City of Jacksonville

117 W. Duval Street
Jacksonville, FL 32202

Meeting Minutes

Tuesday, November 10, 2026

1:30 PM

Council Chamber,
1st Floor, City Hall

FAO Select Committee

Council Member Chris Miller, Chair
Council Member Ron Salem, Vice Chair
Council Vice President Joe Carlucci, Member

I. Call to Order and Introductions

Chair Miller convened the meeting at 1:30 p.m. and called for introductions.

II. Follow-up on any outstanding questions from last meeting

Chair Miller requested documents from JTA regarding the Board's overall responsibilities and the executive leadership team.

Philip Peterson, Council Auditor’s Office, said his office sent JTA several pages of questions and received responses. The responses were being reviewed, and relevant information would be reported to the Committee.

III. Continuation of CFO discussions

Chair Miller invited Raj Srinath, former JTA CFO, to provide testimony and respond to questions from the Committee.

Chair Miller asked Mr. Srinath whether he had watched earlier Committee sessions. Mr. Srinath indicated he had watched the November 2 session. Chair Miller then asked Mr. Srinath who the main speakers were that he observed from that session; he said that he listened to both Mr. Hayes and Ms. Obora.

Chair Miller asked Mr. Srinath to state his period of employment. Mr. Srinath said he was the CFO of JTA from October 16, 2023, until June 30, 2025. He added that he started a consulting practice after that and consulted for JTA from June 2026, after Ms. Obora's tenure, until July 2026, when Mr. Barnes became CFO.

Chair Miller asked Mr. Srinath how he would characterize JTA's financial state during his tenure. Mr. Srinath said that when he started, the FY 2022 audit was about 11 months late. He also said that a budget amendment was needed within his first few weeks. He said he was surprised that the Finance Department was split into two groups: Financial Planning and Asset Management reported to the CFO, while Accounting and Grant Management reported to the Assistant Vice President of Financial Planning and Procurement, a role Ms. Obora held at the time. He said this was unusual and caused disjointed communication within the department.

Chair Miller asked Mr. Srinath how he would characterize JTA's financial state upon his retirement in June 2025. Mr. Srinath provided some background information. He said that as of December 31, 2023, JTA's total cash balance was $164 million. He said that its cash balance as of September 2023 was $170 million. He said the reported cash balance included certain cash, such as roughly $13 million in bond proceeds and $12.5 million in debt service reserve, which he said did not truly belong to JTA. He said the cash balance was roughly $138.6 million in December 2023, excluding those other forms of cash. He said the balance when he left in June 2025 was about $89.7 million. He said both balances included LOGT II revenues that are to be used for specific purposes. He said LOGT II revenues increased by about $1 million per month while he was CFO, for a total of roughly $18 million. He said that cash reserves decreased from $156 million in June 2023 to about $89 million in June 2025.

Mr. Srinath continued, stating that JTA received approximately $70 million between 2019 and 2021 during COVID. He said those funds were largely used to support capital programs. By 2023, the capital program fund had $37 million left. Mr. Srinath added that in September 2023, the JTA Board had approved and increased autonomous vehicle program funding from $49.5 million to $65 million. He said this shifted the funding responsibility from 48 percent local funding and 52 percent from federal and state grants to 61 percent local funding and 39 percent from federal and state grants. He said that caused many cash challenges, and he noticed issues with the drawdown on all the grants. Mr. Srinath said that in 2024, it was apparent that JTA could only draw down a small amount of those grants.

Chair Miller noted that Mr. Hayes said he left a reserve balance of $187 million, which was reduced to $9 million in three years. He asked what policies were in place for reserves, what changed in those policies, and who decided to move reserves into the operating budget. Mr. Srinath said he did not recognize those numbers, but of the $170 million he did recognize, he asserted that it was all cash, not necessarily reserves.

Chair Miller asked what caused the sharp $100 million decline during Mr. Srinath's tenure. Mr. Srinath disagreed with classifying all cash as reserves and said some of his earlier statements were meant to explain the decline. He said the increase in the U2C/NAVI project was a draw on reserves, which was a Board decision in September 2023. He also said expenses were incurred due to grant issues, and in fall 2024, $14.2 million was spent that JTA could not draw down. He said that amount increased to $18.2 million by the time he departed.

Chair Miller noted there was still money unaccounted for and asked who gave guidance to draw from reserves and for what programs. Mr. Srinath said total cash used to support U2C/NAