25 Grant Budget	$ 150,000	150,000				
	Buck Island Entrance Gate Operator and Cameras	$ 150,000	150,000				
	FSTED PSGP 26 Grant Budget	$ 150,000	150,000				
	Refurbish two 1000KVA pad mount transformers	$ 150,000		150,000			
	TMT Terminal: Construct Restroom at North Gate	$ 150,000			150,000		
	Building Upgrade SOC	$ 145,000		145,000			
	PSGP Rd 24 Security Grant MDA	$ 78,000	78,000				
	Outdoor Awning - SOC	$ 50,000	50,000				
	Asphalt Repairs, Seal Coating and Restriping - SOC	$ 45,000	45,000				
	TMT Fence Upgrades	$ 35,000		35,000			
	Total Miscellaneous	**$ 127,030,000**	**$ 96,210,000**	**$ 10,510,000**	**$ 6,385,000**	**$ 5,625,000**	**$ 8,300,000**
Other Capital	***BLOUNT ISLAND***						
	Equipment Purchase	$ 1,755,000	45,000	980,000	465,000	265,000	
	Fender Refurbishments & BIMT Gate Operator Replacements	$ 440,000		260,000		180,000	
	Fender Refurbishments	$ 180,000			180,000		
	HV Switchgear Room Inspection and Cleaning - Switchgear Building	$ 60,000		60,000			
	TALLEYRAND						
	Warehouse #1 Replace Fire Sprinkler System & Truck Scales Upgrade to PDX	$ 1,255,000	55,000	300,000	300,000	300,000	300,000
	Fuel Island Backup Genset	$ 340,000		315,000	25,000		
	Boat House Paint Interior/Exterior	$ 25,000	25,000				
	DP/PCOB/SOC/PORTWIDE MISC						
	Harbor Deepening Monitoring Fees	$ 12,081,700	2,614,200	2,333,950	2,353,050	2,377,550	2,402,950
	IT Hardware/Software Upgrade	$ 9,305,000	410,000	5,765,000	1,615,000	1,515,000	
	Vehicle Purchase- Misc. Business units	$ 2,580,000	350,000	1,630,000	300,000	300,000	
	Public Safety Mobile Guard Booth & SOC Equipment Shelter	$ 135,000		135,000			
	SOC Gate Replacement - Gravel Lot Access	$ 40,000		40,000			
	Fender Refurbishments & DPMT Gate Operator Upgrades	$ 445,000		120,000	170,000	155,000	
	PCOB repairs	$ 300,000	300,000				
	Facilities F250 work truck	$ 55,000		55,000			
	CT Purchase 2 golf carts	$ 36,000	36,000				
	Marketing Ford Passenger Van XLT	$ 80,000	80,000				
	IT Bucket Truck	$ 250,000			250,000		
	New Bromma STS-45 10-Paddle Spreader	$ 400,000		400,000			
	210' High Reach(Manlift)	$ 750,000		750,000			
	New Boom Truck	$ 750,000		750,000			
	Total Other Capital	**$ 31,262,700**	**$ 3,915,200**	**$ 13,893,950**	**$ 5,658,050**	**$ 5,092,550**	**$ 2,702,950**
TOTAL CAPITAL PROJECTS		**$ 611,550,700**	**$ 186,499,200**	**$ 143,028,950**	**$ 104,538,050**	**$ 74,182,550**	**$ 103,301,950**

JEA
Analysis of FY 2026/27 Proposed Budget
Electric, Water & Wastewater, and District Energy System
($ in thousands)

Background:
Article 21 of the City's Charter states that JEA "… is authorized to own, manage and operate for the benefit of the City of Jacksonville the utilities systems within and without the City of Jacksonville. JEA is created for the express purpose of acquiring, constructing, operating, financing and otherwise having plenary authority with respect to electric, water, sewer, natural gas and such other utility system as may be under its control now or in the future…"

Description	FY 2025/26 Original	FY 2026/27 Proposed	$ Change	% Change
Electric Operating	$ 1,595,319	$ 1,728,158	$ 132,839	8.33%
Electric Capital	429,768	612,941	183,173	42.62%
Water & Wastewater Operating	759,049	802,524	43,475	5.73%
Water & Wastewater Capital	573,877	579,010	5,133	0.89%
District Energy System Operating	15,094	17,487	2,393	15.85%
District Energy System Capital	37,576	38,093	517	1.38%
Transfers from Operating to Capital	(509,611)	(622,024)	(112,413)	-22.06%
Total	$ 2,901,072	$ 3,156,189	$ 255,117	8.79%

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

System	FY 2025/26 Original	FY 2026/27 Proposed	Change
Electric System	1,638	1,659	21
Water & Wastewater System	792	829	37
District Energy System	7	7	-
Total JEA Employees	2,437	2,495	58

(2) Detail of City Contribution:

System	FY 2025/26 Original	FY 2026/27 Proposed	$ Change	% Change
Electric System	$ 141,096.68	$ 103,665.73	$ (37,430.95)	-26.53%
Water & Wastewater	37,702.06	36,521.00	(1,181.06)	-3.13%
Totals	$ 178,798.74	$ 140,186.73	$ (38,612.01)	-21.60%

(3) Days Cash on Hand:

Fiscal Year End	Electric	Water & Wastewater	District Energy System
FY 2020/21	166	296	152
FY 2021/22	126	252	167
FY 2022/23	148	23	179
FY 2023/24	113	55	845
FY 2024/25	128	42	1,376
Projected FY 2025/26	95	68	1,011

As provided by JEA, rating agencies consider Days of Cash On Hand to be neutral if it is above 90 days.

JEA
Analysis of FY 2026/27 Proposed Budget
Electric System
($ in thousands)

Fuel Related Revenue & Expenses	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Revenue						
Fuel Related Revenue	$ 550,878	$ 362,202	$ 562,406	$ 515,786	$ (35,092)	-6.37%
Net Fuel Related Revenues	$ 550,878	$ 362,202	$ 562,406	$ 515,786	$ (35,092)	-6.37%
Expense						
Fuel Related and Purchased Power	$ 549,724	$ 356,517	$ 561,349	$ 514,808	$ (34,916)	-6.35%
Transfer To/(From) Other Regulatory Funds	-	5,027	-	-	-	N/A
Uncollectible Accts.	1,154	658	1,057	978	(176)	-15.25%
Net Fuel Related Expenses	$ 550,878	$ 362,202	$ 562,406	$ 515,786	$ (35,092)	-6.37%
Fuel Fund Surplus (Deficit)	$ -	$ -	$ -	$ -	$ -	
Base Rate Revenue & Expenses						
Revenues						
Base Rate Revenue	$ 1,001,044	$ 611,350	$ 984,554	$ 1,103,707	$ 102,663	10.26%
Investment Income	15,070	12,485	17,643	12,242	(2,828)	-18.77%
Other Revenues	28,327	17,638	27,081	96,424	68,097	240.40%
Total Operating Revenues	$ 1,044,441	$ 641,473	$ 1,029,278	$ 1,212,373	$ 167,932	16.08%
Expenses						
Operating & Maintenance	$ 320,815	$ 191,955	$ 301,927	$ 332,874	$ 12,059	3.76%
Environmental Charge	-	-	-	780	780	N/A
Conservation Charge	-	-	-	-	-	N/A
Natural Gas Pass Through Expense	2,347	1,310	2,096	2,330	(17)	-0.72%
Non-Fuel Purchased Power	202,873	182,006	202,940	244,509	41,636	20.52%
Emergency Contingency	-	-	-	-	-	N/A
PSC Fees	158	113	173	171	13	8.23%
Uncollectible Accts.	2,102	1,115	1,782	2,097	(5)	-0.24%
Total Operating Expenses	$ 528,295	$ 376,499	$ 508,918	$ 582,761	$ 54,466	10.31%
Operating Income	$ 516,146	$ 264,974	$ 520,360	$ 629,612	$ 113,466	21.98%
Non-Operating Revenues/(Expenses)						
Debt Service	$ (129,595)	$ (81,275)	$ (123,776)	$ (166,478)	$ (36,883)	28.46%
Operating Capital Outlay	(166,334)	-	(140,000)	(276,499)	(110,165)	66.23%
Environmental Capital Outlay	-	-	-	-	-	N/A
Renewal & Replacement- Elec. Sys.	(79,120)	(53,533)	(80,300)	(82,969)	(3,849)	4.86%
Interlocal Agreement	-	-	-	-	-	N/A
Contribution to City's General Fund	(141,097)	(94,064)	(141,097)	(103,666)	37,431	-26.53%
						N/A
Total Non-Operating Revenues/(Expenses)	$ (516,146)	$ (228,872)	$ (485,173)	$ (629,612)	$ (113,466)	21.98%
Surplus/(Deficit)	$ -	$ 36,102	$ 35,187	$ -	$ -	
MWH Sales (000's)	13,125	7,883	12,777	13,521	396	3.02%
# of Accounts	550,000	543,880	545,040	550,490	490	0.09%

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
PROPOSED FY 2026/27 BUDGET
JEA ELECTRIC SYSTEM

FUEL RELATED REVENUES AND EXPENSES:

Revenue:

1. Fuel Related Revenue:
   - The decrease of $35.1 million is driven by the reduction in expenses explained below in Fuel Related and Purchase Power since this revenue is intended to recover the actual fuel cost to JEA for generated and purchased power provided to customers.

Expense:

1. Fuel Related and Purchased Power:
   - The decrease of $34.9 million is due to decreases of:
     - $44.5 million in lower natural gas future prices,
     - $22.5 million in lower projected purchased power wholesale market prices, which are driven by the natural gas futures market,
     - $4 million in lower oil and diesel costs, and
     - $1.2 million in lower Vogtle fuel costs.
   - The decreases are offset by budgeted sales being projected to increase by 3%, which is causing $17.2 million in additional cost. Additionally, there is an increase of $20.2 million in solar generation and solid fuel costs (projected demand for the Northside Generation Station).

BASE RATE REVENUE AND EXPENSES:

Revenue:

1. Base Rate Revenue
   - The increase of $102.7 million is due to increases of:
     - $70.4 million due to a planned 7% rate increase effective October 1, 2026.
     - $32.3 million due to increasing budgeted sales from 13,125,000 MWhs to 13,520,850 MWhs

2. Other Revenues:
   - The increase of $68.1 million is due to increases of:
     - $64.7 million in projected prior year surpluses being budgeted when there was nothing budgeted in the prior year (if this amount is not available, JEA will reduce the contribution to Operating Capital Outlay),
     - $2.6 million in Intergovernmental Support Agreements Revenue (IGSA) related to agreements with Naval Station Mayport and Naval Air Station Jacksonville to support operations and maintenance of their electric systems (all expenses are reimbursed to JEA at cost plus 10% administrative fee), and
     - $1.3 million in Transmission Services revenue to better align with current year trends.

Expense:

1. Operating & Maintenance:
   - The increase of $12 million in Operating & Maintenance is explained in the Operating & Maintenance section below.

2. Environmental Charge:
   - The increase of $780,000 is mainly due to a decrease in the amount available to withdraw from the Environmental Rate Stabilization Fund to cover the Environmental Operating & Maintenance costs. In FY 2025/26 the Environmental Rate Stabilization Fund was able to completely cover the costs, but in FY 2026/27 these funds are expected to be completely exhausted.

3. Non-Fuel Purchased Power:
   - The $41.6 million increase in Non-Fuel Purchased Power is due to:
     - $18.0 million decrease in the use of the fuel rate stabilization fund that results in an increase in costs,
     - $7.8 million increase for a new FPL Natural Gas purchased power agreement,
     - $6.7 million increase in FPL capacity payments, which reserve generating capacity at FPL so that power is available if JEA needs it,
     - $4.3 million in net expenses for Plant Scherer,
     - $3.3 million increase for the Plant Vogtle purchased power agreement, and
     - $2.5 million for transmission payments to The Energy Authority and FPL for transmission of purchased power to JEA.

NON-OPERATING REVENUES/EXPENSES:

1. Debt Service:
   - The increase in debt service of $36.9 million is due to some scheduled increases in principal payments for outstanding debt as well as the cost of some new debt issued in FY 2025/26.

2. Operating Capital Outlay:
   - The $110.2 million increase in Operating Capital Outlay for capital projects is driven by the increase in revenue enabling more funding to be available for Operating Capital Outlay.

3. Renewal & Replacement:
   - The $83 million in Renewal & Replacement is calculated at 5% of the FY 2025/26 estimated operating revenues.

4. Contribution to City's General Fund:
   - The $103.7 million represents the contribution to the City of Jacksonville from the Electric side of JEA pursuant to interlocal agreement. The decrease of $37,431 is due to the onetime additional contribution of $40 million in FY 2025/26 that is slightly offset by the annual 1% increase.

JEA
Analysis of FY 2026/27 Proposed Budget
Electric System
Operating and Maintenance Expense
($ in thousands)

O&M Category	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Salaries	$ 193,464	$ 129,406	$ 192,699	$ 200,840	$ 7,376	3.81%
Employee Benefits	86,752	56,962	89,320	95,321	8,569	9.88%
Incentive Pay	-	-	-	-	-	N/A
Supplies & Materials	23,803	17,193	25,173	26,691	2,888	12.13%
City Services	14	14	18	45	31	221.43%
Other Intercompany Charges	7,127	3,617	5,981	4,162	(2,965)	-41.60%
Other Services & Chgs.	166,411	92,451	148,513	178,413	12,002	7.21%
Other Contingencies	-	-	-	-	-	N/A
City Legal Services	2,000	776	1,442	2,000	-	0.00%
Insurance	9,382	5,433	8,789	9,725	343	3.66%
Interest on Customer Deposits	2,318	2,050	2,824	1,958	(360)	-15.53%
Operating Reserve	3,400	-	3,400	2,157	(1,243)	-36.56%
Expense Credits	(130,477)	(89,896)	(135,192)	(142,221)	(11,744)	9.00%
Trf. to WIP- Salaries	(31,102)	(19,701)	(30,441)	(32,854)	(1,752)	5.63%
Trf. to WIP- Emp. Benefits	(12,277)	(6,350)	(10,599)	(13,363)	(1,086)	8.85%
Total O&M Expense	$ 320,815	$ 191,955	$ 301,927	$ 332,874	$ 12,059	3.76%

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
PROPOSED FY 2026/27 BUDGET
JEA ELECTRIC SYSTEM - OPERATING & MAINTENANCE

OPERATING & MAINTENANCE EXPENSE DETAIL:

1. Salaries:
   - The $7.4 million increase is due to:
     - the addition of 21 new positions,
     - increases of 4% for appointed/managerial and confidential employees and the Professional Employees Association (PEA) bargaining unit, and
     - increases of 3.5 % for employees in the International Brotherhood of Electrical Workers (IBEW), Jacksonville Supervisors Association (JSA), American Federation of State, County, and Municipal Employes (AFSCME), and Laborers' International Union of North America (LIUNA) bargaining units.

2. Employee Benefits:
   - The $8.6 million increase is mostly due to an increase of $8.3 million in pension costs mainly based on increased costs for the defined benefit plan.

3. Supplies & Materials:
   - The $2.9 million increase is mostly due to increases of:
     - $1.5 million in supplies and personal protective equipment (PPE) for scheduled outages for maintenance at the North Side Generation Station (NGS),
     - $761,713 in gasoline and diesel fuel for JEA's fleet vehicles, and
     - $427,922 in miscellaneous supplies for janitorial supplies, telecom supplies, and the emergency preparedness brochure.

4. Other Intercompany Charges:
   - The $3.0 million decrease is due to a budgeted decrease in inventory carrying costs paid to the water system based on lower carrying costs and interest rate.

5. Other Services & Charges:
   - The $12.0 million increase is due to increases of:
     - $5.8 million in Industrial Services mainly for electric production at Northside Generating Station. There are also increases in security, facilities, and meter data collection and analysis.
     - $3.6 million in Professional Services mainly for contract meter reading collection fees and associated expenses. There are also increases in the Intergovernmental Support Agreements (IGSA) that are for operation and maintenance costs of the electric system at Naval Air Station Jacksonville.
     - $2.3 million in Outage Expense mainly at the Northside Generating Station for increased number of outages due to cycling practices and increased cost of maintenance.
     - $1.5 million in Maintenance Agreements/Repair Services for Technology Services for various JEA IT systems.
     - $1.1 million for other legal expenses due to increased costs for pending litigation and bond disclosure counsel.

- The increase is partially offset by a decrease of $2.7 million in Supplemental Workforce due to shifting to a new dedicated vendor for meter reading services mentioned above, which changed the classification of this expense.

6. Insurance:
   - The increase of $343,000 is due to an increase in liability insurance.

7. Interest on Customer Deposits:
   - The decrease of $360,000 is due to calculating the FY 2026/27 interest rate based on a forecast of 3.45% compared with a 4.36% rate budgeted for FY 2025/26.

8. Operating Reserve:
   - Operating Reserves are utilized to cover unforeseen and emergency expenses. The $1.2 million decrease is due to labor negotiations being mostly completed in FY 2025/26.

9. Expense Credits:
   - The $11.7 million increase is due to increases of:
     - $8.1 million for Shared Service credits for central services (e.g., financial services, human resources, technology services) paid from electric services that are then charged to the water and wastewater system. The increase is based on a 4% increase in current trends and an additional 4% to account for additional growth in operating and maintenance expenses.
     - $3.2 million for Fuel Procurement and Handling credits.

JEA
Analysis of FY 2026/27 Proposed Budget
Electric System
Capital Budget
($ in thousands)

	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Capital Funds						
Renewal & Replacement Deposits	$ 79,120	$ 53,533	$ 80,300	$ 82,968	$ 3,848	4.86%
Debt	160,485	74,649	87,170	232,383	71,898	44.80%
Other Proceeds	-	115,971	115,971	-	-	N/A
Environmental Capital Outlay	-	-	-	-	-	N/A
Operating Capital Outlay	166,334	-	140,000	276,499	110,165	66.23%
JPA Contribution	23,829	-	-	20,691	(3,138)	-13.17%
Grant Proceeds	-	-	-	400	400	N/A
Total Capital Funds	$ 429,768	$ 244,153	$ 423,441	$ 612,941	$ 183,173	42.62%
Capital Projects						
Generation Projects	$ 78,146	$ 80,154	$ 111,572	$ 244,398	$ 166,252	212.75%
Transmission & Distribution	294,477	136,749	256,936	287,097	(7,380)	-2.51%
Other	57,145	27,250	54,933	81,446	24,301	42.53%
Total Capital Projects	$ 429,768	$ 244,153	$ 423,441	$ 612,941	$ 183,173	42.62%
Capital Reserves	-	-	-	-	-	N/A
Total	$ 429,768	$ 244,153	$ 423,441	$ 612,941	$ 183,173	42.62%
Surplus (Deficit)	$ -	$ -	$ -	$ -	$ -	

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
GENERATION						
Advanced Class 1X1 Combined Cycle Addition	167,000	479,000	564,503	273,000	33,000	1,516,503
Brandy Branch Generating - B52 - Major Inspection	11,319	0	0	0	0	11,319
Brandy Branch Generating - B53 - Major Inspection	11,319	0	0	0	0	11,319
Brandy Branch Generating - B54 - Major Inspection	4,739	0	0	0	0	4,739
Northside Generating - Generation Support Capital Improvements	4,000	4,000	4,000	4,000	4,000	20,000
Brandy Branch Generating - B52, B53 - Axial Fuel Staging for Low Load Operation	3,494	0	0	3,279	3,904	10,676
Northside Generating - Energy Project Management Capital Improvement Projects	3,000	6,000	6,000	6,000	6,000	27,000
CT Fleet - Brandy Branch, Kennedy, Greenland Energy - HMI, Server, Network, Software and CT fleet OTA upgrades	2,694	0	0	0	0	2,694
Brandy Branch Generating - B52, B53 - Final Transition Duct Liner Replacement	2,064	0	0	0	0	2,064
Brandy Branch Generating - General Capital Improvements	2,000	2,000	2,000	2,000	2,000	10,000
Northside Generating - N03 - Generator and Turbine Valve Overhaul	1,642	0	0	0	0	1,642
Northside Generating - N03 - Condenser Inlet, Outlet, and Backwash Valve	1,455	1,975	0	0	0	3,430
Northside Generating - N01 - Drain Piping Replacement	1,332	0	0	0	0	1,332
Northside Generating - Fleet - Generator Monitoring Implementation	1,250	636	0	0	0	1,886
Northside Generating - N00 - Riverfront Pipe Trench Removal	1,232	0	0	0	0	1,232
Northside Generating - N01, N02 - Intrex Return, Sealpot and SC Toggle Joint Replacements	1,100	1,200	1,200	0	0	3,500
Northside Generating - N03 - Boiler Feed Pump Turbine Overhaul	1,096	0	0	0	0	1,096
Northside Generating - N00 - CSU Upper/Lower Guide Rail Repair and Chain/Bucket Replacement	1,082	0	0	0	0	1,082
Brandy Branch Generating - B53 - UAT Replacement Project	1,043	0	0	0	0	1,043
Northside Generating - N03 - “B” Circulating Water Pump Replacement	1,040	0	0	0	0	1,040
Brandy Branch Generating - B52, B53 - SCR Sampling Grid	1,036	0	0	0	0	1,036
Northside Generating - N01 - INTREX Return Brick Install	1,026	0	0	0	0	1,026
Northside Generating - Outage Discovery Work	1,000	2,000	1,000	0	0	4,000
Northside Generating - N02 - Stripper Cooler Refractory Replacement	944	867	0	0	0	1,811
Northside Generating - N00 - CSU Spiral Chute Replacement	900	0	0	0	0	900
Northside Generating - N01 - Stripper Cooler Refractory Replacement	892	1,659	0	0	0	2,551
Brandy Branch Generating - B52, B53 - SCR Catalyst Replacement	846	0	0	0	0	846
Northside Generating - N03 - Air Preheater Overhaul	822	0	0	0	0	822
Brandy Branch Generating - B50 - Cooling Tower Deck Replacement	821	0	0	0	0	821
Brandy Branch Generating - B50 - 89SS and 89MD Upgrade	780	0	0	0	0	780
Brandy Branch Generating - B52, B53 - Leaf Seal Replacement	767	0	0	0	0	767
Northside Generating - N03 - Isolated Phase Bus Refurbishment	543	0	0	0	0	543
Northside Generating - N02 - 2A Gathering Conveyor Chain Replacement	519	0	0	0	0	519
Northside Generating - N01, N02 - Impulse Cleaner Addition	506	0	0	0	0	506
Northside Generating - N03 - Boiler Ductwork Expansion Joint Replacement	493	0	0	0	0	493
Combustion Turbine Fleet - Generator Monitoring Implementation	492	235	0	0	0	727
Northside Generating - N02 - Drain Piping Replacement	425	960	0	0	0	1,385
Northside Generating - N00 - BC-05 Head Chute & Diverter Replacement	403	0	0	0	0	403
Northside Generating - N01, N02, N03 - CEMS Upgrade	350	0	0	0	0	350
Northside Generating - N01 - Air Preheater Tube Repair	333	0	0	0	0	333
Northside Generating - N03 - A Side ID Fan Inlet Damper Replacement	324	0	0	0	0	324
Northside Generating - N03 - B Side ID Fan Inlet and Outlet Damper Replacement	324	0	0	0	0	324
Brandy Branch Generating - B50 Cooling Tower Fan Assembly Replacement	312	0	0	0	0	312
Northside Generating - N01 - A/B/C Limestone Screw Feeder Auger/Troughs Replacement	288	0	0	0	0	288
Northside Generating - N03 - A Side FD Fan Inlet and Outlet Damper Replacement	214	0	0	0	0	214

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Northside Generating - N03 - B Side FD Fan Inlet and Outlet Damper Replacement	214	0	0	0	0	214
Northside Generating - N03 - B Side Header Enclosure Fan and Supports Replacement	175	0	0	0	0	175
Northside Generating - N00 - Acid and Caustic Piping Replacement	150	0	0	0	0	150
Northside Generating - N03 - A Side Header Enclosure Fan and Supports Replacement	148	0	0	0	0	148
Northside Generating - N01, N02, N03 - Exciter HMI Upgrade	142	0	0	0	0	142
Brandy Branch and Kennedy Generating - Multilin SR745 Relay Replacement	93	123	0	0	0	216
Northside Generating - Multilin SR745 Relay Replacement	65	65	65	0	0	195
Northside Generating - N33 - Control Cable Replacement	60	1,601	0	0	0	1,661
Northside Generating - N00 - Construction Hoist Upgrade	41	713	0	0	0	754
Kennedy Generating - K37 - 480V Switchgear Replacement	30	774	0	0	0	804
Kennedy Generating - K37 - 89SS and 89MD Upgrade	19	327	0	0	0	345
Kennedy Generating - K37 - Hot Gas Path Inspection #4	0	6,443	0	0	0	6,443
Northside Generating - N33 - Turbine Major and Generator Overhaul	0	3,894	0	0	0	3,894
Northside Generating - N01, N02 - Turning Gear Replacement	0	2,574	614	477	0	3,664
Northside Generating - N00 - Biomass Truck Dumper	0	2,001	169	0	0	2,171
Northside Generating - N00 - Intake Flume Culvert Box Structural Modifications	0	1,877	0	0	0	1,877
Brandy Branch Generating - B52, B53 - Purge Credit Installation	0	1,680	2,112	0	0	3,792
Greenland Energy - G61, G62 - Fast Start with Purge Credit	0	1,285	1,550	0	0	2,835
Brandy Branch, Kennedy, Greenland Energy - Outage Discovery Work	0	1,000	1,000	1,000	0	3,000
Northside Generating - N00 - Turbine Building Roof Drain Replacement	0	930	0	0	0	930
Northside Generating - N00 - 980M Wheeled Front End Loader Replacement	0	870	0	0	0	870
Northside Generating - Byproduct Storage Area II	0	800	1,000	11,855	5,626	19,281
Northside Generating - N00 - 980GII Wheeled Front End Loader Replacement	0	794	0	0	0	794
Northside Generating - N00 - Caterpillar D6T LGP BSA Dozer Replacement	0	710	0	0	0	710
Northside Generating - N01, N02 - Fast Purge System	0	700	300	0	0	1,000
Northside Generating - N03 - Furnace Rear Waterwall Arch Tube Replacement	0	573	1,257	0	0	1,831
Kennedy Generating - K37 - Exhaust Diffuser Replacement	0	567	0	0	0	567
Northside Generating - N00 - CSU Central Chute and Hopper Replacement	0	544	771	0	0	1,315
Kennedy Generating - K37, K38 - Purge Credit Software Upgrade	0	500	0	0	0	500
Northside Generating - N01, N02 - Particulate Monitor	0	419	87	0	0	506
Northside Generating - N00 - 938H 0740 MH Front End Loader Replacement	0	376	0	0	0	376
Brandy Branch Generating - B52, B53 - CT Air Inlet Housing Roof Replacement	0	350	650	0	0	1,000
Northside Generating - N01 - LP, Generator, Valves, and Actuators Overhaul	0	325	3,456	0	0	3,781
Northside Generating - N02 - LP, Valves, and Actuators Overhaul	0	325	2,751	0	0	3,076
Northside Generating - N03 - Boiler Camera	0	216	108	0	0	323
Northside Generating - N03 - Boiler Economizer Replacement	0	60	60	8,931	0	9,051
Northside Generating - N03 - Intake and Discharge Flume Concrete Repair	0	45	4,308	0	0	4,353
Northside Generating - N34 - Control Cable Replacement	0	30	60	1,876	0	1,966
Greenland Energy - G61 - Hot Gas Path Inspection #3	0	0	7,043	0	0	7,043
Northside Generating - N34 - Turbine Major and Generator Overhaul	0	0	6,919	0	0	6,919
Brandy Branch Generating - B51 - Hot Gas Path Inspection #4	0	0	6,598	0	0	6,598
Northside Generating - N35 - Control Cable Replacement	0	0	30	60	1,977	2,067
Northside Generating - N36 - Control Cable Replacement	0	0	30	60	1,977	2,067
Greenland Energy - G62 - Hot Gas Path Inspection #3	0	0	0	7,043	0	7,043
Brandy Branch Generating - B54 - ST4 Flex Ops Upgrade	0	0	0	2,500	2,000	4,500
Brandy Branch Generating - B52, B53 - HRSG Flex Ops Upgrade	0	0	0	1,500	1,500	3,000
Northside Generating - N03 - Condenser Tube Replacement and Recoat	0	0	0	1,327	11,947	13,275

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Northside Generating - N03 - HP/IP, Generator, Valve, and Actuator Overhaul	0	0	0	533	6,760	7,293
Northside Generating - N03 - Replace Boiler Duct Sections	0	0	0	400	3,600	4,000
Grants	**0**	**1,250**	**1,250**	**0**	**0**	**2,500**
Reserves	**4,000**	**0**	**0**	**0**	**0**	**4,000**
GENERATION SUBTOTAL	**244,398**	**535,274**	**620,892**	**325,842**	**84,292**	**1,810,698**
TRANSMISSION AND DISTRIBUTION						
New Electric Service Additions	26,000	27,000	27,500	28,000	28,500	137,000
138kV / 230kV Fulton Cut Replacement	20,700	0	0	0	0	20,700
Real Estate - Greenland Energy to Mayo Sub 230kV - Transmission Corridor Acquisition	19,710	0	0	0	0	19,710
Electric Distribution Maintenance Capital Upgrades	16,300	17,100	18,000	18,500	19,000	88,900
Development Driven Projects - Electric	15,800	16,100	16,400	16,700	17,000	82,000
Brandy Branch to Normandy 230 kV Transmission Line	7,000	12,000	12,000	1,000	0	32,000
Point Meadows 230-26kV T2 Addition	6,170	0	0	0	0	6,170
Pole Replacement Program	5,900	6,200	6,500	6,800	7,200	32,600
Real Estate - Franklin Substation - Property Acquisition	5,137	0	0	0	0	5,137
Water St. Substation 13.2kV Switchgear Replacement	4,504	240	0	0	0	4,744
General Underground Network and Commercial Repair and Replace and Upgrades	4,500	4,750	5,000	5,000	5,250	24,500
Firestone Circuit 323 and Jax Heights Circuits 315, 318 Feeder Extensions	4,044	0	0	0	0	4,044
San Pablo 518 and 519 Feeder Reroute	3,600	0	0	0	0	3,600
Mayo Sub 138-26kV T2 Addition - Substation	3,522	1,804	2,501	0	0	7,828
Dead Front Switchgear Replacement Program	3,500	3,500	3,500	3,500	3,500	17,500
Brandy Branch to Dinsmore 230 kV Transmission Line	3,000	14,000	22,000	18,000	15,000	72,000
Durbin 230-26kV Substation	3,000	12,000	500	0	0	15,500
Durbin 230-26kV Substation - Distribution	3,000	7,000	1,230	0	0	11,230
Main St 13.2kV Network Feeder Reconductor	3,000	3,000	3,000	850	0	9,850
230kV and 138kV LiDAR Infringement Resolution	2,908	3,192	346	0	0	6,446
Greenland 206 26kV Feeder Addition	2,900	0	0	0	0	2,900
New World 230-26kV Sub T1 and T2 Addition	2,802	14,666	500	0	0	17,969
Greenland Energy to Mayo 230kV Circuit 950 Addition	2,754	2,309	22,215	17,800	17,620	62,696
Transmission and Substation Class Circuit Breaker Replacement Program	2,704	2,975	3,272	3,598	660	13,209
Hartley Rd. Substation T1 Transformer Replacement	2,646	0	0	0	0	2,646
Georgia St 13kV Substation Improvements - Distribution	2,596	0	0	0	0	2,596
San Pablo Circuit 519 Addition	2,560	500	0	0	0	3,060
College St Substation 13.2kV Switchgear Replacement	2,465	0	0	0	0	2,465
West Jax T2 300 MVA Autotransformer Replacement	2,449	0	0	0	0	2,449
West Jax 230/69kV Substation Reliability Improvement	2,370	0	0	0	0	2,370
Electric Meters - Replacement	2,300	2,300	2,300	2,300	2,300	11,500
Blount Island Substation - T1 Transformer Replacement	2,190	0	0	0	0	2,190
Electric Meters - Growth	2,150	2,150	1,760	1,760	1,760	9,580
26kV Feeder Circuit Breaker Replacement	2,120	0	0	0	0	2,120
Joint Participation Electric Relocation Projects	2,000	2,000	2,000	2,000	2,000	10,000
Normandy T6 230-138 kV 500 MVA Autotransformer Replacement	2,000	2,000	2,000	1,000	750	7,750
Georgia St T1 Transformer Replacement	1,953	0	0	0	0	1,953
Hartley Rd. Substation T2 Transformer Replacement	1,920	728	0	0	0	2,648
Circuit 680 UG 69kV Reconductor Project	1,865	0	0	0	0	1,865

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Electric Distribution System Improvements	1,833	1,888	1,945	2,000	2,060	9,726
Pecan Park 138-26kV Sub T1 and T2 Addition	1,815	347	1,310	579	9,943	13,994
North Jacksonville Area 138kV Transmission Loop	1,811	47,383	43,031	160	0	92,385
Real Estate - Westside 230kV Transmission Corridor and Substation - Property Acquisition	1,742	0	0	0	0	1,742
69kV Circuit 691-693 Structure Replacement	1,619	0	0	0	0	1,619
New World 230kV Substation - Protection and Controls	1,550	300	30	0	0	1,880
Real Estate - New Brooklyn Substation - Property Acquisition	1,500	300	0	0	0	1,800
Real Estate - New Grand Park Substation - Property Acquisition	1,500	0	0	0	0	1,500
Distribution System - Pole Removal	1,400	1,400	1,400	1,400	1,400	7,000
Georgia St 13kV Substation Improvements- Substation	1,400	56	0	0	0	1,456
Kennedy 69-13.2kV T11 Addition	1,373	0	0	0	0	1,373
Real Estate - Dunn Creek Sub - Property Acquisition	1,270	0	0	0	0	1,270
Circuit 666 UG 69kV Reconductor Project	1,258	0	0	0	0	1,258
New World 230kV Substation - Distribution	1,210	0	0	0	0	1,210
West Downtown - 69-13.2kV Substation - New	1,200	4,187	16,000	500	0	21,887
Grid Modernization - Distribution Automation Deployment	1,200	1,200	1,200	1,200	240	5,040
Greenland 26kV Feeder 211 Addition - Distribution	1,165	0	0	0	0	1,165
Circuit 694 UG 69kV Reconductor Project	1,139	0	0	0	0	1,139
Hartley Substation Protection Improvement	1,114	757	0	0	0	1,871
New World 230kV Substation - Transmission	1,100	9,919	38	0	0	11,057
Georgia St. Substation Pipe-Type Cable Pothead Replacement	1,100	0	0	0	0	1,100
Circuit 696 UG 69kV Reconductor Project	1,087	0	0	0	0	1,087
Circuit 696 UG 69kV Reconductor Project	1,082	5,899	0	0	0	6,982
Real Estate - North Jacksonville Transmission - Corridor Acquisition	1,055	10	0	0	0	1,065
College Substation - Reconfiguration to Network Design	1,000	2,400	6,000	300	0	9,700
Greenland T6 230-138 kV 300 MVA Autotransformer replacement	1,000	1,500	1,500	1,000	500	5,500
Hartley T6 230-138 kV 300 MVA Autotransformer replacement	1,000	1,500	1,500	1,000	500	5,500
Circuit 941 and Circuit 936 Realignment Project (Brandy Branch to SJRPP)	1,000	1,500	1,500	500	0	4,500
Underground Network Improvement Plan	1,000	0	0	0	0	1,000
Steelbald Substation Switch Replacement Project	942	134	0	0	0	1,076
Resilient Infrastructure System Enhancements (RISE) Program - Priority R1	834	1,310	2,169	2,250	2,500	9,063
New World Sub to Villages North Substation - New 230kV Transmission	800	7,000	20,000	30,200	2,000	60,000
General Substation Improvements	800	800	800	800	800	4,000
Automatic Recloser Deployment	750	1,000	1,000	1,750	1,750	6,250
230 KV_ 138KV_69 kV Pole Refurbishment	750	750	750	750	750	3,750
General Distribution Improvements	750	750	750	750	750	3,750
Transmission Insulator Replacement	750	750	750	750	750	3,750
Grid Modernization - Network Monitoring Equipment	700	1,000	1,000	375	375	3,450
Grand Park 138-69kV 200 MVA Auto TX addition - Substation	700	400	350	3,000	50	4,500
Beeghly 391 26kV Feeder Extension - Phase 2	700	0	0	0	0	700
Nocatee T2 Circuit 239, 240, 241 Addition	675	0	0	0	0	675
Real Estate - Brandy Branch to Normandy 230 kV - Corridor Width Addition	660	0	0	0	0	660
East Stadium Industrial Development	615	250	0	0	0	865
Transmission Line Relay Replacement Project	583	349	593	349	565	2,437
Paxon Substation T1 Transformer Replacement	557	2,006	0	0	0	2,563
Davit Arm Replacement	550	550	550	550	550	2,750
138-69kV Grand Park Substation - New	500	4,000	2,250	7,000	250	14,000

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Brooklyn 69kV GIS Substation - New	500	2,500	2,000	10,000	5,000	20,000
Villages North New 230kV Substation	500	2,000	7,000	10,190	200	19,890
Durbin Sub 230kV Circuit 924/932 Interconnect	500	1,800	100	0	0	2,400
Maxville New 230-26kV Substation	500	1,327	11,000	3,000	0	15,827
East Downtown 69-13.2kV Substation - New	500	1,200	3,800	16,000	500	22,000
E-Town - 230-26kV Substation	500	1,074	3,000	11,000	400	15,974
Georgia Street Substation T3 Addition	500	1,000	4,500	2,100	0	8,100
138kV Pickettville Substation Expansion - Substation	500	1,000	1,300	5,000	200	8,000
Water St 13.2kV Network Feeder Reconductor	500	500	1,000	2,000	1,600	5,600
4kV Rehab - Distribution Projects	500	500	500	500	500	2,500
CEMI-5 Electric Distribution Betterment	500	500	500	500	500	2,500
Substation RTU Replacements - D20 to RTAC	500	500	500	500	500	2,500
Underground Cable Replacement Program - Existing Developments	500	500	500	500	500	2,500
69kV Circuit 651 Grand Park to Brooklyn - Transmission - New	500	500	400	1,400	700	3,500
Northwest 445 Boundary Changes	500	0	0	0	0	500
Normandy Substation Protection Improvement	482	60	0	0	0	542
Franklin 138-26kV - Substation	480	1,695	11,000	0	0	13,175
Northshore 406 Feeder Reconductor	475	25	0	0	0	500
Energy Management System - Base Upgrade Project	460	265	130	130	130	1,115
Beeghly 393 26kV Feeder Boundary Changes	460	0	0	0	0	460
Electric Meters - KVAR Meter Initiative	450	0	0	0	0	450
Solar PV - Miller 230kV Switchyard - Substation	446	0	0	0	0	446
SJRPP 230-26kV - T2 Addition	400	4,250	250	0	0	4,900
Brooklyn 472 Partial Overhead Feeder Reconductor	400	0	0	0	0	400
Point Meadows T2 Addition - Distribution	400	0	0	0	0	400
Mayo Sub 230 kV Addition - Phase 2	389	2,698	1,000	2,326	200	6,613
Hunter Rd 26kV 586 and 587 Feeder Reconductor	385	0	0	0	0	385
Mayo Sub New Underground 26kV circuit 226 Addition	380	100	0	0	0	480
Baymeadows Circuit 547 and Phillips Circuit 525 Reconductor	375	0	0	0	0	375
Circuit 646/679 - 6 and 7 Pole Replacement	375	0	0	0	0	375
Merrill Rd T1 Replacement and 2 Feeder Breaker Additions - Substation	372	0	0	0	0	372
Real Estate - Brandy Branch to Dinsmore 230 kV New T-Line - Corridor Addition	360	10,000	307	0	0	10,667
Capital Tools and Equipment - UG Network and Service Centers	356	356	231	231	231	1,405
College St 4kV Circuit Reconductors	350	950	0	0	0	1,300
Normandy Substation 9C7 Can Replacement	316	0	0	0	0	316
New World 230kV Substation - Distribution - Phase 2	300	6,990	500	0	0	7,790
West Downtown 69-13.2kV Substation - Distribution - New	300	4,000	6,000	4,000	0	14,300
SJRPP T2 Addition - New 26kV Feeder Additions	300	3,020	500	0	0	3,820
College Substation Network Feeders	300	1,000	3,000	200	0	4,500
138kV Circuit 810 Pickettville to Grand Park - Transmission - New	300	300	300	2,000	100	3,000
General Transmission Improvements	300	300	300	300	300	1,500
West Downtown 69-13.2kV Substation - Protection and Controls - New	275	1,252	138	35	0	1,700
East Downtown 69-13.2kV Substation - Protection and Controls - New	275	1,100	137	138	50	1,700
Substation Transmission Lightning Arrester Replacement Project	253	253	253	0	0	760
McDuff 4kV Feeder Reconductors - Distribution	250	2,100	0	0	0	2,350
Kennedy Substation Control Cable and Protection System Replacement - Phase 2	250	300	274	0	0	824
Real Estate - New 69kV circuit 651 Grand Park to Brooklyn - Corridor Acquisition	250	250	0	0	0	500

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Park and King 4kV Feeders 7601 and 7602 Reconductor	244	0	0	0	0	244
Real Estate - New 138kV circuit 810 Pickettville to Grand Park - Corridor Acquisition	230	0	0	0	0	230
Kennedy 69-13.2kV T11 Addition - Distribution	226	0	0	0	0	226
Real Estate - Georgia St Substation Expansion - Property Acquisition	226	0	0	0	0	226
Center Park 26kV Feeder 204 Addition	225	1,910	0	0	0	2,135
Real Estate - Durbin Substation 26kV - Easement Acquisition	220	0	0	0	0	220
Forest Substation - T3 Addition	200	2,300	5,000	500	0	8,000
Switzerland 581 Feeder Extension - Veterans Pkwy	200	1,485	0	0	0	1,685
Substation Repair and Replace Projects - Transformer	200	1,400	1,400	1,400	1,400	5,800
Franklin Substation 138kV Interconnection	200	500	1,700	0	0	2,400
Maxville New 230kV Substation - Transmission	200	500	1,100	450	0	2,250
College Substation Reconfiguration - Protection and Controls	200	100	350	50	0	700
Real Estate - Pickettville substation - Property Acquisition	200	0	0	0	0	200
Phillips Highway Substation - Bus 2 CVT Relocation	194	0	0	0	0	194
Greenland Energy 230kV Bay and Breaker Addition for Circuit 950 - Protection and Controls	190	150	250	100	0	690
Water Street T2 Network Transformer Replacement	178	0	0	0	0	178
Franklin 138-26kV Substation - Distribution	170	300	3,530	0	0	4,000
Point Meadows Feeder 233 and 234 - Manhole Extension	150	1,150	1,200	0	0	2,500
West Downtown 69-13.2kV Substation - Transmission - New	150	500	1,250	100	0	2,000
General Protection System Improvements - Transmission	150	150	150	150	150	750
Georgia St 13kV Substation Improvements - Protection and Controls	150	0	0	0	0	150
Greenland 26kV Feeder 211 Addition - Substation	145	0	0	0	0	145
Energy Management System - Fault Current Indicator Upgrade Project	130	130	130	130	130	650
General Transmission Improvements - Operations and Maintenance	125	125	125	125	125	625
Real Estate - New Blanding Substation - Property Acquisition	120	1,500	0	0	0	1,620
Franklin 138-26kV Substation - Protection and Controls	120	580	1,000	0	0	1,700
West Jax 230/69kV Substation Reliability Improvement - Protection and Controls	107	0	0	0	0	107
New Brooklyn 69kV GIS Substation - Distribution - PH	100	500	500	2,000	1,900	5,000
Lane 679 New 69kV Reactor addition - Substation	100	500	100	100	1,100	1,900
West Jax 665 New 69kV Reactor addition - Substation	100	500	100	100	1,100	1,900
New Brooklyn 69kV GIS Substation - Protection and Controls	100	300	100	1,000	500	2,000
Maxville New 230kV Substation - Protection and Controls	100	265	1,000	300	0	1,665
Maxville 230-26kV Substation - Distribution	100	150	250	2,000	0	2,500
Capital Tools and Equipment - Transmission and Substation Maintenance	80	80	80	80	80	400
SJRPP 230-26kV - T2 Addition - Protection and Controls	75	400	50	0	0	525
Real Estate - New BCT SS2 Substation - Property Acquisition	75	0	0	0	0	75
Southside GIS 69kV Controller Replacement - Phase 2	72	72	73	39	0	256
West Jax Substation Protection Improvement	72	0	0	0	0	72
Forest 215 UG Feeder Extension	70	1,130	0	0	0	1,200
Overhead-Underground Conversion in Neighborhoods	60	60	60	60	60	300
Electric Customer Service Response Tools and Equipment	55	55	55	55	55	275
Point Meadows T2 Addition - Protection and Controls	54	0	0	0	0	54
Durbin 230-26kV Substation - Protection and Controls	50	1,000	200	0	0	1,250
138kV Pickettville Substation Expansion - Protection and Controls	50	100	100	200	50	500
Beeghly Heights Circuit 391 New Overhead Feeder Extension	50	0	0	0	0	50
Energy Management System - Video Display Wall Replacement	50	0	0	0	0	50
Ostner 230 kV Transmission Line Interconnections	42	21	16	689	0	767

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Robinwood Substation T4 Transformer Replacement	30	480	2,580	1,460	0	4,550
Real Estate - Lee Rd 69-26kV Substation Site - Property Acquisition	30	0	0	0	0	30
Greenland Energy 230kV Bay and Breaker Addition for Circuit 950	27	500	275	1,189	172	2,163
Mayo Sub 138-26kV T2 Addition - Protection and Controls	25	231	54	0	0	310
Cecil Commerce - 373 Feeder Breaker Addition	25	0	0	0	0	25
Real Estate - Durbin 230-26KV Substation - Property Acquisition	17	0	0	0	0	17
Real Estate - Nocatee 230kV Substation Expansion - Property Acquisition	11	0	0	0	0	11
Real Estate - Zion Substation - Property Acquisition	10	0	0	0	0	10
Robinwood Substation T6 Transformer Replacement	10	3,642	0	0	0	3,652
Lane 679 New 69kV Reactor addition - Protection and Controls	10	10	25	25	30	100
West Jax 665 New 69kV Reactor addition - Protection and Controls	10	10	25	25	30	100
Greenland T6 230-138kV 300MVA Auto TX replacement - Protection and Controls	10	10	10	50	20	100
Hartley T6 230-138kV 300MVA Auto TX Replacement - Protection and Controls	10	10	10	50	20	100
Real Estate - Maxville Area 230-26kV Substation Site - Property Acquisition	10	0	0	0	0	10
Solar PV - Miller 230kV Switchyard - Protection and Controls	10	0	0	0	0	10
Ivy Seel T1 Transformer Replacement	7	19	721	0	0	746
Randall St T31 Transformer Replacement	6	2,163	0	0	0	2,169
Real Estate - Mayport Substation Easement Renewal	5	0	0	0	0	5
Solar PV - Miller 230kV Switchyard - Transmission	4	0	0	0	0	4
Powers Ave T1 Transformer Replacement	4	32	1,904	0	0	1,939
Water St T1 Transformer Replacement	4	13	1,831	0	0	1,847
Future New Distribution	0	6,000	0	0	0	6,000
Future New Substation	0	6,000	0	0	0	6,000
Future New Transmission	0	6,000	0	0	0	6,000
Ostner 230kV Switchyard - Substation	0	1,772	3,511	27,999	2,765	36,048
Joslyn VBM Capacitor Switch Replacement Project	0	1,088	1,088	326	0	2,502
Villages North 230kV Substation - Transmission - New	0	700	3,000	14,000	300	18,000
Future Transmission Repair and Replace Projects	0	500	2,500	2,500	2,500	8,000
Villages North 230-26kV Substation - Distribution	0	500	2,000	8,000	500	11,000
E-Town - 230-26kV Substation - Distribution	0	500	1,000	4,000	500	6,000
Real Estate - BCT SS2 to Nocatee 230 kV - Transmission Corridor	0	400	400	200	500	1,500
Villages North New 230kV Substation - Protection and Controls	0	370	1,500	300	30	2,200
Normandy Substation 9C8 Can Replacement	0	355	0	0	0	355
East Downtown 69-13.2kV Substation - Distribution - New	0	300	4,000	4,000	3,700	12,000
E-Town - 230-26kV Substation - Protection and Controls	0	300	400	1,000	100	1,800
Ortega 4kV Feeder 7201-7202-7203 Reconductor	0	255	575	0	0	830
Herlong Sub 69-26kV T2 Replacement	0	206	1,700	0	0	1,906
E-Town - Substation 230kV Interconnection	0	200	200	300	100	800
Kennedy 69-13.2kV T11 Addition - Protection and Controls	0	194	0	0	0	194
East Downtown 69-13.2kV Substation - Transmission - New	0	150	500	1,250	100	2,000
Grand Park Circuit 410 Reconductor	0	135	1,005	0	0	1,140
Mayo Sub 230 kV Addition - Phase 2 - Protection & Controls	0	125	100	350	25	600
Georgia St Substation -T3 Addition and T1 Replacement - Protection and Controls	0	80	260	60	0	400
Circuit 847 Zoo Pkwy Pole Replacement	0	79	755	0	0	834
Normandy Circuit 362 Feeder Reconductor	0	75	275	0	0	350
Ostner 230 kV Switchyard - Protection and Controls	0	60	80	1,240	40	1,420
Main St. Substation T1 Transformer Replacement Project	0	23	281	2,194	70	2,567

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Main St Substation T1 Transformer Replacement Project	0	23	281	2,194	70	2,567
Beeghly Heights Circuit 817 Substation Interconnection	0	10	20	250	1,000	1,280
Garden City Circuit 858 Substation Interconnection	0	10	10	190	800	1,010
Beeghly Heights Circuit 817 Substation Interconnection - Protection and Controls	0	10	5	5	100	120
Powers Ave Substation T2 Transformer Replacement Project	0	2	2	2,016	225	2,246
Future Substation Repair and Replace Projects	0	0	3,000	3,000	3,000	9,000
Pecan Park 138-26kV Substation - Distribution	0	0	500	1,700	2,500	4,700
New Blanding 69-26kV Sub - Substation	0	0	500	500	3,000	4,000
Pecan Park 138-26kV Substation - Protection and Controls	0	0	275	1,252	138	1,665
138x69/26kV 50 MVA Spare Transformer	0	0	234	1,684	0	1,918
New World 230kV Substation-Distribution Phase 3	0	0	60	1,365	0	1,425
Garden City Circuit 858 Substation Interconnection - Protection and Controls	0	0	10	5	230	245
Franklin 138-26kV Sub - New Substation	0	0	0	500	1,000	1,500
Forest Substation - T3 Distribution Feeders - New	0	0	0	400	3,100	3,500
New Blanding Substation - 69kV Interconnection	0	0	0	300	500	800
New Blanding 69-26kV Substation - Protection and Controls	0	0	0	300	400	700
New Blanding 69-26kV Substation - Distribution	0	0	0	200	3,000	3,200
Forest Substation - T3 Addition - Protection and Controls	0	0	0	100	240	340
Franklin 138-26kV Substation - Protection and Controls	0	0	0	0	300	300
Franklin Substation 138kV Interconnection	0	0	0	0	200	200
Franklin 138-26kV Substation - Distribution	0	0	0	0	200	200
Circuit 944 Structure 70A, 70B, 70C, and 70D Replacement (Reimbursable by COJ - 96.47%)	-22	0	0	0	0	-22
Grants	**400**	**750**	**750**	**750**	**500**	**3,150**
Reserves	**5,000**	**0**	**0**	**0**	**0**	**5,000**
TRANSMISSION AND DISTRIBUTION SUBTOTAL	**287,097**	**367,480**	**377,440**	**352,878**	**196,538**	**1,581,433**
ELECTRIC OTHER						
Technology Services - Electric Projects	25,000	24,760	20,000	20,000	20,000	109,760
Capital Administrative Overhead - Electric	17,322	17,786	18,168	18,713	19,274	91,262
Inventory & Procurement - Commonwealth Warehouse Optimization	10,655	1,300	0	0	0	11,955
Fleet - Replacement - Electric	8,427	11,601	11,801	11,920	11,952	55,701
Facilities - HQ Retail Space Build-out	6,164	0	0	0	0	6,164
Telecom - BES MUX Replacement to SEL ICON MUX	1,877	976	916	0	0	3,769
Facilities - Capital Asset Replacement & Renovation - Electric	1,470	1,470	1,495	1,330	1,480	7,245
Fleet - Expansion - Electric	1,098	600	600	600	600	3,498
Wetland Mitigation Bank Permitting - Electric	1,050	175	175	175	175	1,750
Telecom - Towers - Electric	1,000	1,000	1,000	1,000	1,000	5,000
Inventory & Procurement - SJRPP Pole Yard Relocation	1,000	1,000	0	0	0	2,000
Security - General Improvements - Electric	1,000	900	900	900	800	4,500
Facilities - Renovation - Northside Generating Engineering Services Building #33	777	0	0	0	0	777
Telecom - Fiber R&R - Electric	700	700	700	700	700	3,500
Security - Fencing - Electric	650	650	650	650	500	3,100
Telecom - FCRS Generator and Shelter Upgrades - Electric	500	500	500	500	500	2,500
Facilities - JEA Utility Training Center	360	0	0	0	0	360
Telecom - Licensed Microwave Upgrades - Electric	300	0	0	0	0	300
Telecom - 48V DC Power Systems Replacement Project - Electric	270	270	270	270	0	1,080

Electric FY27-FY31

Electric Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Telecom - Joint Participation Fiber Relocation Projects	200	200	200	200	200	1,000
Security - Fire System Sprinklers - Electric	200	150	150	50	50	600
Laboratory - Equipment Upgrades - Electric	115	75	75	75	75	415
Telecom - Communication Power and Test Equipment - Electric	100	0	0	0	0	100
Telecom - NMR Growth - New MCC Additions - SmartGrid - Electric	75	75	75	75	75	375
Telecom - FCRS Upgrade & Radios - Electric	50	50	50	50	50	250
Utility Locate Group - Capital Equipment - Electric	50	50	50	50	50	250
Inventory & Procurement - SJRPP Pole Yard Expansion	35	465	0	0	0	500
Wetland Mitigation Credits for Capital Projects - Electric - (Reimbursable - 100%)	1	1	1	0	0	3
Real Estate - South Service Center - Electric	0	4,500	0	0	0	4,500
Telecom - Motorola APX900 Radio Replacement Project	0	2,125	2,125	2,125	2,125	8,500
Telecom - Carrier Ethernet Replacement	0	2,064	1,039	1,039	1,014	5,156
Facilities - Brandy Branch - Equipment Shelter	0	337	178	0	0	515
Facilities - Commonwealth - Admin Upgrades	0	0	8,729	4,271	0	13,000
Reserves	**1,000**	**0**	**0**	**0**	**0**	**1,000**
ELECTRIC OTHER SUBTOTAL	**81,446**	**73,780**	**69,846**	**64,693**	**60,620**	**350,385**
ELECTRIC GRAND TOTAL	**612,941**	**976,534**	**1,068,178**	**743,413**	**341,450**	**3,742,516**

JEA
Analysis of FY 2026/27 Proposed Budget
Water & Wastewater System
($ in thousands)

	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Revenues						
Water & Sewer Revenues	$ 574,056	$ 366,929	$ 563,647	$ 622,756	$ 48,700	8.48%
Investment Income	6,947	4,211	6,989	3,737	(3,210)	-46.21%
Capacity & Extension Fees	91,190	45,744	81,989	65,000	(26,190)	-28.72%
Other Revenues	86,856	43,496	84,188	111,031	24,175	27.83%
Total Operating Revenues	$ 759,049	$ 460,380	$ 736,813	$ 802,524	$ 43,475	5.73%
Operating Expenditures						
Operating & Maintenance	$ 292,300	$ 188,812	$ 292,291	$ 321,943	$ 29,643	10.14%
Uncollectibles	1,033	550	891	865	(168)	-16.26%
Emergency Contingency	-	-	-	-	-	N/A
Total Operating Expenses	$ 293,333	$ 189,362	$ 293,182	$ 322,808	$ 29,475	10.05%
						N/A
Operating Income	$ 465,716	$ 271,018	$ 443,631	$ 479,716	$ 14,000	3.01%
Non-Operating Revenues/(Expenses)						
Debt Service	$ (161,995)	$ (95,971)	$ (146,765)	$ (179,158)	$ (17,163)	10.59%
Interlocal Payments	(3,952)	(4,201)	(4,202)	(4,538)	(586)	14.83%
Capacity Fee Transfer	(91,190)	(45,744)	(81,989)	(65,000)	26,190	-28.72%
Operating Capital Outlay	(138,810)	(30,000)	(70,000)	(163,263)	(24,453)	17.62%
Renewal & Replacement Fund	(32,067)	(20,824)	(31,236)	(31,236)	831	-2.59%
Contribution to City's General Fund	(37,702)	(25,135)	(37,702)	(36,521)	1,181	-3.13%
Total Non-Operating Revenues/(Expenses)	$ (465,716)	$ (221,875)	$ (371,894)	$ (479,716)	$ (14,000)	3.01%
Surplus/(Deficit)	$ -	$ 49,143	$ 71,737	$ -	$ -	
Water Sales (kGals)	42,458,252	26,357,612	40,951,873	42,969,741	511,489	1.20%
Sewer and Reclaim Sales (kGals)	38,253,941	23,791,262	36,857,941	38,741,121	487,180	1.27%
Number of Accounts	779,848	770,738	773,543	782,826	2,978	0.38%

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
PROPOSED FY 2026/27 BUDGET
JEA WATER & WASTEWATER SYSTEM

OPERATING REVENUES:

1. Water & Sewer Revenues:
   - The increase of $48.7 million is due to increases of:
     - $22.2 million in water revenue mainly related to an 8% rate increase effective October 1, 2026, and a 1.2% increase in kGallons.
     - $22.3 million in sewer revenue mainly related to an 8% rate increase effective October 1, 2026, and a 1.27% increase in kGallons.
     - $4.2 million related to reclaimed water mainly related to increased usage.

2. Investment Income:
   - The decrease of $3.2 million is based on an interest rate forecast of 3.12% compared with 3.96% in the FY 2025/26 budget.

3. Capacity & Extension Fees:
   - The decrease of $26.2 million takes into account FY 25/26 not coming in at projected budget amounts. The budget is in line with FY 2024/25 actuals. The budget appears to be fairly conservative.

4. Other Revenues:
   - The increase of $24.2 million is due to increases of:
     - $27.5 million due to budgeting $90.1 million in prior year surplus compared to $62.7 million in the FY 2025/26 budget (if this amount is not available, JEA will reduce the contribution to Operating Capital Outlay), and
     - $1.6 million in Intergovernmental Support Agreements Revenue (IGSA) related to agreements with Naval Station Mayport and Naval Air Station Jacksonville to support operations and maintenance of their water systems
   - The increase is partially offset by a decrease of $3 million in inventory carrying costs paid by the electric system.

OPERATING EXPENDITURES:

1. Operating & Maintenance:
   The $29.6 million increase in Operating & Maintenance is explained in the Operating & Maintenance section below.

NON-OPERATING REVENUES/EXPENSES:

1. Debt Service:
   - The increase in debt service of $17.2 million is due to new debt issued in FY 2025/26 increasing interest costs.

2. Interlocal Payments:
   - The increase of $586,000 represents the 3-year average year-over-year growth rate of 8% for the actual contributions paid to St. Johns, Nassau, and Clay County based on revenues generated in those counties.

3. Capacity Fee Transfer:
   - The decrease of $26.2 million is based on the reduction in the amount of revenue budgeted as explained above.

4. Operating Capital Outlay:
   - The increase of $24.5 million represents funding available for capital projects in FY 2026/27 based on the increase in operating income.

JEA
Analysis of FY 2026/27 Proposed Budget
Water & Wastewater System
Operating and Maintenance Expense
($ in thousands)

O&M Category	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Salaries	$ 89,802	$ 64,937	$ 94,983	$ 104,600	$ 14,798	16.48%
Employee Benefits	39,289	25,352	39,913	44,463	5,174	13.17%
Incentive Pay	-	-	-	-	-	N/A
Supplies & Materials	27,927	17,403	26,421	33,006	5,079	18.19%
Other Services & Charges	159,723	97,344	154,140	172,315	12,592	7.88%
Contracts and Contingencies	-	-	-	-	-	N/A
Purchased Water & Treatment	55	31	50	47	(8)	-14.55%
Insurance	5,686	4,278	5,461	5,775	89	1.57%
Operating Reserves	1,600	-	1,360	1,019	(581)	-36.31%
Interest on Customer Deposits	824	(25)	250	682	(142)	-17.23%
Expense Credits	(9,143)	(6,572)	(9,621)	(11,979)	(2,836)	31.02%
Transfers to WIP Salaries	(16,886)	(11,783)	(17,589)	(20,672)	(3,786)	22.42%
Transfers to WIP Emp. Benefits	(6,577)	(3,800)	(6,077)	(7,313)	(736)	11.19%
NVU Net Expenses	-	1,647	3,000	-	-	N/A
Total O&M Expense	$ 292,300	$ 188,812	$ 292,291	$ 321,943	$ 29,643	10.14%

OPERATING & MAINTENANCE EXPENSE DETAIL:

1. Salaries:
   - The increase of $14.8 million is due to increases of:
     - $7.6 million in Overtime to better align the budget with actual expenses.
     - $7.2 million in salaries due to:
       - adding 37 new positions,
       - increases of 4% for appointed employees and the Professional Employees Association (PEA) bargaining unit, and
       - increases of 3.5 % for employees in the International Brotherhood of Electrical Workers (IBEW), Jacksonville Supervisors Association (JSA), American Federation of State, County, Municipal Employes (AFSCME), and Laborers' International Union of North America (LIUNA) bargaining units.

2. Employee Benefits:
   - The increase of $5.2 million is due to increases of:
     - $4.7 million in pension costs mainly for the defined benefit plan based on the actuarial report.
     - $352,000 in terminal leave and leave sellback/rollback.

3. Supplies & Materials:
   - The increase of $5.1 million is due to increases of:
     - $2.2 million for Chemical & Gasses based on CPI driven price increases for key chemicals needed for water and wastewater treatment, odor control, and biosolids processing.
     - $1.7 million in Direct Purchases due to price increases and increased purchases of consumables, supplies, sand, rock, and replacement items to maintain the various water grids as well as contract pricing adjustments for parts for wastewater ultraviolet (UV) disinfection systems.
     - $692,000 increase in inventory supplies needed to support preventative maintenance, emergency repairs, and increased work ticket activity.

4. Other Services & Charges:
   - The increase of $12.6 million is due to increases of:
     - $8.1 million in Intercompany Charges due to increased operating & maintenance costs which are allocated to water and wastewater via this budget line from the Electric System as explained above.
     - $1.8 million in Professional Services driven by the Integrated Water Resource Plan that is expected to be completed in FY 2026/27.
     - $1.2 million in Industrial Services for new Florida Department of Environmental Protection (FDEP) and Capacity, Management, Operations, and Maintenance (CMOM) regulations that have increased required preventative maintenance requirements for wastewater collection systems.
     - $1.1 million in Environmental Services based on increased prices for hauling and increased flow that has generated more sludge and biohazard that requires hauling.

5. Operating Reserves:
   - Operating Reserves are utilized to cover unforeseen and emergency expenses. The $581,000 decrease is due to labor negotiations being mostly completed in FY 2025/26.

6. Interest on Customer Deposits:
   - The decrease of $142,000 is due to calculating the FY 2026/27 interest rate based on a forecast of 3.45% compared with a 4.36% rate budgeted for FY 2025/26.

7. Expense Credits:
   - The $2.8 million increase is due to increases in costs allocated to the Water System of:
     - $1.7 million in Capitalized Administrative Overhead,
     - $814,169 in Miscellaneous Expense Credits, and
     - $279,995 in Motor Pool costs.

JEA
Analysis of FY 2026/27 Proposed Budget
Water & Wastewater System
Capital Budget
($ in thousands)

	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Capital Funds						
Debt	$ 311,810	$ 171,506	$ 347,675	$ 316,002	$ 4,192	1.34%
Other Proceeds	-	18,632	18,632	-	-	N/A
Renewal & Replacement Deposits	32,067	20,824	31,236	31,236	(831)	-2.59%
Operating Capital Outlay	138,810	30,000	70,000	163,264	24,454	17.62%
Capacity Fees	91,190	45,744	81,989	65,000	(26,190)	-28.72%
Grant Proceeds	-	-	-	3,508	3,508	N/A
Total Capital Funds	$ 573,877	$ 286,706	$ 549,532	$ 579,010	$ 5,133	0.89%
Capital Projects						
Water	$ 127,274	$ 62,043	$ 124,975	$ 134,987	$ 7,713	6.06%
Sewer	411,728	208,177	392,857	397,317	(14,411)	-3.50%
Other	34,875	16,486	31,700	46,706	11,831	33.92%
Total Capital Projects	$ 573,877	$ 286,706	$ 549,532	$ 579,010	$ 5,133	0.89%
Surplus/(Deficit)	$0	$0	$0	$0	$0	

WaterSewer FY27-FY31

Water Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
WATER						
Water Meters - AMI Conversion	13,800	8,000	0	0	0	21,800
Royal Lakes Water Treatment Plant Upgrades	12,158	2,446	0	0	0	14,603
Galvanized Pipe Replacement - Program	10,310	18,927	19,727	20,000	20,000	88,964
JP - COJ - Chaffee Rd Normandy to Crystal Springs - Water	9,800	241	10	0	0	10,051
SWDE - Arlington East - Purification Facility	8,662	23,574	76,059	93,680	17,715	219,689
Wildlight Water Treatment Plant - New 2.25 MGD Plant	7,961	13,628	32	0	0	21,622
Water Treatment Plant - Large Capital Improvements	6,187	14,792	31,313	29,459	12,414	94,165
Water Delivery System	5,500	6,500	6,500	6,500	6,500	31,500
JP - COJ - South Grid - University Blvd Phase 2 - Commerce St to Baywood Terrace - Water	4,768	11	0	0	0	4,779
North Grid THM Mitigation Project	4,650	0	0	0	0	4,650
Water Meters - Replacement	4,550	2,700	2,800	2,900	3,000	15,950
JP - Joint Participation Projects - Water	4,116	5,655	5,655	5,700	5,700	26,826
Nassau - William Burgess - West Nassau Water Reclamation Facility to SR 200 - Water	3,068	689	0	0	0	3,757
SDP - Group 2 - Steele St Area	2,993	0	0	0	0	2,993
Water Meters - Large Water Meter Replacement	2,700	2,800	2,900	3,000	3,100	14,500
JP - COJ - Collins Rd Force Main - Blanding to Pine Verde - Water	2,460	25	0	0	0	2,485
Water Meters - Growth	2,400	2,500	2,600	2,700	2,800	13,000
Well Rehabilitation and Replacement Program	2,252	3,009	3,129	3,255	3,385	15,029
Main Extensions and Taps - Water	2,000	2,000	2,000	2,000	2,000	10,000
JP - COJ - Eastport Rd Widening - Pulaski Pkwy to Zoo Pkwy - W	1,991	55	40	0	0	2,086
LDP Program - Water Transmission Replacement	1,987	2,000	2,000	2,000	2,000	9,987
Wildlight - 2024-3443 Riverbluff Pkwy Ph 2 & 3 - W	1,786	0	0	0	0	1,786
Christobel Septic Tank Phase Out - Water Main Replacement	1,697	1,073	273	0	0	3,043
JP - COJ - Shindler Dr - Collins Rd to 103rd St - W	1,696	1,696	0	0	0	3,391
Water Plant Capital - Renewal & Replacement	1,340	1,340	1,340	1,340	1,340	6,700
JP - JTA - South Grid - University Blvd - Los Santos Way to Commerce St - Water	1,123	59	0	0	0	1,183
JP - COJ - Ricker Rd-Old Middleburg to Morse Ave - Water Main	1,118	0	0	0	0	1,118
JP - FDOT - SewerR13 at New Rose Creek Bridge Replacement - W	1,110	45	45	0	0	1,200
Attleboro St - Lenox Ave to Lakeshore Blvd Replacement - Water	987	0	0	0	0	987
SWDE - Arlington East H2.0 Aquifer Replenishment Wells	860	7,036	15,683	24,179	24,889	72,647
SWDE - Regional Aquifer Recharge Facilities	800	5,800	5,800	5,800	35,700	53,900
Westlake Water Treatment Plant - Expansion from 3 to 7 MGD	792	7,245	11,904	5,745	13	25,699
JP - COJ - Plymouth St over Big Fishweir Creek - W	669	11	0	0	0	680
Southeast Water Treatment Plant - Well 4	524	1,562	0	0	0	2,086
Fairfax St and Norfolk Southern Railroad Crossing - Water Main - Segment 1	500	1,960	14	0	0	2,474
Well Field Renewal & Replace	500	242	242	500	500	1,983
RES - Ridenour WTP - Well 9 - Property Acquisition	460	0	0	0	0	460
Fairfax St to Kings Rd Crossing - Water Main (Segment 3)	367	966	1,359	0	0	2,692
Real Estate - Oakridge Replacement Well Site - Property Acquisition	361	0	0	0	0	361
Water Treatment Plant Reservoir Renewal & Replace	350	350	350	350	350	1,750
JP - COJ - Harts Rd - Turtle Creek Dr S to Bertha St - Water Main Replacement	250	0	0	0	0	250
Grid - Cost Participation - New - Water	214	2,000	2,000	2,000	50	6,264

WaterSewer FY27-FY31

Water Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Oakridge Water Treatment Plant - Upgrades	205	0	0	0	0	205
Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades	200	200	200	200	200	1,000
SWDE - Cedar Bay Purification Facility	200	200	200	200	7,000	7,800
JP - COJ - Cedar Point Rd Bridge 724129 at Gate Rd Relocation - Water	100	0	0	0	0	100
Southeast Water Treatment Plant - Ground Storage Tank	62	3,407	2,033	1,048	0	6,550
Lovegrove Water Treatment Plant - Electric System Upgrade	60	4,669	2,023	0	0	6,752
JP - COJ - Old Middleburg Rd - Sandler Road to Argyle Forest Blvd. Water Main Relocations - Phase 2	55	55	19	0	0	129
JP - FDOT - I95 and MLK Interchange - Water Main Replacement	52	0	0	0	0	52
Real Estate - Oakridge Backup Well Site - Property Acquisition	50	0	0	0	0	50
JP - COJ - Lonestar Rd Bridge Water Main Replacement - Water	48	1	0	0	0	49
Oakridge Well No. 5 Rehabilitation	46	0	0	0	0	46
Real Estate - North Grid - Downtown Water Treatment Plant - Property Acquisition	38	0	0	0	0	38
JP - COJ - Burnett Park Rd - W	19	0	0	0	0	19
JP - COJ - Townsend Road Water Relocations - W	17	0	0	0	0	17
JP - FDOT - (US17) New Berlin Rd to Airport Center Drive - W	10	221	10	10	0	250
JP - COJ - Sheridan St - W	6	0	0	0	0	6
JP - FDOT - SewerR115 Southside Blvd at Deerwood Park Blvd	2	0	0	0	0	2
JP - FDOT - SewerR10 Beaver St at Chaffee Rd - Water	2	2	2	2	1,318	1,326
LDP Program - JP - JTA - 8th St Water Main Replacement - Mt Herman St to Boulevard St	2	0	0	0	0	2
LDP - Program - McDuff - Olga to Park Water Main	0	2,511	0	0	0	2,511
Talleyrand Water Main Replacement: Jessie to 8th	0	465	2,700	2,557	0	5,722
Fairfax St to MLK Crossing - Water Main (Segment 2)	0	433	963	3,608	0	5,004
Ft Caroline Rd - McCormick Rd to Fulton Rd - Distribution - New - Water	0	179	805	1,303	0	2,286
North Grid - Downtown Water Treatment Plant	0	0	750	5,250	5,000	11,000
North Grid - Rental Car Lane - Owens Rd to Pecan Park Rd N - Water	0	0	240	680	680	1,600
South Grid - Baymeadows Rd - Brierwood Rd to Craven Rd W - Water	0	0	190	550	560	1,300
South Grid - CR210 - St Johns Pkwy to Leo Maguire Pkwy - Water	0	0	100	500	1,400	2,000
SIPS - Ridenour - Cortez to Ridenour Water Treatment Plant - New - Water	0	0	0	1,500	4,500	6,000
SIPS - Oakridge - Saints Rd - St Johns Bluff to Oakridge Water Treatment Plant - Water	0	0	0	1,100	5,500	6,600
Blount Island Fire Protection System - R&R	0	0	0	0	250	250
North Grid - Main St - Cole Rd to Elizabeth Ln - Water	0	0	0	0	300	300
Brierwood Water Treatment Plant - Rehabilitation	0	0	0	0	460	460
Nassau - Wildlight - Potable Water Storage and Repump - Water	0	0	0	0	500	500
Reserves	**2,000**	**0**	**0**	**0**	**0**	**2,000**
WATER SUBTOTAL	**134,987**	**153,279**	**204,011**	**229,615**	**169,123**	**891,015**
SEWER						
Buckman Water Reclamation Facility - Biosolids Conversion - Process Facility with Dual Dryers	51,692	12,052	18,448	0	0	82,191
Arlington East Water Reclamation Facility - Reclaimed Water and Disinfection System Upgrades	47,989	73,044	47,648	1,757	0	170,438
Arlington East Water Reclamation Facility Upgrades - Influent Structure	42,804	10,151	3,879	0	0	56,834
Blacks Ford Water Reclamation Facility - Expansion from 6 to 12 MGD	39,072	68,781	52,622	38,118	5,462	204,055
Arlington East - Biosolids Force Main - St Johns River Crossing University Blvd to Kennedy Generating	13,507	2,734	0	0	0	16,241
Northwest Water Reclamation Facility - 3.0 MGD	13,041	32,343	53,935	41,774	8,000	149,093

WaterSewer FY27-FY31

Water Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Ponte Vedra Water Reclamation Facility - Improvements	11,462	14,519	7,057	0	0	33,038
RiverTown - New Storage and Pumping System - Reclaim	10,254	3,846	0	0	0	14,100
JP - SJC - Greenbriar Rd - Longleaf Pine Pkwy to Greenbriar Estates Dr - Transmission - Reclaim	8,217	195	20	0	0	8,432
Buckman Water Reclamation Facility - Aeration Basin Air Header and Diffuser Replacement	7,801	8,244	11	0	0	16,056
Buckman Water Reclamation Facility - Biosolids RAW Sludge Holding Tank Restoration	7,535	4,365	16	0	0	11,916
Pumping Stations - Capital Equipment Replacement	7,000	7,000	5,776	7,000	7,000	33,776
LDP Program - South Shores Sub-Aqueous Force Main Rehabilitation	6,762	0	0	0	0	6,762
Monterey Water Reclamation Facility Improvements - Phase 2	6,570	0	0	0	0	6,570
Water Reclamation Facilities - Capital Equipment Replacement	5,424	5,000	4,504	4,937	5,500	25,365
Southwest Water Reclamation Facility - Expansion to 18 MGD	5,019	7,549	31,324	51,966	32,343	128,201
JP - COJ - Chaffee Rd - Normandy Blvd to Crystal Springs Rd - Sewer	4,860	70	10	0	0	4,940
Nocatee North - Reclaim Water Storage Tank	4,695	67	0	0	0	4,762
Cahoon Rd - Hickory Hill Pump Station to Lenox Ave Force Main Replacement	4,645	500	0	0	0	5,145
Sewer Collection System Renewal & Replace	4,500	4,500	4,500	4,500	4,500	22,500
JP - Joint Participation Projects - Sewer	4,325	5,360	5,360	5,400	5,400	25,847
Sewer Collection System Trenchless Renewal & Replace	4,300	4,300	4,300	4,300	4,300	21,500
Manhole Inspection, Prioritization, and Rehabilitation or Replacement	3,700	3,165	3,900	4,000	4,100	18,865
Monterey - 8043 Carlotta Rd - Class III/IV - Pump Upgrade	3,546	434	0	0	0	3,980
Small Diameter - Force Main Replacement	3,296	11,000	11,000	11,000	11,000	47,296
LDP Program - Large Diameter CIPP	3,007	1,460	1,500	1,500	1,500	8,967
Greenbriar Rd - Longleaf Pine Pkwy to Spring Haven Dr - Transmission - Reclaim	2,818	0	0	0	0	2,818
Mandarin Water Reclamation Facility - Switchgear Control Upgrade	2,780	0	0	0	0	2,780
Main Extensions and Taps - Sewer	2,500	2,500	2,500	2,500	2,500	12,500
JP - COJ - Six Mile Bridge and Utilities Replacement	2,357	1	0	0	0	2,358
Nocatee South RW Storage Tank - Reclaim	2,202	4,197	0	0	0	6,399
SWDE - Arlington East Purification Facility - Deep Injection Disposal Wells	2,100	1,000	14,000	19,000	6,000	42,100
Cleveland Ave - Force Main Crossing Replacement	2,093	0	0	0	0	2,093
ARV Inspection, Prioritization, and Rehabilitation or Replacement	2,000	2,000	2,000	2,000	2,000	10,000
Blacks Ford Water Reclamation Facility to Veterans Pkwy - Transmission - Reclaim	1,951	0	0	0	0	1,951
Cedar Bay Water Reclamation Facility - Primary Clarifier Effluent Pipe Repairs	1,795	0	0	0	0	1,795
Monument Rd - Arlington East Water Reclamation Facility to St Johns Bluff Rd - Transmission - New - Reclaim	1,765	10,605	546	0	0	12,916
Arlington East - 8751 Bayleaf Dr - Class III/IV - Interim Upgrade	1,726	0	0	0	0	1,726
JP - COJ - Eastport Rd Widening - Pulaski Pkwy to Zoo Pkwy - Sewer	1,724	70	23	0	0	1,817
Small Diameter Iron and Cement Gravity Main Renewal & Replace	1,676	4,700	5,000	5,000	5,000	21,376
Herschel St. 12in Force Main Replacement	1,659	0	0	0	0	1,659
Southwest - POW MIA Memorial Pkwy - Normandy Blvd to Parkland MPS - Force Main	1,653	0	0	0	0	1,653
JP - COJ - McCoys Creek Branches - Hanover St Pump Station and Gravity Sewer	1,545	60	0	0	0	1,605
Attleboro St - Lenox Ave to Lakeshore Blvd Replacement - Sewer	1,518	0	0	0	0	1,518
Buckman Water Reclamation Facility - Influent Pump Station Modifications	1,500	4,000	11,711	13,000	2,750	32,961
SCADA RTU and Control Panel Upgrades	1,500	1,500	1,500	1,500	1,500	7,500
JP - COJ - Belfort Rd - AC Skinner to Gate Pkwy - Sewer	1,444	25	0	0	0	1,469
Arlington East - 8331 Princeton Sq - Class III/IV - Pump Upgrade	1,413	4,614	0	0	0	6,028
Grid - Cost Participation - New - Force Main	1,255	2,000	2,000	2,000	50	7,305
JP - COJ - Eastport Rd Widening - Pulaski Pkwy to Zoo Pkwy - Reclaim	1,224	25	20	0	0	1,269

WaterSewer FY27-FY31

Water Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
Cedar Bay - South Primary Clarifier Rehabilitation	1,180	0	0	0	0	1,180
Wildlight - 2024-3443 Riverbluff Pkwy Ph 2 & 3 - Reclaim	1,148	0	0	0	0	1,148
SWDE - Planning, Zoning, and Land Acquisition	1,125	0	0	0	0	1,125
Buckman Water Reclamation Facility - Biosolids Process Renewal and Replacement	1,100	1,100	740	740	740	4,420
JP - COJ - Shindler Dr - Collins Rd to 103rd St - Sewer	1,056	1,056	0	0	0	2,111
JP - FDOT - SewerR13 at New Rose Creek Bridge Replacement - Sewer	1,005	40	40	0	0	1,085
Liberty Trunk Sewer Rehabilitation	993	0	0	0	0	993
LDP Program - Ductile Iron Force Main Replacement	877	1,540	3,000	3,000	3,000	11,417
Grid - Cost Participation - New - Reclaim	852	2,000	2,000	2,000	100	6,952
Nassau - Wildlight - Storage and Repump - Reclaim	791	10,120	9,352	0	0	20,262
Mandarin Water Reclamation Facility - Influent Piping Modifications	752	0	0	0	0	752
SEQ to Gate Parkway - Transmission - New - Reclaim	746	2,050	0	0	0	2,796
Wildlight - 2024-3443 Riverbluff Pkwy Ph 2 & 3 - Sewer	745	0	0	0	0	745
Ridenour Water Treatment Plant - Storage and Repump - Reclaim	631	0	0	0	0	631
Southwest - Chaffee Rd S - Crystal Springs Rd - Force Main	525	2,700	26	0	0	3,250
Wastewater Odor Control - All Plants and Pump Stations	500	500	500	500	500	2,500
Nassau - Chester Rd - Nassau Water Reclamation Facility to Heron Isles Pkwy - Force Main	458	962	1,100	300	0	2,820
Mandarin Water Reclamation Facility - River UV Replacement	454	7,405	9,967	220	0	18,046
Arlington East - Deerwood Pk - Burnt Mill to JTB - Force Main	400	1,000	1,000	0	0	2,400
Real Estate - Nassau Regional - SR200 West of I-95 for Storage Tank and Boosters - Property Acquisition	388	0	0	0	0	388
Nassau - Chester Rd - Nassau Water Reclamation Facility to Heron Isles Pkwy - Reclaim	325	800	880	152	0	2,158
Hermitage Rd - Debussy Rd to Sandburg PS	324	300	0	0	0	624
Arlington East - Biosolids Force Main from Kennedy Generating to Buckman	296	4,019	2,424	0	0	6,739
SCADA Renewal & Replace	268	268	268	268	268	1,340
JP - COJ - Harts Rd - Turtle Creek Dr S to Bertha St - Sewer Main Replacement	160	0	0	0	0	160
Nassau Regional Water Reclamation Facility - Effluent Management	159	0	0	0	0	159
SWDE - Arlington East Deep Injection Disposal Well	120	0	0	0	0	120
JP - COJ - Townsend Road Sewer Relocations - Sewer	115	0	0	0	0	115
JP - COJ - Armsdale Rd Sidewalk - Sewer	112	0	0	0	0	112
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100	100	100	100	100	500
Reuse Delivery Renewal & Replace	55	55	55	55	55	275
Manhole SCADA Renewal & Replace	50	50	50	50	50	250
Diesel-driven Backup Pump Renewal & Replace	50	50	50	50	50	250
Reuse Facility - Capital Equipment Replacement	50	50	50	50	50	250
JP - COJ - Cedar Point Rd Bridge 724129 at Gate Rd Relocation - Sewer	50	0	0	0	0	50
JP - COJ - Hartley Road - Hampton Road to Mandarin Emporium - Sewer	42	0	0	0	0	42
JP - COJ - Burnett Park Rd - R□	40	0	0	0	0	40
JP - COJ - Collins Rd Force Main - Blanding to Pineverde - Sewer	30	0	0	0	0	30
JP - COJ - Lonestar Rd Bridge Force Main Replacement - Sewer	28	1	0	0	0	29
JP - COJ - Burnett Park Rd - Sewer	27	0	0	0	0	27
JP - COJ - Old Middleburg Rd - Hazel Lake Drive to Argyle Forest Blvd - New - Force Main	25	25	1	0	0	51
Monterey - 7732 Merrill Rd & 2530 Mayapple - Pump Station Upgrades	20	0	0	0	0	20
Evergreen Ave and 45th St E-Oakwood St to 47th St S - Force Main	15	0	0	0	0	15
JP - FDOT - (US17) New Berlin Rd to Airport Center Drive - Sewer	14	1,006	10	10	0	1,039

WaterSewer FY27-FY31

Water Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
SWDE - Buckman Water Reclamation Facility	10	138	0	0	0	148
Real Estate - Estuary - Reclaim Water Storage and Repump - Property Acquisition	10	0	0	0	0	10
Nassau Regional - SewerR200 West of I-95 RW Storage Tank and Booster Pump Station - Reclaim	10	1,026	2,663	6,960	1,359	12,018
Southwest Water Reclamation Facility - Expansion to 16 MGD	6	0	0	0	0	6
JP - FDOT - SewerR10 Beaver St at Chaffee Rd - Sewer	2	2	2	2	344	352
Wastewater Large Capital Improvements	0	6,100	9,800	12,100	26,400	54,400
Mandarin Water Reclamation Facility - Sand Filters Rehabilitation	0	5,589	4,361	0	0	9,950
Buckman Water Reclamation Facility - Primary Clarifiers 1-8 Structural Rehabilitation	0	2,729	143	0	0	2,872
SWDE - Cedar Bay Deep Injection Disposal Well	0	1,500	19,500	1,300	0	22,300
District 2 - Wingate Pump Station	0	944	459	0	0	1,403
District 2 - Natalie Pump Station	0	921	472	0	0	1,393
Buckman Water Reclamation Facility -1636 Talleyrand Av - Class III/IV	0	823	2,053	6,311	1,682	10,869
Southwest - 13437 Parkland - Class III/IV Pump Upgrade	0	425	75	0	0	500
Nassau - Radio Av - 3 Mgal Storage and Pumps - Reclaim	0	400	4,600	10,000	0	15,000
North Estuary - Storage and Repump - Reclaim	0	200	5,500	10,300	2,000	18,000
Nassau Regional Water Reclamation Facility - Storage and Pumps - Reclaim	0	200	2,000	7,800	0	10,000
South Paseo Dr - E Paseo to Princeton Sq - Force Main	0	200	300	1,700	900	3,100
LDP Program - District 2 - Capper Rd - Meadowlea Dr to Lem Turner - Force Main	0	45	196	310	0	550
LDP Program - Busch Dr - Balmoral Dr to Harts Rd - Transmission - Force Main	0	30	600	183	0	813
US-1 - Twin Creeks MPS to Alphons St - Transmission - Force Main	0	0	300	2,500	4,700	7,500
Lenox Ave - Fouraker Rd to Palisades Dr - Distribution - New - Force Main	0	0	257	2,140	1,385	3,781
CR210 - Twin Creeks to Russell Sampson Rd - Transmission - Reclaim	0	0	90	1,100	5,044	6,234
Southwest - Morse Ave Booster	0	0	50	1,160	1,440	2,650
Russell Sampson Rd - St Johns Pkwy to CR210 - Transmission - Reclaim	0	0	41	600	3,430	4,071
Arlington East Water Reclamation Facility - Biosolids Pump Station Rehabilitation	0	0	5	252	4,989	5,246
Nassau - East - Storage and Repump - Reclaim	0	0	0	500	4,500	5,000
SWDE - Nassau Regional Water Reclamation Facility	0	0	0	350	1,000	1,350
SWDE - Monterey Water Reclamation Facility	0	0	0	200	6,200	6,400
Southwest - Normandy Blvd - Booster PS - Sewer	0	0	0	0	50	50
Nassau - US17 - Peak Shaving Pumpstation - Pump Stations	0	0	0	0	90	90
Buckman Water Reclamation Facility - Outfall Improvements - Phase 1	0	0	0	0	100	100
District 2 - New Berlin Rd - Yellow Bluff Rd to Eastport Rd - New - Force Main	0	0	0	0	400	400
St Johns Bluff Rd - UNF to Bradley MPS - Transmission - Rehab Parallel Force Main	0	0	0	0	400	400
District 2 - Yellow Bluff Rd - New Berlin Rd to Victoria Lakes - Transmission - New - Force Main	0	0	0	0	400	400
Nassau Regional Water Reclamation Facility - Expansion to 4 MGD	0	0	0	0	439	439
Mandarin Water Reclamation Facility - Emergency Pumping System	0	0	0	0	660	660
Greenland Water Reclamation Facility - Expansion to 8 MGD	0	0	0	0	714	714
118th St - Kinkaid Rd to Ricker Rd - Transmission - New - Force Main	0	0	0	0	817	817
Real Estate - District 2 Water Reclamation Facility - Effluent Outfall Land Acquisition	0	0	0	0	1,185	1,185
SWDE - Cedar Bay Purification Facility - Deep Injection Disposal Wells	0	0	0	0	1,500	1,500
Southwest - 103rd Street at Piper Glen Blvd - Force Main	0	0	0	0	2,469	2,469
Grants	**2,858**	**4,935**	**8,500**	**5,300**	**0**	**21,593**
Reserves	**7,000**	**0**	**0**	**0**	**0**	**7,000**

WaterSewer FY27-FY31

Water Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
SEWER SUBTOTAL	**397,317**	**381,380**	**388,688**	**299,815**	**188,414**	**1,655,614**
WATER OTHER						
Technology Services - Water Projects	10,000	10,000	12,000	12,000	12,000	56,000
Capital Administrative Overhead - Water	9,700	10,193	10,762	11,084	11,417	53,156
Fleet - Replacement - Water	8,619	8,535	9,575	9,190	9,210	45,129
Facilities - Blacks Ford Administration & Operations Building Renovations	0	155	1,329	0	0	1,484
Real Estate - South Service Center - Property Acquisition - Water	6,650	0	0	0	0	6,650
Facilities - Generators - Water	2,593	3,277	3,283	3,052	3,135	15,340
Facilities - Capital Asset Replacement & Renovation - Water	2,255	2,285	2,105	2,105	2,105	10,855
Fleet - Expansion - Water	1,331	738	500	500	500	3,569
Security - General Improvements - Water	1,000	900	900	900	800	4,500
Security - Fencing - Water	700	600	600	600	600	3,100
Telecom - Fiber R&R - Water	500	700	700	700	700	3,300
Laboratory - Equipment Upgrades - Water	500	490	400	100	100	1,590
Laboratory - IP Sensor Technology Deployment	300	0	0	0	0	300
Wetland Mitigation Bank Permitting - Water	225	38	38	38	38	375
Security - Fire Alarm and Sprinkler Systems - Water	200	150	150	50	50	600
Facilities - District 2 Building 6 Renovation	182	926	0	0	0	1,108
Real Estate - Easement Location and Acquisitions - Water	150	150	150	150	150	750
Facilities - Mandarin Water Reclamation Facility - Facility Parking, Storm Water and New Warehouse Upgrades	100	3,448	0	0	0	3,548
Utility Locate Group - Capital Equipment - Water	50	50	50	25	25	200
Wetland Mitigation Credits for Capital Projects - Water - (Reimbursable-100%)	1	1	1	1	1	5
Facilities - Mandarin Water Reclamation Facility - 1500KW Generator Replacements	0	2,500	1,868	0	0	4,368
Facilities - Buckman Water Reclamation Facility - Street Lighting and Paving Upgrades	0	168	952	877	0	1,997
Facilities - Ponce De Leon Water Reclamation Facility - New Operations Building	0	112	952	0	0	1,064
Grants	**650**	**0**	**0**	**0**	**0**	**650**
Reserves	**1,000**	**0**	**0**	**0**	**0**	**1,000**
WATER OTHER SUBTOTAL	**46,706**	**45,416**	**46,313**	**41,372**	**40,830**	**220,637**
WATER GRAND TOTAL	**579,010**	**580,075**	**639,012**	**570,802**	**398,367**	**2,767,266**

JEA
Approved FY 2025/26 to Proposed FY 2026/27
District Energy System
($ in thousands)

	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
OPERATING BUDGET:						
Operating Revenues						
Revenues	$ 14,852	$ 8,664	$ 14,590	$ 17,110	$ 2,258	15.20%
Investment Income	134	181	245	107	(27)	-20.15%
Other Revenue	108	108	108	270	162	150.00%
Total Operating Revenues	$ 15,094	$ 8,953	$ 14,943	$ 17,487	$ 2,393	15.85%
Operating Expenditures						
Operating and Maintenance	$ 6,848	$ 3,870	$ 6,466	$ 7,895	$ 1,047	15.29%
					$ -	N/A
Total Operating Expenditures	$ 6,848	$ 3,870	$ 6,466	$ 7,895	$ 1,047	15.29%
Operating Income	$ 8,245	$ 5,083	$ 8,477	$ 9,592	$ 1,347	16.34%
Non-Operating Revenues/(Expenses)						
Debt Service	$ (6,156)	$ (3,552)	$ (5,788)	$ (6,536)	$ (380)	6.17%
Rate Stabilization - Debt Management	-	-	-	-	-	N/A
Renewal & Replacement	(701)	(465)	(698)	(747)	(46)	6.56%
Operating Capital Outlay	(1,389)	(508)	(1,991)	(2,309)	(920)	66.23%
					-	N/A
Total Non-Operating Revenues/(Expenses)	$ (8,245)	$ (4,525)	$ (8,477)	$ (9,592)	$ (1,347)	16.34%
Surplus/(Deficit)	$ -	$ 558	$ -	$ -	$ -	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
PROPOSED FY 2026/27 BUDGET
JEA DISTRICT ENERGY SYSTEM

OPERATING REVENUES:

1. Revenues:
   - The increase of $2.3 million is due to projections for increased consumption and demand revenue because of anticipated customer growth. (Note – Ed Ball expected to be connected March 2027 and Stadium April 2028)

2. Investment Income:
   - The decrease of $27,000 is due to lower investable cash balances projected for FY 2026/27.

3. Other Revenue:
   - The increase of $162,000 is due to budgeting $270,000 in prior year surplus revenue compared to a $108,000 surplus budgeted in FY 2025/26.

OPERATING EXPENDITURES:

1. Operating & Maintenance:
   - The increase of $1 million in Operating & Maintenance is explained in the Operating & Maintenance section below.

NON-OPERATING REVENUES/EXPENSES:

1. Debt Service:
   - The increase of $380,000 is primarily due to higher interest costs for the revolving credit line.

2. Operating Capital Outlay:
   - The increase of $920,000 is due to projected increases in operating income.

JEA
Analysis of FY 2026/27 Proposed Budget
District Energy System
Operating and Maintenance Expense
($ in thousands)

O&M Category	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Salaries	$ 1,115	$ 669	$ 1,055	$ 1,157	$ 42	3.77%
Employee Benefits	384	245	376	410	26	6.77%
Supplies & Materials	78	110	151	77	(1)	-1.28%
Other Services & Chgs.	5,398	2,931	5,021	6,447	1,049	19.43%
Intercompany Charges	90	78	108	100	10	11.11%
Insurance	183	72	128	187	4	2.19%
Operating Reserve	-	-	-	-	-	N/A
Expense Credits	(400)	(235)	(373)	(483)	(83)	20.75%
Total O&M Expense	$ 6,848	$ 3,870	$ 6,466	$ 7,895	$ 1,047	15.29%

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
PROPOSED FY 2026/27 BUDGET
JEA DISTRICT ENERGY SYSTEM - OPERATING & MAINTENANCE

OPERATING & MAINTENANCE EXPENSE DETAIL:

1. Salaries:
   - The increase of $42,000 is due to assumed increases for appointed employees and collective bargaining units as is with the other systems.

2. Other Services & Charges:
   - The increase of $1.0 million is mainly due to increases in Utilities due to projections for higher demand, consumption, and new connections.

JEA
Analysis of FY 2026/27 Proposed Budget
District Energy System
Capital Budget
($ in thousands)

Capital Funds	FY 2025/26 Original	FY 2025/26 8 Months Actuals	FY 2025/26 Projected Total	FY 2026/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Debt	$ 35,486	$ -	$ 629	$ 35,037	$ (449)	-1.27%
Other Proceeds	-	7,671	20,026	-	-	N/A
Renewal & Replacement	701	465	698	747	46	6.56%
Operating Capital Outlay	1,389	508	1,991	2,309	920	66.23%
Total Capital Funds	$ 37,576	$ 8,644	$ 23,344	$ 38,093	$ 517	1.38%
Capital Projects						
District Energy System Projects	$ 37,576	$ 8,644	$ 23,344	$ 38,093	$ 517	1.38%
Surplus/(Deficit)	$ -	$ -	$ -	$ -	$ -	

DES FY27-FY31

District Energy System (DES) Project Title	FY27 Proposed ('000)	FY28 Proposed ('000)	FY29 Proposed ('000)	FY30 Proposed ('000)	FY31 Proposed ('000)	FY27-FY31 Total ('000)
DES - Hogans Creek - Plant Expansion	25,502	70	0	0	0	25,572
DES - Stadium of the Future - Line Extension	4,410	0	0	0	0	4,410
DES - Hogans Creek - CW Line Extension - Segment B	2,600	650	3,400	0	0	6,650
DES - District Energy System - R&R	2,106	2,405	1,763	958	500	7,732
DES - Springfield - Plant Chiller Expansion	400	1,200	4,400	0	0	6,000
DES - Downtown - Metering Stations	370	0	0	0	0	370
DES - Facilities - Capital Asset Replacement & Renovation	275	718	429	381	705	2,508
DES - Security Improvements	200	150	50	50	50	500
DES - Capital Administrative Overhead	141	145	148	153	157	744
DES - Hogans Creek - Metering Stations	50	1,350	0	0	0	1,400
DES - Downtown - Plant Expansion	40	16	370	4,690	0	5,116
DES - Downtown - Line Extensions (Growth)	0	873	2,000	0	0	2,873
DES - Hogans Creek- Plant Expansion and Upgrades	0	154	154	0	0	308
Reserves	**2,000**	**0**	**0**	**0**	**0**	**2,000**
DES GRAND TOTAL	**38,093**	**7,730**	**12,714**	**6,231**	**1,412**	**66,180**

JEA
Debt Ceiling Summary - Limits and Remaining Balance (Updated 7/23/26 Based on Actual Issuance)
FY 2027

	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy Fund	Total JEA
Debt Payable at 9/30/2025 (per audited FS)	$ 1,463,200,000	$ 1,867,825,000	$ 66,025,000	$ 3,397,050,000
Scheduled Principal Payments FY2026 on 10/1/2025	(53,990,000)	(49,460,000)	(1,995,000)	(105,445,000)
Revolver Draw on 12/09/2025		125,000,000		125,000,000
Revolver Draw on 02/18/2026	100,000,000	150,000,000		250,000,000
Debt Payable at 03/31/2026 (per Quarterly FS)	$ 1,509,210,000	$ 2,093,365,000	$ 64,030,000	$ 3,666,605,000
2026A Bond Issuance July, 2026 - New Money	$ 313,800,000	$ 397,100,000		$ 710,900,000
2026A Bond Issuance July, 2026 - Refunding Bonds	90,575,000	54,650,000		145,225,000
2026A Bond Issuance July, 2026 - Refunded Bonds	(104,750,000)	(63,260,000)		(168,010,000)
2026A Bond Issuance July, 2026 - Revolver Repayment	(247,000,000)	(275,000,000)		(522,000,000)
Debt Payable at 9/30/2026 (Forecasted)	$ 1,561,835,000	$ 2,206,855,000	$ 64,030,000	$ 3,832,720,000
Scheduled Principal Payments FY2027 on 10/1/2026	$ (75,470,000)	$ (49,490,000)	$ (2,065,000)	$ (127,025,000)
Revolver Draws FY2027	200,000,000	250,000,000	32,500,000	482,500,000
2027A Bond Issuance in FY2027 - New Money	380,725,000	390,900,000		771,625,000
2027A Bond Issuance in FY2027 - Revolver Repayment	(200,000,000)	(250,000,000)		(450,000,000)
Debt Payable at 9/30/2027 (Budgeted & Projected)	**$ 1,867,090,000**	**$ 2,548,265,000**	**$ 94,465,000**	**$ 4,509,820,000**
Debt Ceiling with Current Not-To-Exceed Debt Outstanding Authorization*	**$ 1,900,000,000**	**$ 2,500,000,000**	**$ 150,000,000**	**$ 4,550,000,000**
Debt Ceiling Balance at 9/30/2027 (Projected)	**$ 32,910,000**	**$ (48,265,000)**	**$ 55,535,000**	**$ 40,180,000**

*Per Ordinance 2023-724-E, the City Council established not to exceed amounts for JEA Outstanding Debt by system consistent with JEA Resolution 2023-40.

RECOMMENDATIONS:
None.

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2027

	Electric System	Water System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	$ 515,785,837	$ -	$ -	$ 515,785,837
Total Net Revenues	$ 515,785,837	$ -	$ -	$ 515,785,837
FUEL EXPENSES:				
Fuel & Purchased Power	$ 515,785,837	$ -	$ -	$ 515,785,837
FUEL SURPLUS/(DEFICIT)	$ -	$ -	$ -	$ -
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	$ 1,103,706,986	$ 622,756,449	$ 17,110,180	$ 1,743,573,615
Environmental Charge Revenue	-	-	-	-
Conservation Charge & Demand Side Revenue	-	-	-	-
Other Revenues	94,200,046	111,030,513	269,741	205,500,300
Natural Gas Pass Through Revenue	2,223,694	-	-	2,223,694
Total Base Related Revenues	$ 1,200,130,726	$ 733,786,962	$ 17,379,921	$ 1,951,297,609
BASE OPERATING EXPENSES:				
Operating and Maintenance	$ 332,873,813	$ 321,942,838	$ 7,894,853	$ 662,711,504
Environmental	1,779,608	-	-	1,779,608
Conservation & Demand-side Management	-	-	-	-
Natural Gas Pass Through Expense	2,330,245	-	-	2,330,245
Non-Fuel Purchased Power	244,509,472	-	-	244,509,472
Non-Fuel Uncollectibles & PSC Tax	2,268,217	864,895	-	3,133,112
Emergency Reserve	-	-	-	-
Total Base Related Expenses	$ 583,761,355	$ 322,807,733	$ 7,894,853	$ 914,463,941
BASE OPERATING INCOME:	**$ 616,369,371**	**$ 410,979,229**	**$ 9,485,068**	**$ 1,036,833,668**
NON-OPERATING REVENUE:				
Investment Income	$ 12,241,795	$ 3,737,089	$ 107,122	$ 16,086,006
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	65,000,000	-	65,000,000
Total Non Operating Revenues	$ 12,241,795	$ 68,737,089	$ 107,122	$ 81,086,006
NON-OPERATING EXPENSES:				
Debt Service	$ 166,478,138	$ 179,157,938	$ 6,536,051	$ 352,172,127
Demand-side Management - Rate Stabilization	-	-	-	-
Environmental - Rate Stabilization	-1,000,000	-	-	-1,000,000
Total Non Operating Expenses	$ 165,478,138	$ 179,157,938	$ 6,536,051	$ 351,172,127
BASE INCOME BEFORE TRANSFERS	**$ 463,133,028**	**$ 300,558,380**	**$ 3,056,139**	**$ 766,747,547**
City Contribution Expense	$ 103,665,733	$ 36,520,995	$ -	$ 140,186,728
Interlocal Payments	-	4,537,710	-	4,537,710
Renewal and Replacement Fund	82,968,579	31,236,139	747,150	114,951,868
Operating Capital Outlay	276,498,716	163,263,536	2,308,989	442,071,241
Environmental Capital Outlay	-	-	-	-
Capacity Fees	-	65,000,000	-	65,000,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	$ 463,133,028	$ 300,558,380	$ 3,056,139	$ 766,747,547
SURPLUS/(DEFICIT)	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL REVENUES	**$ 1,728,158,358**	**$ 802,524,051**	**$ 17,487,043**	**$ 2,548,169,452**
TOTAL APPROPRIATIONS	**$ 1,728,158,358**	**$ 802,524,051**	**$ 17,487,043**	**$ 2,548,169,452**
BUDGETED EMPLOYEE POSITIONS	1,659	829	7	2,495
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2027

	Electric System	Water System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	$ 82,968,579	$ 31,236,139	$ 747,150	$ 114,951,868
Operating Capital Outlay	276,498,716	163,263,536	2,308,989	442,071,241
Environmental Capital Outlay	-	-	-	-
Capacity Fees	-	65,000,000	-	65,000,000
Debt Proceeds	232,382,705	316,002,325	35,036,861	583,421,891
Contribution from JPA	20,691,255	-	-	20,691,255
Grant Proceeds	400,000	3,508,083		3,908,083
Other Proceeds	-	-	-	-
Total Capital Funds	$ 612,941,255	$ 579,010,083	$ 38,093,000	$ 1,230,044,338
CAPITAL PROJECTS:				
Generation Projects	$ 244,398,000	$ -	$ -	$ 244,398,000
Transmission & Distribution Projects	287,097,255	-	-	287,097,255
District Energy Projects	-	-	38,093,000	38,093,000
Water Projects	-	134,987,000	-	134,987,000
Sewer Projects	-	397,317,083	-	397,317,083
Other Projects	81,446,000	46,706,000	-	128,152,000
Total Capital Projects Subtotal	$ 612,941,255	$ 579,010,083	$ 38,093,000	$ 1,230,044,338
Capital Reserve	-	-	-	-
Total Capital Projects	$ 612,941,255	$ 579,010,083	$ 38,093,000	$ 1,230,044,338

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
PUBLIC WORKS
STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (10401)

PROPOSED BUDGET BOOK – Page # 36

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. 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. This is an "all years" fund.

REVENUE:
1. State Shared Revenue:
   - The budgeted amount represents 50% of the Constitutional Fuel Tax that is received from the state and sent to the fiscal agent. This is JTA's portion as the City's portion is first deposited in the General Fund/GSD and sent to the fiscal agent from there. It is deposited below in the Contributions from Local Units area for the capital use described below.

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:
   - The City is proposing to use its portion of the Constitutional Fuel tax on the following projects.

Project Name in CIP	FY 2026/27 Proposed
Major Outfall Ditch Restoration/Cleaning	$ 4,500,000
Roadway Resurfacing	$ 146,558

2. Grants, Aids & Contributions:
   - This is the distribution of 50% of the Constitutional Fuel Tax to the fiscal agent that will be sent 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 2026/27 BUDGET
PUBLIC WORKS
LOCAL OPTION ½ CENT TRANSPORTATION (10402)

PROPOSED BUDGET BOOK – Page # 37

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 to be generated from the local option half-cent sales tax as estimated by the Budget Office.

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.

EMPLOYEE CAP CHANGES:
There are no authorized positions in this fund.

RECOMMENDATION:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (10403)

PROPOSED BUDGET BOOK – Page # 38

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 shared 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. This funding is proposed to be used to fund a portion of the FY 2026/27 Capital Improvement Projects as noted below. Section 799.107 of the Municipal Code requires that 20% of the collections are to be spent on bicycle and pedestrian improvements. This requirement is not met. **See Recommendation.**

Project Name in CIP	Amount
ADA Compliance-Curb Ramps Sidewalks*	$0
Countywide Intersection Imp,Brge-Bridges	$2,376,713
Countywide Intersection Imp-Intersection	$1,500,000
Hamilton St. Box Culvert/Extension/Sidewalk Connection*	$1,020,000
Pavement Markings	$203,287
Roadway Resurfacing	$114,187
Total	**$5,214,187**

* - Bicycle and pedestrian improvements

PROPOSED BUDGET BOOK – Page # 38

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) is remitted to JTA.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
There are no authorized positions in this fund.

RECOMMENDATION:
Based on discussions with the Finance Department, we recommend reducing Countywide Intersection Imp,Brge-Bridges and increasing ADA Compliance-Curb Ramps Sidewalks by $22,837 to comply with the Section 799.107 of the Municode which requires 80% of the funds to be spent on roadway maintenance and 20% on bicycle and pedestrian improvements.

This will have no impact on the Special Council Contingency.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
5 – CENT LOCAL OPTION GAS TAX (10404)

PROPOSED BUDGET BOOK – Page # 39

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. Ordinance 2021-223-E incorporated a listing of projects JTA is obligated to undertake and complete. This fund is "all years" fund.

REVENUE:
1. Local Option Fuel Tax:
   - The budgeted amount represents 100% of the 5-Cent Local Option Gas Tax from motor fuel sales.

2. Contribution from Local Units:
   - The budgeted amount represents 50% of the 5-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 the 5-Cent Local Option Gas Tax retained by the City. This funding is proposed to be used to fund a portion of the FY 2026/27 Capital Improvement Projects as noted below.

Project Name in CIP	Amount
Roadway Resurfacing	$9,056,976
Countywide Intersection Imp,Brge-Bridges	623,287
Pavement Markings	596,713
Total	**$10,276,976**

2. Grants, Aids & Contributions
   - This expenditure represents the transfer of 100% of the 5-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.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
5 – CENT LOCAL OPTION GAS TAX (10404)

PROPOSED BUDGET BOOK – Page # 39

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 2026/27 BUDGET
NINTH-CENT FUEL TAX (10405)

PROPOSED BUDGET BOOK – Page # 40

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. Ordinance 2021-223-E incorporated a listing of projects JTA is obligated to undertake and complete. This is an "all years" funds.

REVENUE:
1. Local Option Fuel Tax:
   - The budgeted amount represents 100% of the Ninth-Cent Fuel Tax from motor fuel sales.

2. Contribution from Local Units:
   - The budgeted amount represents 50% of the 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 the Ninth-Cent Fuel Tax retained by the City. This funding is proposed to be used to fund a portion of the FY 2026/27 Capital Improvement Projects as noted below.

Project Name in CIP	Amount
Roadway Sign Strip and Signal	$1,400,000
Traffic Signalization - Fiber Optic	500,000
Pavement Markings	200,000
Roadway Resurfacing	112,629
Traffic Street Lights	100,000
Total	**$2,312,629**

2. Grants, Aids & Contributions
   - This expenditure represents the transfer of 100% of the 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.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
NINTH-CENT FUEL TAX (10405)

PROPOSED BUDGET BOOK – Page # 40

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
There are no authorized positions in this fund.

RECOMMENDATION:
None.

Jacksonville Transportation Authority
Comparison of Budgets
FY 2025/2026 to FY 2026/2027
Operating and Capital Budgets

Background

JTA was established in 1955 by the Florida Legislature and is a public body and corporate agency of the State of Florida under Chapter 349, Florida Statutes and is empowered to acquire, construct, operate and lease a mass transit system. The areas of operation include the Bus Division (includes NAVI), Connexion, Skyway, Ferry, General Fund (engineering), and corporate/administrative costs.

JTA Operating Budget

Division	Approved FY 25/26	Proposed FY 26/27	$ Change	% Change
Bus	$123,302,267	$96,924,312	-$26,377,955	-21.39%
Connexion	$21,594,641	$29,928,347	$8,333,706	38.59%
Skyway	$8,719,370	$6,369,769	-$2,349,601	-26.95%
Ferry	$3,474,310	$3,131,131	-$343,179	-9.88%
General Fund	$5,309,264	$2,813,565	-$2,495,699	-47.01%
Total Operations Budget	**$162,399,852**	**$139,167,124**	**-$23,232,728**	**-14.31%**

JTA Capital Budget

Division	Approved FY 25/26	Proposed FY 26/27	$ Change	% Change
Bus	$22,170,089	$18,837,210	-$3,332,879	-15.03%
Connexion	$1,259,840	$215,000	-$1,044,840	-82.93%
Skyway	$5,559,341	$4,229,134	-$1,330,207	-23.93%
Ferry	$6,350,322	$9,750,000	$3,399,678	53.54%
General Fund	$4,158,932	$12,987,988	$8,829,056	212.29%
Total Capital Budget	**$39,498,524**	**$46,019,331**	**$6,520,807**	**16.51%**

Flow through City	Gross	Portion Covering Debt	Net
City Contribution (Connexion)	$ 1,897,704	$ -	$ 1,897,704
Sales Tax and CGT*	122,009,072	37,009,072	85,000,000
Local Option Gas Tax	26,750,500	9,750,500	17,000,000
Local Option Gas Tax II	12,401,517	-	12,401,517
Local Option Gas Tax II - Past	7,264,275	-	7,264,275
	$170,323,068	**$46,759,572**	**$123,563,496**

*** The gross amount budgeted in FY 25/26 was $136.2 million and debt payments were $39.1 million. The decrease in revenue is based on current collections and trend and debt is based on restructuring of debt.**

Jacksonville Transportation Authority
Comparison of Budgets
FY 2025/2026 to FY 2026/2027
Head Count, Fleet and Days Cash Info

Employee Headcount			
Area	Approved FY 25/26	Proposed FY 26/27	Change
Bus	642	664	22
Connexion	8	8	-
Skyway	39	37	(2)
Ferry	-	-	-
General Fund	11	4	(7)
Corporate	161	123	(38)
Total Agency	861	836	(25)

JTA Vehicle Fleet Totals		
Vehicle Type	FY 25/26 (as of 6-5-26)	FY 26/27
Buses*	217	217
Connexion	120	120
Non-Revenue Support	85	85
Total	**422**	**422**

* Bus Fleet Breakdown		
Bus Type	FY 25/26 (as of 6-5-26)	FY 26/27
Fixed Route Fleet	125	125
First Coast Flyers	58	58
Community Shuttle	0	0
Automated Vehicles	14	14
Active Fleet Total	**197**	**197**
Contingency	20	20
Total Buses	**217**	**217**

Daily Cash on Hand	
Fiscal Year	Days
2020/21	231
2021/22	286
2022/23	184
2023/24	85
2024/25	44

Notes:
1. We have used JTA audited Financial Statements to determine a DCOH calculation and JTA has reviewed our calculations for reasonableness.
2. JTA indicated there is not an amount stated as a targer in the infomration from their rating agencies.

Jacksonville Transportation Authority
Analysis of FY 2026/2027 Operating Budget
Bus Division

	FY 25/26 Original	FY 26/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Revenues				
Federal, State & Local Grants	$ 15,189,545	$ 9,360,835	$ (5,828,710)	-38.37%
Local Option Gas Tax - Net of JTA Debt Service	19,500,000	17,000,000	(2,500,000)	-12.82%
Sales Tax/CGT - Net of BJP Debt Service	76,269,412	54,011,353	(22,258,059)	-29.18%
Passenger Fares	7,350,568	7,017,924	(332,644)	-4.53%
Federal Preventative Maintenance	660,000	8,000,000	7,340,000	1112.12%
Non-Transportation Revenue	987,000	1,534,200	547,200	55.44%
Interest Earnings	3,345,742	-	(3,345,742)	-100.00%
Total Operating Revenues	$ 123,302,267	$ 96,924,312	$ (26,377,955)	-21.39%
Operating Expenditures				
Salaries and Wages	$ 42,378,230	$ 34,583,818	$ (7,794,412)	-18.39%
Fringe Benefits	22,401,580	19,064,693	(3,336,887)	-14.90%
Fuel and Lubricants	4,310,500	4,310,500	-	0.00%
Materials and Supplies	5,481,099	4,551,787	(929,312)	-16.95%
Services	23,436,951	4,388,365	(19,048,586)	-81.28%
Insurance	1,434,878	1,277,298	(157,580)	-10.98%
Travel/Training/Dues & Subscriptions	380,705	713,728	333,023	87.48%
All Other/Miscellaneous	1,802,677	1,957,602	154,925	8.59%
Contingency	126,449	2,392,660	2,266,211	1792.19%
Corporate Allocation	21,549,198	23,683,861	2,134,663	9.91%
Total Operating Expenditures	$ 123,302,267	$ 96,924,312	$ (26,377,955)	-21.39%
Surplus/(Deficit)	$ -	$ -	$ -	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY – BUS DIVISION
PROPOSED FY 2026/27 BUDGET

OPERATING REVENUES:

1. Federal, State & Local Grants:
   - The decrease of $5,828,710 is primarily due to projected less availability of FDOT funding for FY 2026/27.

2. Local Option Gas Tax – Net of JTA Debt Service:
   - The decrease of $2,500,000 is based on current collections and trends for the six-cent Local Option Gas Tax (JTA receives five of the six cents).
   - JTA is projecting their gross portion of the Local Option Gas Tax to be $26,750,500 for FY 2026/27 with JTA debt service payments of $9,750,500. For FY 2025/26, JTA's gross portion was budgeted to be $29,250,000 with debt of service payments of $9,750,000.

3. Sales Tax/CGT – Net of BJP Debt Service:
   - The $54 million reflects the portion needed to fund the Bus Division's budget. The decrease of $22,258,059 is based on current collections and trends for the 1/2 Cent Sales and Constitutional Gas Taxes for FY 2026/27 as shown on the overall comparison of budgets page as well as an increase in the portion of this revenue that is needed to cover budget shortfalls in other Divisions.

4. Passenger Fares:
   - The slight decrease of $332,644 is to better align passenger fares with FY 2024/25 actuals. FY 2025/26 collections are not comparable due to the six-month Fare Pilot Study that reduced rates.
   - Not considered is a potential rate increase of $.25 from $1.75 to $2.00 in January 2027.

5. Federal Preventative Maintenance:
   - The increase of $7,340,000 is primarily to offset the estimated reduction in the 1/2 Cent Sales Tax and Constitutional Gas Tax revenue by allocating additional portions of the Federal Section 5307 discretionary grants to operations. These funds will be used for reimbursement of preventative maintenance rolling stock operating expenses. This means less of this funding will be available for capital expenditures.

6. Non-Transportation Revenue:
   - The increase of $547,200 is related to the award of a five-year advertising contract with a minimum guaranteed income of $875,000. However, after JTA's budget was submitted, the contract was not executed. JTA has stated they are readvertising the RFP and anticipate having an agreement in place by October 1, 2026. If an agreement is not put in place, then JTA will need to utilize the contingency to help fund the shortfall.

7. Interest Earnings:
   - Interest Earnings have been moved to the General Fund for the FY 2026/27 Budget.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY – BUS DIVISION
PROPOSED FY 2026/27 BUDGET

OPERATING EXPENDITURES:

1. Salaries and Wages:
   - The decrease of $7,794,412 is based on the across the board decreases by JTA to meet their revenue budget. While certain support provided indicates this is under budgeted by around $4.4 million, JTA is adjusting and eliminating some routes that will help meet these reduced amounts. JTA will need to monitor this closely to avoid further substantial adjustments during FY 2026/27.

2. Fringe Benefits:
   - The decrease of $3,336,887 is due to the changes in personnel noted above.

3. Fuel and Lubricants:
   - The $4,310,500 budgeted appears to be reasonable based on the reduced routes and current actual costs.

4. Materials and Supplies:
   - The decrease of $929,312 is primarily due to an across-the-board reduction of 16.95% for these line items. The effect is a reduction of $508,646 in Inspection and Maintenance and a decrease of $141,887 in Tires and Tubes. JTA believes they will meet this reduction by adjusting the frequency and eliminating some routes as planned.

5. Services:
   - The decrease of $19,048,586 represents an 81.28% across the board reduction in these items. JTA has indicated that they are currently negotiating with Beep, Inc. to cut the cost of the NAVI service in half. JTA projects this will save $4 million or more. JTA is also looking at taking over other contracts and negotiating terms down further.
   - Given as of April 30 JTA had already spent $15.6 million within this category, it appears that getting this number down to $4.4 million would be doubtful.

6. Insurance:
   - The decrease of $157,580 is primarily due to a reduction in property damage insurance for FY 2026/27 as compared to FY 2025/26 based on renegotiations.

7. Travel/Training/Dues & Subscriptions:
   - The increase of $333,023 is partially due to moving travel and training costs out of the corporate allocation and including the budgets directly in the applicable Division's budget.

8. All Other Miscellaneous:
   - The increase of $154,925 is to better align with current costs.

9. Contingency:
    - The budgeted contingency of $2,392,660 is the excess of revenues over expenditures and is available to cover unforeseen expenses during FY 2026/27. Given the issues noted above with certain expense budgets (e.g., Services category), it appears more will be needed.

10. Corporate Allocation:
    - The increase is primarily due to the Bus Division receiving a larger portion of the Corporate Allocation and an increase in corporate costs.

SERVICE LEVEL CHANGES:

Per JTA's website effective October 2026, TA is proposing planning the following to realize the indicated savings calculated by JTA:

- Reduce the frequency of Route 4 from every 30 minutes to every 45 minutes
- Reduce the frequency of Routes 11 and 12 from every 30 minutes to every 60 minutes.
- Eliminate Routes 18, 25, 32, and 82.
- Eliminate 5 ReadiRide zones (Collins Road, Oakleaf, Southside, Wheat Road, and Woodstock).
- Changing and/or adjusting the following Routes to offset impact of above changes: 10, 23, 24, 28, 31, 34, and 53.

Jacksonville Transportation Authority
Analysis of FY 2026/2027 Operating Budget
Connexion Division

	FY 25/26 Original	FY 26/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Revenues				
Federal, State & Local Grants	$ 2,735,210	$ 2,285,210	$ (450,000)	-16.45%
Sales Tax/CGT - Net of BJP Debt Service	12,657,574	21,524,182	8,866,608	70.05%
Passenger Fares	1,099,866	665,000	(434,866)	-39.54%
State Transportation Disadvantaged Funds	3,145,649	3,556,251	410,602	13.05%
City of Jacksonville (Paratransit Contribution)	1,856,342	1,897,704	41,362	2.23%
Non-Transportation Revenue	100,000	-	(100,000)	-100.00%
Total Operating Revenues	$ 21,594,641	$ 29,928,347	$ 8,333,706	38.59%
Operating Expenditures				
Salaries and Wages	$ 914,267	$ 210,934	$ (703,333)	-76.93%
Fringe Benefits	435,922	61,429	(374,493)	-85.91%
Fuel and Lubricants	1,015,000	1,015,000	-	0.00%
Materials and Supplies	707,700	381,113	(326,587)	-46.15%
Services	13,155,011	24,036,220	10,881,209	82.72%
Insurance	3,231	7,922	4,691	145.19%
Travel/Training/Dues & Subscriptions	9,250	107,480	98,230	1061.95%
All Other/Miscellaneous	16,800	90,233	73,433	437.10%
Contingency	383,122	354,052	(29,070)	-7.59%
Corporate Allocation	4,954,338	3,663,964	(1,290,374)	-26.05%
Total Operating Expenditures	$ 21,594,641	$ 29,928,347	$ 8,333,706	38.59%
Surplus/(Deficit)	$ -	$ -	$ -	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY – CONNEXION DIVISION
PROPOSED FY 2026/27 BUDGET

NOTE:
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 similar 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.

OPERATING REVENUES:

1. Federal, State & Local Grants:
   - The decrease of $450,000 is due to JTA not allocating a portion of the Federal Section 5307 grants to this area and JTA not anticipating to receive $170,000 in Paratransit local government grants in FY 2026/27 that were budgeted in FY 2025/26.

2. Sales Tax/CGT – Net of BJP Debt Service:
   - The $21,524,182 represents the Connexion Division's portion of the Sales Tax/CGT to balance the Connexion budget. The increase in allocation to this area is primarily due to the increase in expenditures explained below.

3. Passenger Fares:
   - The decrease of $434,866 is primarily due to an anticipated decrease in passenger fares from Connexion Plus due to the rate increase from $6.00 to $10.00. This is anticipated to result in passengers switching to other service types.
   - Not considered is a potential rate increase in January 2027 for Connexion ADA of $1.00 (from $3.00 to $4.00) and for Connexion - Transportation Disadvantaged of $1.00 (from $3.50 to $4.50).

4. State Transportation Disadvantaged Funds:
   - JTA had stated that the reason for the increase of $410,602 was primarily due to projected funding for the counties of Duval, Clay, and Nassau from the State for FY 2026/27 would be more than what was budgeted in FY 2025/26.

5. City of Jacksonville (Paratransit Contribution):
   - The $1,897,704 represents the contribution from the City of Jacksonville for JTA's paratransit service pursuant to an interlocal agreement (Ordinance 2005-1516-E).

6. Non-Transportation Revenue:
   - There is no Non-Transport Revenue budgeted for FY 2026/27 as the revenue anticipated in FY 2025/26 is not expected to materialize.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY – CONNEXION DIVISION
PROPOSED FY 2026/27 BUDGET

OPERATING EXPENDITURES:

1. Salaries and Wages:
   - The decrease of $703,333 was based on reduced overall revenues for JTA and the need to fully budget Connexion in FY 2026/27 resulting in the need to reduce Salaries and Wages. Based on support provided, it appears JTA's budgeted salaries and wages might be under budgeted by $336,355 so further adjustments or transfers of funding may be needed.

2. Fringe Benefits:
   - The decrease of $374,493 is due to the changes in salary and wages noted above.

3. Fuel and Lubricants:
   - JTA is projecting fuel to be flat at $1,015,000; however, given that as of April 30, costs had already exceeded 75% of that amount, this does not appear to be a reasonable budget. Per JTA this was part of reducing costs to meet the overall reduced revenues.

4. Material and Supplies:
   - The decrease of $326,587 is primarily due to an across-the-board decrease of 46.15% for this category. Given that costs in the current year are trending below budget, this budget is somewhat reasonable.

5. Services:
   - The increase of $10,881,209 is primarily due to contractual services being underbudgeted for the Connexion contract operator in FY 2025/26.

6. Travel/Training/Dues & Subscriptions:
   - The increase is due to moving costs from the Corporate Allocation into the Connexion Division.

7. All Other/Miscellaneous:
   - The increase of $73,433 is mainly due to some utility costs being included in this line item instead of corporate allocation as in the prior year.

8. Contingency:
   - The budgeted contingency of $354,052 is the excess of revenues over expenditures and is available to cover unforeseen expenses during FY 2026/27.

9. Corporate Allocation:
   - The decrease is due to Connexion receiving a smaller portion of the Corporate Allocation.

SERVICE LEVEL CHANGES:
JTA has worked to change customer habits by offering additional services and changing pricing, there are no other changes to service offerings contemplated at this time for the Connexion Division.

Jacksonville Transportation Authority
Analysis of FY 2026/2027 Operating Budget
Skyway Division

	FY 25/26 Original	FY 26/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Revenues				
Sales Tax/CGT - Net of BJP Debt Service	8,719,370	6,369,769	(2,349,601)	-26.95%
Total Operating Revenues	$ 8,719,370	$ 6,369,769	$ (2,349,601)	-26.95%
Operating Expenditures				
Salaries and Wages	$ 2,803,995	$ 2,160,151	$ (643,844)	-22.96%
Fringe Benefits	1,390,506	1,166,107	(224,399)	-16.14%
Fuel and Lubricants	8,500	1,000	(7,500)	-88.24%
Materials and Supplies	1,037,000	498,269	(538,731)	-51.95%
Services	1,087,614	481,815	(605,799)	-55.70%
Insurance	446,000	443,966	(2,034)	-0.46%
Travel/Training/Dues & Subscriptions	14,920	35,000	20,080	134.58%
All Other/Miscellaneous	552,000	62,041	(489,959)	-88.76%
Contingency	63,551	55,834	(7,717)	-12.14%
Corporate Allocation	1,315,284	1,465,586	150,302	11.43%
Total Operating Expenditures	$ 8,719,370	$ 6,369,769	$ (2,349,601)	-26.95%
Surplus/(Deficit)	$ -	$ -	$ -	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY - SKYWAY
PROPOSED FY 2026/27 BUDGET

OPERATING REVENUES:

1. Sales Tax/CGT – Net of BJP Debt Service:
   - The $6,369,769 is the Skyway Division's portion of the Sales Tax/CGT to balance the Skyway budget. The decrease is primarily due to the decrease in expenditures explained below, which are mainly due to the anticipated winding down of Skyway operations during FY 2026/27. If that doesn't materialize, this may need to be revisited.

OPERATING EXPENDITURES:

1. Salaries and Wages:
   - The decrease of $643,844 is primarily based on reduced overall revenues for JTA. Based on support provided to date, it appears Skyway's budgeted salaries and wages are under budgeted by $679,620. However, given JTA's proposed changes to hours of operations explained below, they may be able to meet the overall reduction in the Skyway Division.

2. Fringe Benefits:
   - The decrease of $234,3999 is due to the salary and wage adjustments noted above.

3. Material and Supplies:
   - The decrease of $538,731 represents an across-the-board reduction of 52% in this category due to the anticipation that Skyway operations will start to wind down in FY 2026/27 and the planned changes in service hours noted below, which will require less material and supplies to keep the vehicles in a good state of repair.

4. Services:
   - The decrease of $605,799 represents an across-the-board reduction of 56% in this category. This does somewhat better align with FY 25/26 costs. JTA also indicated the reduction is due to the anticipation of Skyway operations winding down in FY 2026/27 and changes in services hours noted below.

5. Travel/Training/Dues & Subscriptions:
   - The increase of $20,080 is due to moving costs from the Corporate Allocation into this line item.

6. All Other/Miscellaneous:
   - The decrease of $489,959 is primarily due to reclassifying some costs to the Bus Division. Note – We were provided no support for an increase in budgeted costs within the Bus Division for this change.

7. Contingency:
   - The budgeted contingency of $55,834 is the excess of revenues over expenditures and is available to cover unforeseen expenses during FY 2026/27.

8. Corporate Allocation:
   - The increase is due to the Corporate costs increasing.

SERVICE LEVEL CHANGES:

JTA plans to reduce operation hours for the Skyway to save $425,000 (per JTA's calculations).

- Current
  - Monday through Friday – 6:00 am to 9:00 pm
- Beginning October 2026
  - Monday through Friday – 7:00 am to 7:00 pm

Jacksonville Transportation Authority
Analysis of FY 2026/2027 Operating Budget
Ferry Division

	FY 25/26 Original	FY 26/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Revenues				
Sales Tax/CGT - Net of BJP Debt Service	1,578,768	1,731,131	152,363	9.65%
Passenger Fares	1,880,542	1,400,000	(480,542)	-25.55%
Non-Transportation Revenue	15,000	-	(15,000)	-100.00%
Total Operating Revenues	$ 3,474,310	$ 3,131,131	$ (343,179)	-9.88%
Operating Expenditures				
Salaries and Wages	$ 112,185	$ 40,180	$ (72,005)	-64.18%
Fringe Benefits	50,019	576	(49,443)	-98.85%
Fuel and Lubricants	366,000	366,000	-	0.00%
Materials and Supplies	-	3,746	3,746	N/A
Services	2,098,238	2,168,438	70,200	3.35%
Insurance	131,859	116,864	(14,995)	-11.37%
Travel/Training/Dues & Subscriptions	-	11,575	11,575	N/A
All Other/Miscellaneous	40,000	50,428	10,428	26.07%
Contingency	200,245	197,454	(2,791)	-1.39%
Corporate Allocation	475,764	175,870	(299,894)	-63.03%
Total Operating Expenditures	$ 3,474,310	$ 3,131,131	$ (343,179)	-9.88%
Surplus/(Deficit)	$ -	$ -	$ -	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY - FERRY
PROPOSED FY 2026/27 BUDGET

OPERATING REVENUES:

1. Sales Tax/CGT – Net of BJP Debt Service:
   - The $1,731,131 is the Ferry Division's portion of the Sales Tax/CGT to balance the Ferry budget. The increase is primarily due to the reduced passenger fare revenue explained below.

2. Passenger Fares:
   - The decrease is primarily due to better align passenger fares with actual collections.
   - Not considered is a potential rate increase in January 2027 of $1.00 per car during the weekday and by $2.00 per car on the weekend and Trucks, Bus, and RV would increase by $2.00 on weekday and $3.00 on weekends.

3. Non-Transportation Revenue:
   - There is no Non-Transport Revenue budgeted for FY 2026/27.

OPERATING EXPENDITURES:

1. Salaries and Wages:
   - This division has no direct employees and JTA has requested that this amount be moved into the Services line to correct this line item.

2. Fringe Benefits:
   - This division has no direct employees and JTA has requested that this amount be moved into the Services line to correct this line item.

3. Fuel and Lubricants:
   - The $366,000 budgeted appears to potentially be reasonable based on current actual costs.

4. Services:
   - The budget of $2,168,438 is a slight increase. Within the current year JTA is projected to go over budget by more, but they are projecting to have savings of $429,671 based on a change in the operating hours of the service as noted below.

5. Insurance:
   - The decrease of $14,995 aligns with current year's costs.

6. Travel/Training/Dues & Subscriptions:
   - The increase of $11,575 is due to moving costs from the Corporate Allocation into this line item.

7. All Other/Miscellaneous:
   - The increase of $10,428 better aligns with the current year's costs.

8. Contingency:
   - The budgeted contingency of $197,454 is the excess of revenues over expenditures and is available to cover unforeseen expenses during FY 2026/27.

9. Corporate Allocation:
   - The decrease is due to the Ferry Division receiving a smaller portion of the Corporate Allocation.

SERVICE LEVEL CHANGES:

JTA is planning to reduce operation for the Ferry to save $429,671 (per JTA's calculations).

- Current
  - Monday through Sunday – 6:00 am to 8:30 pm
- October 2026
  - Monday through Friday – 6:00 am to 7:00 pm
  - Saturday and Sunday – 8:00 am to 9:00 pm

Per JTA, the ferry is not scheduled to be out of service during FY 2026/27.

Jacksonville Transportation Authority
Analysis of FY 2026/2027 Operating Budget
General Fund - Operating

	FY 25/26 Original	FY 26/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Revenues				
Sales Tax/CGT - Net of BJP Debt Service	3,000,000	1,363,565	(1,636,435)	-54.55%
Non-Transportation Revenue	1,855,006	950,000	(905,006)	-48.79%
Interest Earnings	454,258	500,000	45,742	10.07%
Total Operating Revenues	$ 5,309,264	$ 2,813,565	$ (2,495,699)	-47.01%
Operating Expenditures				
Salaries and Wages	$ 1,298,437	$ 1,232,850	$ (65,587)	-5.05%
Fringe Benefits	605,215	587,347	(17,868)	-2.95%
Materials and Supplies	1,500	2,901	1,401	93.40%
Services	655,030	652,563	(2,467)	-0.38%
Insurance	168,000	(171)	(168,171)	-100.10%
Travel/Training/Dues & Subscriptions	13,152	7,177	(5,975)	-45.43%
All Other/Miscellaneous	2,908	8,469	5,561	191.23%
Contingency	2,226,634	-	(2,226,634)	-100.00%
Corporate Allocation	338,388	322,429	(15,959)	-4.72%
Total Operating Expenditures	$ 5,309,264	$ 2,813,565	$ (2,495,699)	-47.01%
Surplus/(Deficit)	$ -	$ -	$ -	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY – GENERAL FUND
PROPOSED FY 2026/27 BUDGET

OPERATING REVENUES:

1. Sales Tax/CGT – Net of BJP Debt Service:
   - The $1,363,565 is the General Fund's portion of the Sales Tax/CGT to balance the General Fund's budget. The decrease is primarily due to the decrease in overall expenditures explained below.

2. Non-Transportation Revenue:
   - The decrease of $905,006 is primarily due to no anticipated real estate property sales for FY 2026/27.

3. Interest Earnings:
   - The amount only increased by $45,742 due to this area now housing all investment pool earnings for JTA. The amount is overall lower based on lower anticipated cash balances due to budgetary shortfalls in the current and recent years.

OPERATING EXPENDITURES:

1. Salaries and Wages:
   - The decrease of $65,587 aligns with current year's costs.

2. Fringe Benefits:
   - The decrease of $17,868 is due to the decrease in salary and wages.

3. Insurance:
   - This cost is being budgeted within the Corporate area and allocated via the corporate allocation for FY 26/27 instead of being funded within the General Fund.

4. Travel/Training/Dues & Subscriptions:
   - The decrease is primarily due to a reduction in travel expenditures for staff and moving some training in-house.

5. All Other/Miscellaneous:
   - The increase is primarily due to a small adjustment in budgeted communications allocation for FY 2026/27 that was not budgeted in FY 2025/26.

6. Contingency:
   - Budgeted revenue does not exceed budgeted expenditures so there is no contingency available within this area.

Jacksonville Transportation Authority
Analysis of FY 2026/2027 Operating Budget
Administration/Corporate

	FY 25/26 Original	FY 26/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Expenditures				
Salaries and Wages	$ 12,892,887	$ 12,501,921	$ (390,966)	-3.03%
Fringe Benefits	5,782,976	7,800,925	2,017,949	34.89%
Materials and Supplies	292,100	184,613	(107,487)	-36.80%
Services	8,009,013	7,710,242	(298,771)	-3.73%
Insurance	-	195,025	195,025	N/A
Travel/Training/Dues & Subscriptions	825,427	356,747	(468,680)	-56.78%
All Other/Miscellaneous	830,569	562,237	(268,332)	-32.31%
Corporate Allocation	(28,632,972)	(29,311,710)	(678,738)	2.37%
Total Operating Expenditures	$ -	$ -	$ -	

JTA Operations Budget	
Total Operating Budget	$ 139,167,124
Operating Contingency	(3,000,000)
Total	$ 136,167,124

Percentage Dedicated to Corporate Operations	21.53%

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY - CORPORATE
PROPOSED FY 2026/27 BUDGET

OPERATING EXPENDITURES:

1. Salaries and Wages:
   - The decrease of $390,966 is to better align with current costs in this area.

2. Fringe Benefits:
   - The increase of $2,017,949 is primarily due to an increase in the amounts budgeted for Florida Retirement System contributions and health insurance costs to better align with current year costs.

3. Material and Supplies:
   - The decrease of $107,487 is primarily due to anticipated decreases in computer and office supplies for the Administrative/Corporate Division to better align with current trends.

4. Services:
   - The decrease of $298,771 is based on an across-the-board decrease of 3.73% in these items.

5. Insurance:
   - The increase of $195,025 is due to moving the costs for insurance back from the General Fund to this area with the FY 2026/27 budget.

6. Travel/Training/Dues & Subscriptions:
   - The decrease of $468,680 is due to moving some of these costs directly to the applicable Division's budget instead of the cost being part of the Corporate Allocation.

7. All Other/Miscellaneous:
   - The decrease of $268,332 is to better align with actual costs in the current year including less pre-employment costs due to staffing level changes.

8. Corporate Allocation:
   - This represents the allocation of all corporate costs from this area to other JTA Divisions.

Jacksonville Transportation Authority
Analysis of FY 2026/2027 Capital Budget
All Divisions

Capital Funds	FY 25/26 Original	FY 26/27 Proposed	$ Increase/ (Decrease)	% Increase/ (Decrease)
Federal Contributions	$ 24,412,525	$ 26,353,540	$ 1,941,015	7.95%
JTA Local Match - Non - LOGT II Funds	-	-	-	N/A
JTA Local Match - LOGT II Funds	15,085,999	19,665,792	4,579,793	30.36%
Total Capital Funds	$ 39,498,524	$ 46,019,331	$ 6,520,807	16.51%
Capital Projects				
Bus Division	$ 22,170,089	$ 18,837,210	$ (3,332,879)	-15.03%
Connexion Division	1,259,840	215,000	(1,044,840)	-82.93%
Skyway Division	5,559,341	4,229,134	(1,330,207)	-23.93%
Ferry Division	6,350,322	9,750,000	3,399,678	53.54%
General Fund	4,158,932	12,987,988	8,829,056	212.29%
Total Capital Projects	$ 39,498,524	$ 46,019,331	$ 6,520,807	16.51%
Surplus/(Deficit)	$ -	$ -	$ -	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY - CAPITAL
PROPOSED FY 2026/27 BUDGET

REVENUES:

1. Federal Contributions:
   - This represents the federal grant awards to fund capital expenditures. The amount is increasing mainly due to the award of $7,800,000 for the purchase of a new ferry boat. The increase is being significantly offset by allocating more Federal Section 5307 discretionary funding to Bus Division operations.

2. JTA Local Match – Non – LOGT II Funds:
   - There is no non-LOGT II local match for capital in the proposed budget.

3. JTA Local Match – LOGT II Funds:
   - The $19,665,792 represents anticipated collections of $12.4 million of LOGT II funds in FY 2026/27 and the use of reserves of $7.2 million of past collections.

EXPENDITURES:

1. Bus Division:
   - The $18.8 million budgeted is primarily for Fixed Route vehicle replacements and facility upgrades at the Myrtle Street facility. See the Capital Budget Projects Schedule for further details.

2. Connexion Division:
   - The $215,000 is for the purchase of a paratransit vehicle AI Camera and Analytic System to enhance safety and security.

3. Skyway Division:
   - The $4.2 million is mainly for the U2C Conversion project and Skyway Rehabilitation and DT Service Expansion – Fleet. See the Capital Budget Projects Schedule for further details.

4. Ferry Division:
   - The $9.8 million is for the purchase of a new ferry boat.

5. General Fund:
   - The $13 million is mainly for the Emerald Trail Segments 3 and 4. See the Capital Budget Projects Schedule for further details.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY – PAY FOR PERFORMANCE
PROPOSED FY 2026/27 BUDGET

INCENTIVE BACKGROUND

JTA has four unions which have pay for performance incentives. There is no performance payout for the administrative employees. 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 effective dates for the union contracts are as follows: ATU – 10/1/2024, IAM – 11/3/2023, AFSCME – 5/21/2025, and IAM-Customer Service – 12/1/25. The IAM and IAM – Customer Service contracts have a three-year term, and the ATU and AFSCME contracts have a four-year term.

JTA FY 2026/27 BUDGET

The total payout for FY 2026/27 will be $570,126 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.

Executive Director Contract

The Executive Director is the only employee with an employment contract at JTA. Pursuant to the fourth amendment of the Executive Director Employment Agreement, the appointment is for a term of seven years, from December 3, 2021, to December 2, 2028. The Executive Director's salary will be subject to a cost-of-living adjustment based on CPI or 3%, whichever is greater. The Executive Director is also eligible for an annual bonus of up to 20% of annual base salary each year based on metrics and goals agreed upon between the Board and Executive Director. The fifth amendment waived the cost-of-living adjustment and annual bonus for FY 2025/26 in addition to including the one-week furlough.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED FY 2026/27 BUDGET

RECOMMENDATIONS:

We will have the following recommendations for changes to JTA's budget when Ordinance 2026-514 is before the Finance Committee in September.

1. At the request of JTA, the amounts in Ferry – Salaries and Wages and Fringe Benefits should be reduced to $0 on Schedule O and the amount in the Services line should be increased by $40,756 to account for the fact there are no JTA employees in this Division.
2. Schedules O, P, and Q should be replaced with the schedules on the following pages that corrects/clarifies the names of a few accounts, breaks out corporate allocation to see by expense type and then is shown as one line for each division, shows the Sales Tax/CGT – Net of Debt Service revenues being deposited into the applicable divisions directly instead of being shown as transfers out, and adds the notes shown.

Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2026/2027

	Bus	Connexion	Skyway	Ferry	General Fund	Corporate	Total
Estimated Operating Revenues							
Federal, State & Local Grants	$ 9,360,835	$ 2,285,210	$ -	$ -	$ -	$ -	$ 11,646,045
Local Option Gas Tax - Net of JTA Debt Service [1]	17,000,000	-	-	-	-	-	$ 17,000,000
Sales Tax/CGT - Net of BJP Debt Service [2]	54,011,353	21,524,182	6,369,769	1,731,131	1,363,565	-	$ 85,000,000
Passenger Fares	7,017,924	665,000	-	1,400,000	-	-	$ 9,082,924
State Transportation Disadvantaged Funds	-	3,556,251	-	-	-	-	$ 3,556,251
City of Jacksonville (Paratransit Contribution)	-	1,897,704	-	-	-	-	$ 1,897,704
Federal Preventative Maintenance	8,000,000	-	-	-	-	-	$ 8,000,000
Non-Transportation Revenue	1,534,200	-	-	-	950,000	-	$ 2,484,200
Interest Earnings	-	-	-	-	500,000	-	$ 500,000
Total Estimated Operating Revenues	$ 96,924,312	$ 29,928,347	$ 6,369,769	$ 3,131,131	$ 2,813,565	$ -	$ 139,167,124

REVISED SCHEDULE O

Operating Expenditures							
Salaries and Wages	$ 34,583,818	$ 210,934	$ 2,160,151	$ -	$ 1,232,850	$ 12,501,921	$ 50,689,674
Fringe Benefits	19,064,693	61,429	1,166,107	-	587,347	7,800,925	$ 28,680,501
Fuel and Lubricants	4,310,500	1,015,000	1,000	366,000	-	-	$ 5,692,500
Materials and Supplies	4,551,787	381,113	498,269	3,746	2,901	184,613	$ 5,622,429
Services	4,388,365	24,036,220	481,815	2,209,194	652,563	7,710,242	$ 39,478,399
Insurance	1,277,298	7,922	443,966	116,864	(171)	195,025	$ 2,040,904
Travel/Training/Dues & Subscriptions	713,728	107,480	35,000	11,575	7,177	356,747	$ 1,231,707
All Other/Miscellaneous	1,957,602	90,233	62,041	50,428	8,469	562,237	$ 2,731,010
Contingency	2,392,660	354,052	55,834	197,454	-	-	$ 3,000,000
Corporate Allocation	23,683,861	3,663,964	1,465,586	175,870	322,429	(29,311,710)	$ -
Total Operating Expenditures	$ 96,924,312	$ 29,928,347	$ 6,369,769	$ 3,131,131	$ 2,813,565	$ -	$ 139,167,124
Full Time Positions	664	8	37	0	4	123	836
Temporary Employee Hours	55,046	5,291	1,405	0	30,007	0	91,747

Note 1: Gross Local Option Gas Tax is projected to be $26,750,500 and debt service is projected to be $9,750,500.

Note 2: Gross 1/2 Sales Tax and Constitutional Gas Tax is projected to be $117,009,972 and $5,000,000, respectively, and debt service is projected to be $37,009,972.

REVISED SCHEDULE P

Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
FY 2026/2027

	Bus	Connexion	Skyway	Ferry	General Fund	Total
ESTIMATED REVENUES						
Federal Grants	$ 17,109,406	$ 215,000	$ 1,229,134	$ 7,800,000	$ -	$ 26,353,540
JTA Local Match - LOGT II Funds	1,727,804	-	3,000,000	1,950,000	12,987,988	19,665,792
Total Estimated Revenues	$ 18,837,210	$ 215,000	$ 4,229,134	$ 9,750,000	$ 12,987,988	$ 46,019,331
						REVISED SCHEDULE Q
APPROPRIATIONS						
Materials & Supplies	$ -	$ -	$ -	$ -	$ -	$ -
Construction & Capital Programs	739,336	-	-	-	-	$ 739,336
Computer Hardware/Software	3,636,901	-	138,765	-	-	3,775,666
Facilities Improvements	2,123,432	-	1,036,769	-	-	3,160,201
LOGT II - Emerald Trail	-	-	-	-	12,278,085	12,278,085
LOGT II - Ferry	-	-	-	9,750,000	-	9,750,000
LOGT II - Skyway Conversion	-	-	2,000,000	-	-	2,000,000
LOGT II - U2C Fleet	-	-	1,000,000	-	-	1,000,000
LOGT II - Other Projects	1,727,804	-	-	-	709,903	2,437,707
Vehicle Maintenance	-	-	-	-	-	-
Furniture/Fixtures	-	-	-	-	-	-
Rolling Stock	8,772,366	-	-	-	-	8,772,366
Security Equipment	1,017,771	215,000	-	-	-	1,232,771
Shop Equipment	519,600	-	53,600	-	-	573,200
Transit Satellite Amenities	300,000	-	-	-	-	300,000
Support Vehicles						-
Real Estate						-
Other						-
Total Appropriations	$ 18,837,210	$ 215,000	$ 4,229,134	$ 9,750,000	$ 12,987,988	$ 46,019,331
						SCHEDULE R

Jacksonville Transportation Authority
FY 2026/2027 Capital Budget - Projects

Capital Projects	Federal Portion	State Cash	JTA Cash	JTA/Other In-Kind	Project Costs
Bus Division					
Safety & Security - Extended Fixed Route Operator Barriers	625,000				625,000
Safety & Security - Turning Bus Pedestrian Warning System	312,864				312,864
Fixed Route Vehicle Replacements & Expansion (8 Buses)	7,852,273				7,852,273
Fleet Shop Equipment	69,600				69,600
Facilities Shop Equipment	250,000				250,000
Replacement & Expansion of Amenities Including Installation	300,000				300,000
Elevator Upgrades & Modernization	430,000				430,000
Replacement & Expansion of Shop Lifts	200,000				200,000
Armsdale Test and Learn Test Track Enhancements	250,000				250,000
Transit Signal Prioritization (Pilot)	120,000				120,000
JRTC Forsyth Bus Lane	87,668				87,668
JRTC Bus Bay Parking Extension	281,668				281,668
AI enabled Network Intrusion Prevention (Darktrace)	910,000				910,000
Agency Desktop Equip Replace & Expansion	260,000				260,000
Campus Distribution & Access Layer Equipment Replacement	400,000				400,000
SEIM Tool (LogRhythm)	510,000				510,000
Password Management Tool (Secret Server)	170,000				170,000
Nutanix Server Node Hardware Lifecycle Refresh	800,000				800,000
Patch management Software(ManageEngine)	100,000				100,000
Adobe Licenses	125,000				125,000
Unified Mobility App (UMA)	361,901				361,901
MAOC Facilities Upgrades	1,193,432				1,193,432
MAOC Electrical Upgrades	300,000				300,000
HVAC Replacements	200,000				200,000
Fixed Route Vehicle Replacements & Expansion - (1 Bus)	920,093				920,093
Safety & Security Window Film for JTA Facilities	50,000				50,000
Safety & Security CCTV	29,907				29,907
LOGT2 - 8th Street Complete Streets	-		83,420		83,420
LOGT2 - University-Arlington Rd to Expressway	-		1,394,384		1,394,384
LOGT2 - County Wide Transit Enhancements (ADA)	-		250,000		250,000
Bus Division Total	**17,109,406**	**-**	**1,727,804**	**-**	**18,837,210**
Connexion Division					
Safety & Security - Paratransit Vehicle AI Camera & Analytic System	215,000				215,000
Demand Response Vehicles Replacement - (0, 3 Cutaways, 9 Mini-bus, 3 Cutaways -, 9 Mini-bus)					-
Demand Response Vehicles Replacement (0, 4 Cutaways, 0, 4 Cutaways, 5 Mini-bus)					-
Connexion Division Total	**215,000**	**-**	**-**	**-**	**215,000**
Skyway Division					
Skyway Shop Equipment	53,600		-		53,600
IT Infrastructure - UPS	138,765		-		138,765
Escaltor Upgrades & Modernization	300,000		-		300,000
Station Communication	720,000		-		720,000

Skyway Stations Renovations & Modernization	16,769		-		16,769
LOGT2 - U2C Skyway Conversion - 2025	-		2,000,000		2,000,000
LOGT2 - Skyway Rehabilitation & DT Service Expansion - Fleet	-		1,000,000		1,000,000
Skyway Division Total	**1,229,134**	**-**	**3,000,000**	**-**	**4,229,134**
Ferry Division					
LOGT2 - New Ferry Boat	7,800,000		1,950,000		9,750,000
Ferry Division Total	**7,800,000**	**-**	**1,950,000**	**-**	**9,750,000**
General Fund Division					
LOGT2 - Global Program Management			409,903		409,903
LOGT2 - Workforce Development			-		-
LOGT2 - JRTC Rail Terminal Project Development			300,000		300,000
LOGT2 - Edgewood Ave Corridor			-		-
LOGT2 - Lem Turner Corridor			-		-
LOGT2 - Lenox Ave Corridor			-		-
LOGT2 - Dunn Avenue Corridor			-		-
LOGT2 - Philips Highway Corridor			-		-
LOGT2 - Kings Road Corridor			-		-
LOGT2 - Park Street Blanding Blvd Corridor			-		-
LOGT2 - Emerald Trail PDE 4-Segments			-		-
LOGT2 - Emerald Trail Segment 3 SW Connector (JTA)			9,643,356		9,643,356
LOGT2 - Emerald Trail Segment 4 (S-Line Connector)			2,105,803		2,105,803
LOGT2 - Emerald Trail Segment 6 (West Side Connector)			-		-
LOGT2 - Emerald Trail Segment 7 (Northwest Connector)			-		-
LOGT2 - Emerald Trail Segment 8 (Eastside Connector)			-		-
LOGT2 - JTA Project Administration Incl Contingency			528,926		528,926
LOGT2 - GW Jax Project Administration Incl Contingency			-		-
LOGT2 - Emerald Trail General			-		-
General Fund Division Total	**-**	**-**	**12,987,988**	**-**	**12,987,988**
Total Capital Projects	**26,353,540**	**-**	**19,665,792**	**-**	**46,019,331**

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN VISION, INC. (DVI)

BACKGROUND:

Downtown Vision Inc. (DVI) is a not-for-profit 501(c)(6) organization whose mission is to build and maintain a healthy and vibrant downtown community and to promote downtown as an exciting place to live, work and visit. A public hearing on the DVI Budget will be held August 19, 2026 at the regular City Council Finance Committee meeting.

DVI operates an affiliate 501(c)(3) organization called Downtown Vision Alliance (DVA) to attract donated dollars. The budget for DVA is not included in the FY 2026/27 Mayor's Proposed Budget.

ESTIMATED REVENUES	Proposed FY 2026/27	Council Adopted FY 2025/26	Change	Change in %
Assessed Properties	$ 2,186,964	$ 2,116,340	$ 70,624	3.3%
City of Jacksonville	823,834	804,877	18,957	2.4%
Other Sources	67,000	138,269	(71,269)	(51.5%)
Total Estimated Revenues	$ 3,077,798	$ 3,059,486	$ 18,312	0.6%

APPROPRIATIONS

	Clean, Safe and Attractive	Marketing, Promotions, Special Projects	Business & Stakeholder Support	Management & General	Mayor's FY 2026/27 Proposed	Council Adopted FY 2025/26	Change	Change in %
Personnel Services	$ 198,531	$ 649,181	$ 545,880	$ 121,055	$ 1,514,647	$ 1,271,004	$ 243,643	19.2%
Operating Expenses	1,308,250	178,567	38,167	38,167	$ 1,563,151	1,788,482	(225,331)	(12.6%)
Total Appropriations	$ 1,506,781	$ 827,748	$ 584,047	$ 159,222	$ 3,077,798	$ 3,059,486	$ 18,312	0.6%

ESTIMATED REVENUES:

1. Assessed Properties:
   - DVI's main source of revenue is a 1.1 mill special assessment of downtown commercial and residential non-homestead property owners (with limited exemptions) within the designated boundary. The budgeted assessment is estimated to be $2,186,964.

2. City Contribution:
   - The amount of $823,834 is the City's contribution to DVI. The City voluntarily contributes the equivalent of 1.1 mills of the City's assessed property value within the designated boundary with no early payment discount.

3. Other Sources:
   - The decrease of $71,269 is mainly due to a decrease in contractual service revenue associated with the Ambassadors program at some JTA Skyway stations and marketing and research support for the City (Downtown Investment Authority).

APPROPRIATIONS:

1. Personnel Services:
   - The increase of $243,643 is mainly due to an increase in salaries and benefits associated with the new Vice President of Urban Systems, proposed cost of living adjustments, general increases in employer health insurance costs, and retirement contributions. Per DVI, "*The Vice President of Urban Systems is intended to play a central role in aligning public, private and philanthropic efforts. The role defines, builds and stewards the systems that coordinate people, policies, projects and partnerships across Downtown.*"

2. Operating Expenses:
   - The decrease of $225,331 is primarily due to less available funding after personnel costs as well as less costs related to the JTA Skyway Ambassador Program due to a change in the contract.

     Note - The proposed budget does not include rent for DVI's location in the Duval Street Parking Garage. The lease agreement between DVI and the City allows DVI to satisfy the lease payment requirements with the value of services provided.

SERVICE LEVEL CHANGES:

The reduction in services previously provided by DVI are anticipated to be provided by DVA.

RECOMMENDATIONS:

None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)

PROPOSED BUDGET BOOK - Page # 95 - 97

BACKGROUND:
The Downtown Investment Authority (DIA) was created in 2012 to revitalize Jacksonville's urban core by utilizing community redevelopment area (CRA) resources to spur economic development. The DIA is governed by Chapter 55 of the Municipal Code and is granted oversight for the Downtown Northbank CRA, the Southbank CRA, and the City Parking Garages. This portion of the department's budget only includes the General Fund/General Services District activities.

REVENUE:
1. Miscellaneous Revenue:
   - The proposed amount of $6,000 includes fee revenue for applications that are submitted to the Downtown Development Review Board.

EXPENDITURES:
1. Salaries:
   - The net decrease of $9,570 is due to the elimination of funding for the DIA Marketing and Public Relations Manager position, which offset the standard 3% increase and some other salary adjustments due to employee turnover.

2. Employer Provided Benefits:
   - The increase of $77,557 is mainly due to the planned increase in group health premiums, which are proposed to be covered by the employer for FY 2026/27.

3. Internal Service Charges:
   - The decrease of $149,421 is predominantly due to a decrease of $119,022 in legal charges. There is also a decrease of $28,773 in computer systems maintenance and security due to a change in the allocation methodology.

4. Professional and Contractual Services:
   - This amount represents various contractual and professional services such as appraisals, environmental monitoring, transcription services, audits, and special projects.

Continues on Next Page

5. Other Operating Expenditures:
   - This amount includes $125,000 for event contributions as shown on the table below.

Description of Event	FY 2025/26 Proposed Budget	FY 2026/27 Proposed Budget
Jazz Festival	$ 45,000	$ 45,000
Various Events	$ 35,000	$ 26,000
DVI - Sip N Stroll	$ 45,000	$ 54,000
	$ 125,000	$ 125,000

6. Supervision Allocation:
   - This amount represents the administrative costs of the Downtown Investment Authority for the supervision of Public Parking (Fund 41102) and the CRA activities. The decrease in the amount allocated is due to a reduction in the OGC – Legal charges being allocated to this activity, partially offset by salary and general cost increases.

FOOD AND BEVERAGE EXPENDITURES:

Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
$1,000	Downtown Investment Authority Public Meetings	Water, coffee, tea associated with holding Public Meetings.

EMPLOYEE CAP CHANGES:
No Change.

SERVICE LEVEL CHANGES:
None.

RECOMMENDATIONS:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
DOWNTOWN ECONOMIC DEVELOPMENT FUND (FUND 00116)

PROPOSED BUDGET BOOK - Page # N/A

BACKGROUND:
The Downtown Economic Development Fund is governed by Section 55.112(a) of the Municipal Code and "*shall consist of all donations and contributions of money, including gifts and grants received by the City, for use in furthering the goals of the DIA, as well as funds as may be appropriated from time to time by Council.*

(i) All sums placed into the Fund, which shall include all interest and investment pool earnings earned or accrued thereon, shall be accounted for in a separate account and shall not lapse at the close of any fiscal year but instead shall carry over to the next fiscal year.

(ii) The DIA shall supervise and administer the Fund for purposes established in the BID Plan, as amended from time to time, for Projects and Programs located within the Downtown. The DIA shall review, approve and administer the Fund consistent with the Council-appropriated budget and no additional approval shall be required from the Council for expenditure of funds in accordance with the Council appropriated budget.

REVENUES:
No new revenues are being appropriated to or in this fund.

EXPENDITURES:
No new expenditures are being appropriated in FY 2026/27. The proposed budget includes the following net zero changes due to moving funding into the newly created Completion Grant account for the following projects expected to be paid out during FY 2026/27.

- $25,834,887 for the Shipyards / Iguana Compilation Grant,
- $3,000,000 for the Rise-Doro grant, and
- $1,100,000 for the Osprey River/Gateway N4 development.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
There are no authorized positions in this subfund.

RECOMMENDATIONS:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (FUND 41102)

PROPOSED BUDGET BOOK - Page # 98-100

BACKGROUND:
The Office of Public Parking is a part of the Downtown Investment Authority. The agency manages:

- Parking lots (Bay/Ocean Street, Catherine/Bay Street, Liberty Street Kiosk, and five parking lots in the Southbank area)
- Garages (Ed Ball, Main Library, St. James Building, Water Street, and Yates Building)
- Single-space Parking meters (567 digital meters and 37 mechanical meters)
- 38 multi-space parking meter kiosks on Adams and Forsyth Street for on-street parking.

Revenues are generated through daily and monthly parking fees, as well as other fines and forfeitures.

Note: Separately, under the Northbank CRA, DIA also manages the Arena Garage, Sports Complex Garage, and the Courthouse Garage (MPS Garages).

REVENUE:
1. Permits and Fees:
   - The $87,265 represents permits for scooters and on-street parking placards, as well as wrecker and towing firm fees for vehicles left unattended after 24 hours.

2. Charges for Services:
   - The net increase of $490,502 is mainly due to an anticipated increase in monthly parking fees and special events parking fees based on current year actuals. Included in this line is the 50% contribution by the City to cover the City employee discount ($456,960).

3. Fines and Forfeits:
   - The $472,453 represents the parking fines net of the portions to the Police and Fire Pension Fund and Disabled Trust Fund. The slight decrease is based on current trends.

4. Transfers from Fund Balance:
   - The budgeted amount in FY 2025/26 was a one-time transfer from fund balance to cover a subsidy to the Group Health plan associated with the cost of the employees in this fund.

EXPENDITURES:
1. Salaries:
   - The increase of $68,026 is due to the 3% salary increase for FY 2026/27 consistent with non-public safety collective bargaining agreements, a one-time lump sum payment based on the collective bargaining agreements, and an increase in part-time personnel costs based on recent spending trends.

PROPOSED BUDGET BOOK - Page # 98-100

2. Calculated Vacancy Rate Contra Expense:
   - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2026/27.

3. Pension Costs:
   - The increase of $27,928 is due to the salary increases and employee turnover.

4. Employer Provided Benefits:
   - The increase of $127,398 is due to the planned increase in group health premiums, which are proposed to be covered by the employer for FY 2026/27.

5. Insurance Costs and Premiums – Allocations:
   - The net decrease of $23,351 is mainly due to a decrease of $19,195 in miscellaneous insurance costs attributable to a reduction in property insurance premium costs and a decrease of $4,156 in general liability insurance driven by a decrease in claim experience in this area.

6. Professional and Contractual Services:
   - This represents the costs of contracted maintenance services for the downtown south bank parking lots.

7. Other Operating Expenses:
   - The net increase of $287,975 is primarily due to the addition of $168,506 in funding for new parking garage equipment and an increase of $100,714 in funding for the citation management database used to track parking citation payments and manage enforcement handheld devices.

8. Supervision Allocation:
   - This represents the share of the departmental administration costs from the Downtown Investment Authority which are allocated to this fund.

9. Indirect Cost:
   - This is an allocation of costs to operate central services of the City (e.g., employee, accounting, and procurement services) as calculated by the City's independent consulting firm.

10. Transfers to Other Funds:
    - The amount in FY 2025/26 represented a one-time transfer of $147,434 to the Group Health fund (56201) to help cover group health costs of the employees in this fund.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (FUND 41102)

PROPOSED BUDGET BOOK - Page # 98-100

EMPLOYEE CAP CHANGES:
There are no changes to the employee cap.

CAPITAL OUTLAY CARRYFORWARD:
None.

SERVICE LEVEL CHANGES:
None.

RECOMMENDATIONS:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)

PROPOSED BUDGET BOOK - PAGE #51 - 53

	2025/26 APPROVED BUDGET	2026/27 PROPOSED BUDGET	INCREASE/ (DECREASE)	F/N
REVENUES				
Property Taxes - Northwest USD1-B	$ 9,298,020	$ 9,604,696	$ 306,676	(A)
Property Taxes - Northeast USD1-C	5,219,320	5,556,847	337,527	(A)
Interest Income	1,193,093	1,338,592	145,499	(B)
Churchwell Loft Lease	-	12,697	12,697	(C)
Adams Street Garage - MPS	750,000	704,300	(45,700)	(D)
Courthouse Garage - MPS	275,000	633,842	358,842	(D)
Courthouse Garage Tenant Lease - MPS	116,473	94,260	(22,213)	(D)
Sports Complex Garage - MPS	1,200,000	1,160,991	(39,009)	(D)
North Florida Land Trust Lease (DIA Resolution 2017-05-01)	-	71,100	71,100	(E)
Johnson Commons	50,000	-	(50,000)	(F)
Debt Repayment (Lynch /11E)	11,350,329	-	(11,350,329)	(G)
Debt Repayment (Carling Loan)	11,256,114	-	(11,256,114)	(G)
Total Revenues:	**$ 40,708,349**	**$ 19,177,325**	**$ (21,531,024)**	
EXPENDITURES				
Administrative Expenditures				
Supervision Allocation	$ 1,446,266	$ 1,465,239	$ 18,973	(H)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	$ 1,448,766	$ 1,467,739	$ 18,973	
Financial Obligations				
Recaptured Enhanced Value (REV) grants				
Fidelity National Information Services (leg: 2019-596)	$ 1,127,706	$ 1,115,250	$ (12,456)	
Fincantieri (DIA Res. 2022-04-10)	64,000	69,557	5,557	
Fuqua BCDC - One Riverside (leg: 2021-796 Residential)	-	621,966	621,966	(I)
Fuqua BCDC - One Riverside (leg: 2021-796 Retail)	-	100,810	100,810	(I)
Hallmark / 220 Riverside (leg: 2012-270)	475,000	478,256	3,256	
Lofts at Brooklyn (DIA resolution 2018-09-01)	48,500	47,662	(838)	
Lofts at Jefferson Station (DIA resolution 2017-10-05)	33,000	33,778	778	
Park View Plaza (leg: 2015-037)	157,000	160,125	3,125	
Pope & Land / Brooklyn (leg: 2012-703 amend: 2013-288)	410,000	403,478	(6,522)	
Rise Doro (leg: 2024-633)	-	461,545	461,545	(J)
Vista Brooklyn (leg: 2012-703)	502,000	414,003	(87,997)	(K)
Economic Incentives				
Downtown Preservation and Revitalization Program	3,528,336	-	(3,528,336)	(L)
Snyder Historic Renovation Incentives	3,500,000	-	(3,500,000)	(M)
MPS Downtown Garages				
Operating Lease - Leaseholder Improvements	25,000	25,000	-	(N)
Miscellaneous Insurance	288,458	273,961	(14,497)	(O)
Debt Service Principal - Debt Defeasance (leg. 2022-137)	1,500,000	1,500,000	-	(P)
Debt Service Interest - Debt Defeasance (leg. 2022-137)	485,709	485,684	(25)	(P)
Garage Operations - Arena (Adams Street)	200,000	105,979	(94,021)	(N)
Garage Operations - Courthouse	400,000	161,860	(238,140)	(N)
Garage Operations - Sports Complex	250,000	153,031	(96,969)	(N)
Lynch Bldg. Loan Repayment	5,910,957	-	(5,910,957)	
Total Financial Obligations:	$ 18,905,666	$ 6,611,945	$ (12,293,721)	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)

PROPOSED BUDGET BOOK - PAGE #51 - 53

	2025/26 APPROVED BUDGET	2026/27 PROPOSED BUDGET	INCREASE/ (DECREASE)	F/N
Plan Authorized Expenditures				
Capital Projects				
Riverwalk Enhancement and Signage	$ 250,000	$ -	$ (250,000)	(Q)
Two Way Conversion - Forsyth & Adams	5,000,000	-	(5,000,000)	(Q)
McCoys Creek Park CRA	-	1,250,000	1,250,000	(R)
Riverfront Plaza Restaurant	-	4,000,000	4,000,000	(S)
Laura / Hogan Core Streetscape - Art and Lighting	500,000	-	(500,000)	(T)
Liberty Street Improvements	-	1,290,981	1,290,981	(U)
Miscellaneous Grants	-	3,500,000	3,500,000	(V)
Professional Services	350,000	250,000	(100,000)	(W)
Retail Enhancement Program	1,000,000	741,139	(258,861)	(W)
River and Tributary Access	50,000	-	(50,000)	(T)
Streetscape	500,000	-	(500,000)	(T)
Urban Art	100,000	-	(100,000)	(T)
Waterfront Enhancements	50,000	-	(50,000)	(T)
Wayfarer Signage	500,000	-	(500,000)	(T)
Unallocated Plan Authorized Expenditures	12,053,917	65,521	(11,988,396)	(X)
Total Plan Authorized Expenditures:	$ 20,353,917	$ 11,097,641	$ (9,256,276)	
Total Expenditures:	**$ 40,708,349**	**$ 19,177,325**	**$ (21,531,024)**	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)

PROPOSED BUDGET BOOK - Page # 51 - 53

BACKGROUND:
The Downtown Northbank CRA is comprised of the Northside West CRA created by Ordinance 81-562-240 on August 11, 1981 (set to end in 2041) and the Downtown East CRA created by Ordinance 85-145-130 on March 12, 1985 (set to end in 2045). The Downtown Investment Authority sits as the CRA Board.

Chapter 163 of the Florida Statutes requires that up to 95% of ad valorem taxes levied above the taxable value prior to the establishment of the CRA must be paid to the tax increment district by the city and/or county government that is the taxing body which contains the tax increment district. These revenues may be utilized only for projects contained within the plan for the tax increment district.

REVENUES:
A. The proposed ad valorem tax revenue is calculated as follows:

	Northbank West USD1B	Northbank East USD1C
Base Year	1981	1984
Preliminary Taxable Values	$ 1,117,986,715	$ 724,381,616
Less Taxable Value in Base Year	214,636,423	201,743,546
Taxable Value Incremental Increases	$ 903,350,292	$ 522,638,070
Taxable Value Percentage Changes	420.9%	259.1%
Operating Millage Rates	11.1919	11.1919
Collection Rate	95.0%	95.0%
Total Ad Valorem Revenue	**$ 9,604,696**	**$ 5,556,847**

B. This represents estimated interest earnings for FY 2026/27.
C. This represents lease revenue received by the CRA for use of a City-owned surface parking lot adjacent to the Churchwell Lofts development.
D. This represents the anticipated revenue received from the operator of the Arena Garage, Courthouse Garage, and Sports Complex Garage (MPS Garages) net of the operators costs. The net increase of $251,920 is based on actuals and anticipated revenues received at the Courthouse Garage slightly offset by a decrease in the other garages.

E. This amount represents the annual lease fee of the former Brewster Hospital building. There was no revenue budgeted previously during the time when rent abatement was authorized. That has now ended and the monthly rent is $5,925 per month.
F. This amount represented anticipated penalty revenue for delayed construction based on the agreement. Substantial completion of Phase I has not occurred but the development is active and proceeding per DIA. All escrow funds for liquidated damages have been used.
G. The repayment of the Lynch and Carling Loans is anticipated to take place in August 2026, when the properties are sold. The full loan repayments were appropriated as part of the FY 2025/26 budget.

EXPENDITURES:

H. This amount represents the administrative costs of the CRA which are allocated from the DIA General Fund/General Services District.
I. These amounts reflect the first anticipated REV grant payments related to the One Riverside development. This development is still in progress.
J. These amounts reflect the first anticipated REV grant payment related to the Rise Doro development. This development is substantially completed.
K. The reduction in the annual REV grant payout for the Vista Brooklyn development is due to a reduction in the taxable value as a result of the Live Local Act property tax exemption.
L. The FY 2025/26 funding was for the 44 West Monroe Street and the 231 Laura Street historic renovation projects approved via Ordinances 2026-218-E and 2026-219-E, respectively.
M. The FY 2025/26 funding was appropriated to fund an incentive for the renovation of the Snyder Memorial Methodist Episcopal Church. A notice for disposition is anticipated to be issued in FY 2026/27.
N. These items represent costs associated with the MPS Garages (excluding the operator costs), including rent, utilities, repairs, and maintenance.
O. This amount represents the insurance premiums on the MPS Garages.
P. These amounts represents the principal and interest due on the bonds issued related to the acquisition of the MPS Garages.
Q. These capital projects were funded in FY 2025/26. No additional funds are required for these projects.
R. These funds are being appropriated for design of the McCoys Creek Park. Additional funds will need to be appropriated in the future for construction.
S. This amount represents a portion of the CRA's anticipated $8,000,000 contribution to the Riverfront Plaza Restaurant project. The remainder of the project and any cost overruns will be paid by the operator.
T. Based on availability of anticipated funding in FY 2026/27, taking into account other CRA priorities, no additional funding is proposed for these projects in FY 2026/27.
U. These funds will be used to create protected bike lanes and pedestrian improvements along Liberty Street.

PROPOSED BUDGET BOOK - Page # 51 - 53

V. These dollars are being set aside to fund the completion grant obligation associated with the Riverfront Plaza redevelopment pursuant to Ordinance 2025-319-E.
W. These amounts represent funding for programs from the updated BID and /or CRA Plan approved by Ord. 2022-372-E.
X. This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
There are no employees in this fund.

RECOMMENDATIONS:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)

PROPOSED BUDGET BOOK - PAGE #54 - 55

	2025/26 APPROVED BUDGET	2026/27 PROPOSED BUDGET	INCREASE/ (DECREASE)	f/n
REVENUES				
Property Taxes	$ 7,038,762	$ 7,458,748	$ 419,986	(A)
Interest Income	647,887	738,323	90,436	(B)
Total Revenues:	**$ 7,686,649**	**$ 8,197,071**	**$ 510,422**	
EXPENDITURES				
Administrative Expenditures				
Supervision Allocation	$ 564,517	$ 464,614	$ (99,903)	(C)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	$ 567,017	$ 467,114	$ (99,903)	
Financial Obligations				
Recaptured Enhanced Value (REV) grants				
CLL Artea (DIA Resolution 2022-02-04)	$ -	$ 355,264	355,264	(D)
Home Street Apartments (DIA Resolution 2017-08-03)	213,000	122,388	(90,612)	(E)
Southbank Apartment Venture (leg: 2018-658)	312,000	312,945	945	
Strand (leg: 2001-1329 amend: 2002-755 & 2006-1131)	572,000	381,344	(190,656)	(F)
Debt Service Interest - Strand Bonds 2014 Special Rev	102,976	95,590	(7,386)	
Debt Service Principal - Strand Bonds 2014 Special Rev	146,592	154,024	7,432	
Total Financial Obligations:	$ 1,346,568	$ 1,421,555	$ 74,987	
Plan Authorized Expenditures				
Capital Projects				
Broadcast Place Park	$ 1,500,000	$ 578,479	$ (921,521)	(G)
Flagler Ave. Shared Street	200,000	3,900,000	3,700,000	(H)
Riverwalk Enhancements and Signage	500,000	874,485	374,485	(I)
Southbank Parking	413,245	-	(413,245)	(J)
St Johns River Park Restaurant	1,750,000	500,000	(1,250,000)	(K)
Downtown Development Loan	50,000	-	(50,000)	(L)
Park Acquisition and Capital Improvements	-	150,000	150,000	(M)
Professional Services	250,000	250,000	-	
Retail Enhancement Program	200,000	-	(200,000)	(L)
River and Tributary Access	50,000	-	(50,000)	(L)
Streetscape	150,000	-	(150,000)	(L)
Unallocated Plan Authorized Expenditures	709,819	55,438	(654,381)	(N)
Total Plan Authorized Expenditures	$ 5,773,064	$ 6,308,402	$ 1,456,859	
Total Expenditures:	**$ 7,686,649**	**$ 8,197,071**	**$ 1,431,943**	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)

PROPOSED BUDGET BOOK - Page #54 - 55

BACKGROUND:
The Southside CRA Plan and associated Southside Community Redevelopment Trust Fund were created on February 24, 1981 (Ordinance 80-1347-704) and are set to end in 2041. The Downtown Investment Authority sits as the CRA Board.

Chapter 163 of the Florida Statutes requires that up to 95% of ad valorem taxes levied above the taxable value prior to the establishment of the CRA must be paid to the tax increment district by the city and/or county government that is the taxing body which contains the tax increment district. These revenues may be utilized only for projects contained within the plan for the tax increment district.

REVENUES:
A. The proposed ad valorem tax revenue is calculated as follows:

Base Year	1980
Preliminary Taxable Values	$ 790,645,323
Less Taxable Value in Base Year	89,127,781
Taxable Value Incremental Increases	$ 701,517,542
Taxable Value Percentage Changes	787.1%
Operating Millage Rates	11.1919
Collection Rate	95.0%
Total Ad Valorem Revenue	**$ 7,458,748**

B. This represents estimated interest earnings for FY 2026/27.

EXPENDITURES:
C. This amount represents the administrative costs of the CRA which are allocated from the DIA General Fund/General Services District. The decrease is mainly due to not having the full cost of an attorney that was added in FY 2025/26 within OGC that was to be dedicated to DIA items with most of the cost allocated to this CRA.
D. This amount represents the first anticipated REV grant payment related to the Artera multifamily development.
E. The reduction in the annual REV grant payout for the Home Street Apartments development is due to a reduction in the taxable value as a result of the Live Local Act property tax exemption.
F. The amount included in the proposed budget reflects the final anticipated REV grant payout related to the Strand development.

PROPOSED BUDGET BOOK - Page #54 - 55

G. These funds will go towards a joint project between DIA and Parks Recreation and Community Services for the construction of a park. The CRA's total contribution to the Project is anticipated to be $3 million.
H. This will bring total CRA appropriations to date for this project to $4.9 million. The project is currently in the design phase with construction anticipated to commence in FY 2026/27. Improvements are anticipated to extend from Riverplace Boulevard south to Prudential Drive and include public access connection to the Riverwalk.
I. This will bring total CRA appropriations to date for this project to $2.5 million. Project is currently in the design phase with construction anticipated to commence in FY 2026/27. Improvements will include expansion of the existing Riverwalk, addition of planters and trees, and lighting replacement.
J. The funding in FY 2025/26 was set aside for reconstruction of existing public parking under the Acosta Bridge.
K. These funds will go towards the engineering and construction of a waterfront restaurant to be available for future leasing. This will bring the total CRA appropriations for this project to $3.75 million.
L. Based on the availability of funding and projected need, these items in the BID and/or CRA Plan approved by Ord. 2022-372-E are not being funded in FY 2026/27.
M. These funds will be used for park improvements adjacent to the St. Johns River Park restaurant.
N. This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
There are no employees in this fund.

RECOMMENDATIONS:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
NON-DEPARTMENTAL
JACKSONVILLE BEACH TAX INCREMENT (FUND 10803)

PROPOSED BUDGET BOOK - Page #56-57

	USD2A Jax Beach Downtown	USD2B Jax Beach South Bank	FY 2026/27 Proposed Budget
TAXABLE VALUES & RATES			
Base Years	1983	1986	1983 & 1986
Preliminary Taxable Values	$ 1,089,987,049	$ 603,038,793	$ 1,693,025,842
Less Taxable Value in Base Years	(42,271,886)	(6,518,754)	(48,790,640)
Taxable Value Incremental Increases	**$ 1,047,715,163**	**$ 596,520,039**	**$ 1,644,235,202**
Taxable Value Percentage Increases	2478.5%	9150.8%	3370.0%
Operating Millage Rates (mills)	7.9012	7.9012	7.9012
Collection Rate	95.0%	95.0%	95.0%
REVENUE			
Ad Valorem Taxes - GF / GSD	**$ 7,864,297**	**$ 4,477,563**	**$ 12,341,860**
EXPENDITURES			
Contribution to Jacksonville Beach	**$ 7,864,297**	**$ 4,477,563**	**$ 12,341,860**

Percentage of USD2 Taxes Received by City of Jacksonville

	Countywide Levy	USD2 Levy
2026/27 Jax Beach Preliminary Taxable Values	$ 6,637,489,261	$ 6,637,489,261
Levy	11.1919 mills	7.9012 mills (A)
Collection Rate	95.5%	95.5%
Taxes	**$ 70,943,241**	$ 50,084,144
Less TIF		(12,341,860)
Net Revenue to City		**$ 37,742,284**

FOOTNOTES

(A) 7.9012 mills is 3.2907 mills less than the General Services District millage. Per the interlocal agreement, Jacksonvill Beach's millage rate shall be 3.2907 mills less than the General Services District rate. The USD2 levy is 70.6% of the 11.1919 mill rate levied county-wide.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE ECONOMIC DEVELOPMENT
KING SOUTEL TAX INCREMENT DISTRICT GSK (FUND 10805)

BUDGET BOOK REFERENCE - Pages #58-59

	2025/26 APPROVED BUDGET	2026/27 PROPOSED BUDGET	INCREASE/ (DECREASE)	Footnote
REVENUE				
Property Taxes	$ 4,813,654	$ 5,447,093	$ 633,439	(A)
Interest Income	253,288	380,919	127,631	(B)
Total Revenue:	**$ 5,066,942**	**$ 5,828,012**	**$ 761,070**	
EXPENDITURES				
Administrative Expenditures				
Professional Services	$ 1,000	$ 1,000	$ -	
Travel	4,000	4,000	-	
Local Mileage	500	500	-	
General Liability Insurance	-	-	-	
Advertising and Promotion	1,000	1,000	-	
OGC Internal Service	10,900	10,900	-	
Office Supplies	500	500	-	
Dues, Subscriptions	481	581	100	
Employee Training	1,000	1,000	-	
Supervision Allocation	179,063	202,759	23,696	(C)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	$ 200,944	$ 224,740	$ 23,796	
Financial Obligations				
Rev Grants				
Pritchard Hospitality (leg. 2022-118-A)	$ 45,000	$ 39,887	$ (5,113)	
Total Financial Obligations:	$ 45,000	$ 39,887	$ (5,113)	
Plan Authorized Expenditures				
Unallocated Plan Authorized Expenditures	$ 4,820,998	$ 5,563,385	$ 742,387	(D)
Total Plan Authorized Expenditures:	$ 4,820,998	$ 5,563,385	$ 742,387	
Total Expenditures:	**$ 5,066,942**	**$ 5,828,012**	**$ 761,070**	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE ECONOMIC DEVELOPMENT
KING SOUTEL TAX INCREMENT DISTRICT GSK (FUND 10805)

PROPOSED BUDGET BOOK - Page #58-59

BACKGROUND:
The King Soutel CRA was created by ordinance of the City of Jacksonville on November 10, 2008 (Ord. 2008-919-E) and is set to expire on November 10, 2038. The City Council sits as the CRA Board.

Chapter 163 of the Florida Statutes requires that up to 95% of ad valorem taxes levied above the taxable value prior to the establishment of the CRA must be paid to the tax increment district by the city and/or county government that is the taxing body which contains the tax increment district. These revenues may be utilized only for projects contained within the plan for the tax increment district.

REVENUES:

A. The proposed ad valorem tax revenue is calculated as follows:

Base Year	2008
Preliminary Taxable Values	$ 583,380,265
Less Taxable Value in Base Year	71,064,917
Taxable Value Incremental Increases	$ 512,315,348
Taxable Value Percentage Changes	720.9%
Operating Millage Rates	11.1919
Collection Rate	95.0%
Total Ad Valorem Revenue	**$ 5,447,093**

B. This represents anticipated interest earnings for FY 2026/27.

EXPENDITURES:

C. This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development and 50% of the CRA Coordinator position being allocated from the Renew Arlington CRA (10806). The increase is due to costs allocated from the General Fund.

D. This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE ECONOMIC DEVELOPMENT
KING SOUTEL TAX INCREMENT DISTRICT GSK (FUND 10805)

PROPOSED BUDGET BOOK - Page #58-59

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
There are no employees in this Fund.

RECOMMENDATIONS:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE ECONOMIC DEVELOPMENT
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (FUND 10806)

BUDGET BOOK REFERENCE - Page # 60-61

	2025/26 APPROVED BUDGET	2026/27 PROPOSED BUDGET	INCREASE/ (DECREASE)	Footnote
REVENUE				
Property Taxes	$ 2,957,478	$ 3,070,854	$ 113,376	(A)
Interest Income	252,353	324,479	72,126	(B)
Total Revenue:	**$ 3,209,831**	**$ 3,395,333**	**$ 185,502**	
EXPENDITURES				
Administrative Expenditures				
Permanent Salaries	$ 74,793	$ 77,037	$ 2,244	(C)
Part-Time Salaries	166,664	166,664	-	
Special Pay - Pensionable	310	610	300	(C)
Medicare	3,509	3,543	34	(C)
GEPP Pension Contribution	6,320	7,114	794	(C)
GEPP DB Unfunded Liability	12,022	12,732	710	(C)
Group Dental Plan	180	180	-	(C)
Group Life Insurance	266	274	8	(C)
Group Hospitalization Insurance	10,513	10,734	221	(C)
City Employees Worker's Compensation	121	128	7	(C)
Other Professional Services	1,000	1,000	-	
Travel Expense	4,000	4,000	-	
Local Mileage	500	500	-	
General Liability Insurance	896	1,027	131	
Advertising and Promotion	1,000	1,000	-	
ISA - Copy Center	148	178	30	
ISA - Ergonomic Assessment & Equipment	-	447	447	
ISA - OGC Legal	25,000	25,000	-	
Office Supplies - Other	500	500	-	
Dues and Subscriptions	481	581	100	
Employee Training Expenses	1,000	1,000	-	
Supervision Allocated	101,463	119,393	17,930	(D)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	$ 413,186	$ 436,142	$ 22,956	
Financial Obligations				
Infrastructure Development Grant College Park (CRA-2021-02)	$ 400,000	$ 400,000	$ -	(E)
Total Administrative Expenditures:	$ 400,000	$ 400,000	$ -	
Plan Authorized Expenditures				
Unallocated Plan Authorized Projects	$ 2,396,645	$ 2,559,191	$ 162,546	(F)
Total Expenditures:	**$ 3,209,831**	**$ 3,395,333**	**$ 185,502**	

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE ECONOMIC DEVELOPMENT
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (FUND 10806)

PROPOSED BUDGET BOOK - Page # 60-61

BACKGROUND:
The Renew Arlington CRA was created on November 24, 2015 (Ord. 2015-738-E) and is set to expire on December 31, 2035. The City Council sits as the CRA Board.

Chapter 163 of the Florida Statutes requires that up to 95% of ad valorem taxes levied above the taxable value prior to the establishment of the CRA must be paid to the tax increment district by the city and/or county government that is the taxing body which contains the tax increment district. These revenues may be utilized only for projects contained within the plan for the tax increment district.

REVENUES:

A. The proposed ad valorem tax revenue is calculated as follows:

Base Year	2015
Preliminary Taxable Values	$ 499,165,324
Less Taxable Value in Base Year	210,342,375
Taxable Value Incremental Increases	$ 288,822,949
Taxable Value Percentage Changes	137.3%
Operating Millage Rates	11.1919
Collection Rate	95.0%
Total Ad Valorem Revenue	**$ 3,070,854**

B. This represents anticipated interest earnings for FY 2026/27.

EXPENDITURES:

C. These amounts represent the cost associated with the CRA Redevelopment Manager position within this fund. 50% of these costs are allocated to the King Soutel CRA through the Supervision Allocation.

D. This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development, net of the cost allocated from this fund to the King Soutel CRA (10805) for the CRA coordinator position. The increase is due to an increase in costs being allocated from the General Fund.

PROPOSED BUDGET BOOK - Page # 60-61

E. In FY 2020/21 the CRA Board approved a $2,000,000 Infrastructure Development Grant (TID) for 903 University Blvd LLC to develop mixed-use commercial and residential or hotel property at the former site of the Town and Country Shopping Center. The City's full obligation has been appropriated, but only three of the installment payments have been made to date. **See Recommendation**

F. This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
None.

RECOMMENDATIONS:
We recommend removing the $400,000 appropriation for the College Park incentive and increase the Unallocated Plan Authorized Expenditure line by the same amount since this incentive was fully funded in FY 2025/26. Schedule S needs to be revised to reflect this change.

This will have no impact on Special Council Contingency.

RENEW ARLINGTON AREA CRA TRUST
FUND 10806

REVENUES	FY27 Proposed
Property Taxes	3,037,823
Interest Income	324,479
Total Revenues:	3,362,302

EXPENDITURES	FY27 Proposed
Administrative Expenditures	
Permanent Salaries	77,037
Part-Time Salaries	166,664
Special Pay - Pensionable	610
Medicare	3,543
GEPP Pension Contribution	7,114
GEPP DB Unfunded Liability	12,732
Group Dental Plan	180
Group Life Insurance	274
Group Hospitalization Insurance	10,734
City Employees Worker's Compensation	128
Other Professional Services	1,000
Travel Expense	4,000
Local Mileage	500
General Liability Insurance	1,027
Advertising and Promotion	1,000
ISA - Copy Center	178
ISA - Ergonomic Assessment & Equipment	447
ISA - OGC Legal	25,000
Office Supplies - Other	500
Dues and Subscriptions	581
Employee Training Expenses	1,000
Supervision Allocated	119,393
Annual Independent Audit	2,500
Total Administrative Expenditures:	436,142
Plan Authorized Expenditures	
Unallocated Plan Authorized Expenditures	2,959,191
Total Plan Authorized Expenditures:	2,959,191
Total Expenditures:	3,395,333

Revised Schedule S

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)

PROPOSED BUDGET BOOK - Page # 233-235

BACKGROUND:
The Office of Economic Development serves as the economic development agency (outside of downtown) for the City of Jacksonville, implementing policies that result in sustainable job growth, raising personal incomes and creating a broader tax base for the community. The office also oversees the administration of local and state incentives, redevelopment at the Cecil Commerce Center, the Northwest Economic Development Fund, provides staff support to two Community Redevelopment Areas, and includes the Jacksonville Film and Television Office and the Office of Equal Business Opportunity.

REVENUE:
1. Contribution from Local Units:
   - This previously represented a contribution from JEA related to the City's JSEB program. The agreement has been terminated by JEA and no replacement agreement is anticipated because JEA operates their own program.

EXPENDITURES:
1. Salaries:
   - The increase of $70,323 is due to an increase of $80,372 in permanent and probationary salaries mainly due to the standard proposed FY 2026/27 increase ($54,319) as well as employee turnover and position changes during FY 2025/26 ($26,053). This increase is partially offset by a decrease of $9,547 for part-time salaries.

2. Employer Provided Benefits:
   - The increase of $155,151 is primarily due to the planned increase in group health premiums, which are proposed to be covered by the employer for FY2026/27, and changes in employee elections.

3. Internal Service Charges:
   - The increase of $187,439 is mainly due to an increase in computer systems maintenance and security due to a change in the allocation methodology and increase in overall IT costs.

4. Professional and Contractual Services:
   - This amount includes $240,000 for four JSEB Entrepreneurship and Workforce Development Centers within the City, $35,000 for the JSEB Bootcamp services agreement with UNF, and $340,265 needed to bring the total JSEB funding excluding salaries and benefits to $750,000, of which a minimum of $200,000 shall be used for training programs, community outreach, and program marketing, pursuant to Section 126.605, Ordinance Code.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)

PROPOSED BUDGET BOOK - Page # 233-235

5. Other Operating Expenses:
   - The decrease of $12,050 is mainly due to the elimination of The Player's Championship contribution ($5,000) and reductions in other items to better align with actual usage.

6. Grants, Aids, & Contributions:
   - This funding is a grant for the UNF Small Business Development Center.

7. Supervision Allocation:
   - This amount represents administrative costs that are being allocated to the Cecil Commerce Center Fund (Fund 11312), King/Soutel CRA (Fund 10805), and the Renew Arlington CRA (Fund 10806). The increase in amount being allocated out is mainly due to an increase in the portion of administrative costs being allocated to the Cecil Commerce Center Fund.

8. Extraordinary Lapse
   - The decrease of $51,773 is due to the removal of the 2% operating lapse placed in non-public safety department's budgets during the FY 2025/26 budget process.

FOOD AND BEVERAGE EXPENDITURES:

FY 2026/27 Proposed	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
$200	Coffee for meetings with prospects.	To further redevelopment efforts in Jacksonville to promote job creation and private capital investment.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
None.

RECOMMENDATION:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
CECIL COMMERCE CENTER (FUND 11312)

PROPOSED BUDGET BOOK - Page # 236-238

BACKGROUND:
Pursuant to Section 111.625 of the Municipal Code, all revenues received or earned by the City from the development and operation of the Cecil Commerce Center are deposited into this trust fund. The funds are used for the improvements, repairs, or maintenance costs of the City's facilities at Cecil Commerce Center or other costs of undertaking City obligations, goals, and objectives at Cecil Commerce Center. The Office of Economic Development manages most of the operations except for a portion of the forestry-related activities that are managed by the Parks, Recreation, and Community Services Department.

This is an "all years" fund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing.

Overall Note –Annual revenue is typically in excess of $3 million.

REVENUES:
1. Miscellaneous Revenue:
   - The proposed FY 2026/27 budget appropriates $10,421,87 in previously earned gains/loss on the sale of real estate, mainly related to the sale of the Mega Site to be able to fund the previously authorized debt with paygo consistent with the original plan. This covers the transfers to the applicable CIP projects and the portion of the debt borrowed from within this fund.

2. Investment Pool/Interest Earnings:
   - The proposed amount is based on the anticipated interest earnings in FY 2026/27.

3. Debt Funding: Debt Management Fund:
   - The proposed budget removes $2.5 million in previously authorized debt funding associated with the Mega Site JEA Infrastructure project (2023-212-E), which is being replaced with available funding from the sale of the Mega Site consistent with the original plan.

EXPENDITURES:
1. Insurance Costs and Premiums – Allocations
   - The decrease of $13,071 is due to a decrease in miscellaneous insurance due to a decrease in the City's overall property insurance policy.

2. Professional and Contractual Services:
   - This funding is associated with the building and property maintenance contract at Cecil Commerce Center. The decrease of $77,353 is due to the continued need for funding for roof repairs of City buildings. Funding included in FY 2025/26 was supposed to be a one-time increase of $927,731.

PROPOSED BUDGET BOOK - Page # 236-238

3. Economic Incentives:
   - This represents funding for the Boeing Infrastructure Grant. This is the second of two installments.

4. Supervision Allocation:
   - This amount represents the administrative costs of Office of Economic Development staff for the time they spend on activities related to Cecil Commerce Center. The increase of $171,243 is mainly due to an increase in the percentage of costs being allocated.

5. Indirect Cost:
   - This is an allocation of costs to operate central services of the City (e.g., employee, accounting, and procurement services) as calculated by the City's independent consulting firm.

6. Transfers to Other Funds:
   - The proposed budget of $8,700,000 includes:
     - $5,600,000 – to replace debt funding for the Cecil Wetlands project,
     - $2,500,000 – to replace debt funding for the JEA Mega Site Infrastructure improvements, and
     - $1,827,779 – In additional funding for the Cecil Mega Site Rail Spur project.

   These increases are offset by a reduction of $1,227,779 in funding for the Logistics Lane – Road Extension project. We will have a recommendation related to this during the Meeting #5 when the CIP is discussed.

7. Other Uses – Debt Funded:
   - This amount is an "all-years" adjustment associated the JEA Mega Site Infrastructure . This is the reduction in the debt.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
There are no positions in this fund.

RECOMMENDATION:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
MEDICAL EXAMINER
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)

PROPOSED BUDGET BOOK - Page # 169 – 171

BACKGROUND:
The Medical Examiner provides autopsies, toxicological examinations, and histopathological preparations of tissues, autopsy reports, depositions, scene investigations, and expert witness testimony to Duval County, Nassau County, Clay County, the Department of Corrections of Union County (District IV), and parts of District III, which includes service to Columbia and Hamilton Counties.

REVENUE:
1. Charges for Services:
   - The net decrease of $177,092 is due to forecasted revenue projections based on current trends.

EXPENDITURES:
1. Salaries:
   - The increase of $104,451 is mainly due to the 3% increase for FY 2026/27 consistent with non-public safety collective bargaining agreements offset slightly by employee turnover.

2. Pension Costs:
   - The increase of $25,347 is due to the salary increases noted above and employee turnover.

3. Employer Provided Benefits:
   - The net increase of $185,460 is due to the planned increase in group health premium, which are proposed to be covered by the employer for FY 2026/27, as well as employee election changes.

4. Internal Service Charges:
   - The net increase of $31,852 is mainly due to an increase in costs for Building Maintenance.

5. Insurance Costs and Premiums - Allocations:
   - The net decrease of $10,490 is mainly due to a $7,110 decrease in General Liability Insurance related to a reduction in claims in recent years.

6. Professional and Contractual Services:
   - The net increase of $172,803 is mainly due to a contractual increase in costs of $152,200 for the new body transport contract and $20,603 for the toxicology contract.

PROPOSED BUDGET BOOK - Page # 169 – 171

7. Other Operating Expenses:
   - The increase of $171,876 is mainly due to an increase in maintenance costs at the new facility.

8. Extraordinary Lapse:
   - The decrease of $129,649 is due to the removal of the 2% operating lapse placed in non-public safety budgets departments during the FY 2025/26 budget process.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
None.

RECOMMENDATION:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
DUVAL COUNTY HEALTH DEPARTMENT
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 00111)

PROPOSED BUDGET BOOK – Page # 152 - 153

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

EXPENDITURES:
1. Internal Service Charges:
   - The net increase of $46,201 is primarily due to an increase of $61,839 in building cost allocation for the Ed Ball building due to an increase in space offset partly by a decrease of $19,743 in Building Maintenance – City Wide. This category is mainly represented by building ($483,548) and security costs ($176,683). Security is provided at two locations, the Duval County Health Dept. and the West Jax Family Health Center.

2. Grants, Aids and Contributions:
   - City funding has been provided for four programs, as listed below. The additional $100,000 in funding is intended to fund two part-time obstetric and gynecologic service providers in the primary clinic.

Program Name	FY2025/26	FY2026/27
Sexually Transmitted Diseases	$147,000	$147,000
Immunization	$308,292	$308,292
Hospital Emergency Room Alternatives	$200,243	$200,243
Primary Care	$550,000	$650,000
Total	**$1,205,535**	**$1,305,535**

SERVICE LEVEL CHANGES:
Additional obstetric and gynecologic services are proposed as mentioned above.

EMPLOYEE CAP CHANGES:
There are no City funded positions.

RECOMMENDATION:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
NEIGHBORHOODS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)

PROPOSED BUDGET BOOK – PAGE # 179 - 181

BACKGROUND:
The Neighborhoods Department includes Municipal and Code Compliance, Housing & Community Development, Mosquito Control and Office of the Director divisions. Within the Office of the Director, activities include Blight Awareness Campaign, and the Office of Neighborhood Services.

REVENUE:
1. Miscellaneous Revenue:
   - The increase of $9,000 is to better align with recent trends. This revenue includes miscellaneous sales and charges related to inspection fees in the Municipal Code and Compliance Division.

EXPENDITURES:
1. Salaries:
   - The net increase of $72,533 is primarily due to the 3% salary increase for FY 2026/27 consistent with non-public safety collective bargaining agreements ($167,053) and a one-time lump sum payment for non-public safety employees ($29,550). These increases were offset by the net effect of employee turnover and other position changes ($133,646).

2. Employer Provided Benefits:
   - The net increase of $447,665 is mainly due to the planned increase in group health premiums, which are proposed to be covered by the employer for FY 2026/27.

3. Internal Service Charges:
   - The net increase of $327,181 is mainly due to a $287,211 increase in OGC legal charges based on usage and a $114,750 increase in computer system maintenance and security costs due to an overall increase in the Technology Solutions budget and a change in the allocation methodology. This is offset by a decrease of $132,165 due to an overall decrease in Ed Ball building costs to be allocated due to there being no General Fund Loan payback in FY 2026/27.

4. Professional and Contractual Services:
   - The net decrease of $53,938 is to align with the current year trends. Per the Department, staffing issues caused there to be workflow issues mainly due to insufficient staffing and changes in leadership of Municipal Code and Compliance Division during FY2025/26. Staffing is actively being addressed, and usage is expected to increase in FY2026/27.

5. Other Operating Expenses:
   - The net decrease of $24,628 is mainly due to a reduction in various line items including other operating supplies, office supplies, and clothing, uniforms, and safety equipment.

PROPOSED BUDGET BOOK – PAGE # 179 - 181

6. Grants, Aids and Contributions:
   - This includes $400,000 to LISC for management and oversight of the CDC Organization Development Grants. The decrease of $900,000 is for the one-time funding for Local Capital Stack Development funding in FY 2025/26.

7. Extraordinary Lapse:
   - The decrease of $167,032 is due to the removal of the 2% operating lapse placed in non-public safety budgets departments during the FY 2025/26 budget process.

DIVISIONAL SUMMARY:

Division	FY 2025/26 Adopted	FY 2026/27 Proposed	% Change from FY26	$ Change from FY26	
Housing & Community Development	$ 1,002,499	$ 86,508	-91.4%	$ (915,991)	(A)
Mosquito Control	2,217,328	2,388,571	7.7%	171,243	(B)
Municipal Code and Compliance	6,801,000	7,297,614	7.3%	496,614	(C)
Neighborhoods Office of the Director	2,389,834	2,522,975	5.6%	133,141	(D)
Extraordinary Lapse*	(167,032)	-	N/A	167,032	
Department Total	**$ 12,243,629**	**$ 12,295,668**	**0.4%**	**$ 52,039**	

*This is the 2% operating lapse placed in non-public safety department's budgets during the FY 2025/26 budget process.

A. The decrease of $915,991 in the Housing & Community Development Division is mainly due to one-time funding of $900,000 for Local Capital Stack Development in FY 2025/26.

B. The increase of $171,243 in the Mosquito Control Division is mainly due to an increase of $93,450 for group health premiums and a net increase of $49,167 for various internal service charges.

C. The increase of $496,614 in the Municipal Code and Compliance Division is mainly due to the following increases:
   - $270,807 for group health premiums.
   - $185,772 in net increases for various internal service charges.
   - $98,981 for salaries due to the 3% salary increase for FY 2026/27, transfer of part-time hours from NBOD Division, and the one-time lump sum payment for non-public safety union employees.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
NEIGHBORHOODS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)

PROPOSED BUDGET BOOK – PAGE # 179 - 181

D. The increase of $133,141 in the Neighborhoods Office of the Director Division is mainly due to the net increase of $108,233 for internal service charges and an increase of $78,718 for group health premiums. This is offset by a decrease of $53,970 for salaries mainly due to reclassification of positions within the NBOD Division and transfer of part-time hours to NBCC Division.

FOOD AND BEVERAGE:
(Includes funds/grants outside the General Fund/GSD related to the Neighborhoods Department)

FY 26/27 Requested	Description of each service / event that requires the purchase of food and/or beverages	Explanation that the service / event serves a public purpose
$1,000	Training on site for landlords.	Foreclosure program schedule training for Jacksonville citizens that are landlords; light snacks are provided during these trainings.
$5,500	CommUniverCity: Neighborhood Award Program and other community leadership programs	The majority of the events are held on an annual basis to provide leadership training and recruit CPAC membership.
$141	CommUniverCity - 8 classes plus Graduation	Provides a catered luncheon and cake for participants.
$143	Community Clean-Up Training Session	Workshop ranging 4 hours
$143	Community Engagement Training	Workshop ranging 4 hours
$143	Condo Association Training	Workshop ranging 4 hours
$143	CPAC Chair and Vice Chair Training	Workshop ranging 4 hours
$143	Home Owner Association Training	Workshop ranging 4 hours
$143	Hurricane Preparedness Workshop & other Neighborhood Services	Workshop ranging 4 hours
$143	Joint CPAC Workshop - Meet your CPAC Leaders meetings - 1 per district	Workshop ranging 4-6 hours
$143	Meeting with recent CommUniverCity Graduates - Update	Workshop ranging 4 hours
$143	Neighborhood Bus Tour featuring Community Projects	Bus Tour ranging 4-6 hours
$143	Neighborhood Leadership Training	Workshop ranging 4 hours
$143	Public Speaking for Community Groups	Workshop ranging 4 hours
$143	Technology & Social Media Training for Neighborhood Organizations	Workshop ranging 4 hours
$143	Various Training	Workshop ranging 2-4 hours

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
NEIGHBORHOODS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)

PROPOSED BUDGET BOOK – PAGE # 179 - 181

EMPLOYEE CAP CHANGES:
None.

SERVICE LEVEL CHANGES:
One-time funding of $900,000 in FY 2025/26 for Local Capital Stack Development funding has been removed.

RECOMMENDATION:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
NEIGHBORHOODS
MOSQUITO CONTROL - STATE (FUND 00112)

PROPOSED BUDGET BOOK – Page # 182 - 183

BACKGROUND:
The Mosquito Control – State Fund is mandated by Florida Statute section 388.261 to administer mosquito control activities within the county. The proposed budget for the Mosquito Control Division in FY27 will continue to support efforts to control the population of mosquitoes and help reduce mosquito borne illnesses in Duval County. This fund only represents the state funding for Mosquito Control.

The City is required by Florida Statute section 388.311 to budget prior year unexpended state funds for mosquito control operations. This was done in the current year through Ordinance 2026-225-E.

REVENUE:
1. Intergovernmental Revenue
   - The amount of $62,588 is the estimated revenue from the Florida Department of Agriculture and Consumer Services.

2. Investment Pool/Interest Earnings
   - The $2,415 represents the anticipated investment pool earnings in FY 26/27.

EXPENDITURES:
1. Other Operating Expenses
   - The increase of $17,500 was primarily due to other operating supplies, which were offset by a decrease of $2,000 in miscellaneous services and charges.

SERVICE LEVEL CHANGES:
There are no significant service level changes.

EMPLOYEE CAP CHANGES:
There are no authorized positions in this fund.

RECOMMENDATION:
None.

Jacksonville Housing Finance Authority
FY 2026/27 Proposed Budget

		FY 2025/26 Approved	FY 2026/27 Proposed	Dollar Change	Percent Change
Estimated Revenues:					
385020	Bond Issuer Fees	$ 391,221	$ 396,903	$ 5,682	1.45%
	Total Estimated Revenues	**$ 391,221**	**$ 396,903**	**$ 5,682**	**1.45%**
Estimated Expenditures:					
Operating Expenses					
531090	Professional Services	$ 270,200	$ 270,200	$ -	0.00%
540020	Travel Expense	$ 8,000	$ 8,000	$ -	0.00%
548010	Advertising and Promotion	$ 3,392	$ 3,392	$ -	0.00%
549040	Miscellaneous Services & Charges	$ 12,115	$ 12,114	$ (1)	-0.01%
549510	ISA-Computer Sys Maint&Security	$ -	$ 1,463	$ 1,463	0.00%
549512	ISA-Copy Center	$ 3,989	$ 3,989	$ -	0.00%
549529	ISA-Mailroom Charge	$ 2,100	$ 2,100	$ -	0.00%
549532	ISA-OGC Legal	$ 50,000	$ 50,000	$ -	0.00%
552060	Food	$ 3,000	$ 3,000	$ -	0.00%
554001	Dues and Subscriptions	$ 12,175	$ 12,175	$ -	0.00%
555001	Board Training Expenses	$ 3,750	$ 3,750	$ -	0.00%
	Bank Service Charges	$ 2,500	$ 6,720	$ 4,220	168.80%
	Sadowski Education Fund	$ 20,000	$ 20,000	$ -	0.00%
	Total Estimated Expenditures	**$ 391,221**	**$ 396,903**	**$ 5,682**	**1.45%**

* The JHFA utilizes Housing & Community Development Division staff on a cost-reimbursement basis as authorized in Section 52.105, Municipal Code.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
JACKSONVILLE HOUSING FINANCE AUTHORITY
HOUSING FINANCE AUTHORITY (FUND 81101)

BACKGROUND:
The Jacksonville Housing Finance Authority (JHFA) provides funds to support the development of housing for low-to-moderate income families through the issuance of tax-exempt bonds. The bond proceeds are utilized to make low interest loans. Ordinance 2014-185-E, enacted on August 12, 2014, classified the JHFA as an independent authority of the City of Jacksonville.

Ordinance 2023-492 changed some of the structure of JHFA. This included getting an annual independent financial audit and changes to the procurement and financial structure of the authority.

There was also an interlocal agreement (effective date October 1, 2024) entered into between JHFA and the City that changed some of the personnel cost allocations. This included the removal of allocated salary costs from JHFA's budget and the agreement of a monthly cost-reimbursement payment instead, as well as separate billing for the services provided by the Office of General Counsel.

It is important to note that only enough revenue is budgeted to cover the administrative/operating budget pursuant to Section 52.110 of the Ordinance Code.

REVENUES:
1. Bond Issuer Fees:
    - The $396,903 is the allocated portion of anticipated bond revenue for FY 2026/27 needed to cover the administrative budget.

EXPENDITURES:
1. Professional Services:
    - The Authority has no employees and relies on contracted labor. There is an interlocal agreement between JHFA and the Housing Division to pay the City for services rendered.

2. ISA-Computer Sys Maint&Security
    - This amount represents the allocated cost of City computer systems maintenance and security. **See Recommendation 1.** The JHFA does not utilize City-assigned systems or technology.

3. Bank Service Charges:
    - This item represents the banking fees that the Housing Authority pays to its commercial bank partner. This estimate needs to be increased to match actual costs of the service. **See Recommendation 2.**

4. Sadowski Education Fund:
    - The $20,000 represents an annual contribution at the State level to educate and lobby for Duval County and directly impacts the appropriation of SHIP funding.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
JACKSONVILLE HOUSING FINANCE AUTHORITY
HOUSING FINANCE AUTHORITY (FUND 81101)

SERVICE LEVEL CHANGES:
There is no change in service level.

AUTHORIZED POSITION CAP:
There are no authorized employees in this fund.

RECOMMENDATIONS:
1. We recommend amending Schedule N of the Budget Ordinance to remove the computer systems maintenance and security allocation of $1,463 and reduce Bond Issuer Fees by the same amount since this area does not use the City's services for computer technology.
2. We recommend amending Schedule N of the Budget Ordinance to increase Bank Service Charges by $3,000 from $6,720 to $9,720 to better align with actuals. This change will be offset by a decrease of $3,000 in Miscellaneous Services & Charges.

These will have no impact on the Special Council Contingency.

Jacksonville Housing Finance Authority
FY 2027 Budget

Estimated Revenues:			
385020	Bond Issuer Fees	$	395,440
	Total Estimated Revenues	**$**	**395,440**
Estimated Expenditures:			
Operating Expenses			
531090	Professional Services	$	270,200
540020	Travel Expense	$	8,000
548010	Advertising and Promotion	$	3,392
549040	Miscellaneous Services & Charges	$	9,114
549510	ISA-Computer Sys Maint&Security	$	-
549512	ISA-Copy Center	$	3,989
549529	ISA-Mailroom Charge	$	2,100
549532	ISA-OGC Legal	$	50,000
551010	Office Supplies - Other	$	-
552060	Food	$	3,000
554001	Dues and Subscriptions	$	12,175
555001	Board Training Expenses	$	3,750
	Bank Service Charges	$	9,720
	Sadowski Education Fund	$	20,000
	Total Operating Expenses	**$**	**395,440**

Note - This only reflects the Administrative Budget of JHFA.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT (FUND 00111)

PROPOSED BUDGET BOOK - Page #240 - 242

BACKGROUND:
The Office of Ethics, Compliance, and Oversight addresses citywide ethics, compliance, and oversight challenges.

REVENUES:
1. Contributions From Local Units:
   - This represents revenue from various Independent Authorities (JEA, JAA, JPA, JTA, JHA, and Police and Fire Pension Fund) for ethics training provided by the office. The decrease is mainly due to a request from JEA for reduction in revenue by $15,750 and is partially offset by a slight increase of $881 from the other Independent Authorities.

EXPENDITURES:
1. Salaries:
   - The net increase of $7,936 is due to the 3% salary increase for FY 2026/27 consistent with non-public safety collective bargaining agreements, which is slightly offset by employee turnover.

2. Pension Costs:
   - The net decrease of $9,349 is due to employee turnover.

3. Employer Provided Benefits:
   - The increase of $35,101 is mainly due to the planned increase in group health insurance premiums, which are proposed to be covered by the employer for FY 2026/27 as well as employee turnover and election changes by employees.

4. Internal Service Charges:
   - The net increase of $10,492 is mainly due to an increase of $9,344 in OGC legal allocation due to usage.

5. Extraordinary Lapse:
   - The decrease of $11,430 is due to the removal of the 2% operating lapse placed in non-public safety departments during the FY 2025/26 budget process.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
None.

RECOMMENDATION:
None.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE OF INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (00111)

PROPOSED BUDGET BOOK – Pages #270 - 272

BACKGROUND:
The independent Office of Inspector General provides increased accountability, integrity, and oversight of the executive branch, legislative branch, constitutional officers, and independent authorities of the City of Jacksonville, to assist in promoting economy and efficiency, improving agency operations, and deterring and identifying waste, fraud, and abuse.

REVENUE:
1. Contribution from Local Units:
   - This revenue represents contributions from JAA, JEA, JHA, JPA, JTA, and PFPF to provide funding support to the Office of Inspector General pursuant to a Memorandum of Understanding (MOU). However, the current MOUs will end on September 30, 2026. Per discussions with the Administration, they are working on new MOUs.

EXPENDITURES:
1. Salaries:
   - The net increase of $18,857 is due to the 3% salary increase for FY 2026/27 consistent with non-public safety collective bargaining agreements. However, reorganizational changes of unfunding one full-time position and using that funding for two part-time positions has offset some of the increase.

2. Pension Costs:
   - The net decrease of $5,853 is mainly due to less full-time staff due to the change noted above.

3. Employee Provided Benefits:
   - The net increase of $42,675 is mainly due to the planned increase in group health premiums, which are proposed to be covered by the employer for FY 2026/27.

4. Internal Service Charges:
   - The net increase of $29,788 is mainly due to an increase of $53,251 in computer system maintenance & security due to a change in the allocation methodology. This is partially offset by a decrease of $17,831 in OGC legal service based on recent usage and a decrease of $4,834 in Fleet vehicle replacement due to paying off one of the two vehicles in FY 2025/26.

SERVICE LEVEL CHANGES:
None.

EMPLOYEE CAP CHANGES:
There is one less full-time position funded, but there is an increase in part-time hours of 2,080 to allow the office to hire two part-time positions with the equivalent funding.

COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2026/27 BUDGET
OFFICE OF INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (00111)

PROPOSED BUDGET BOOK – Pages #270 - 272

RECOMMENDATION:
None.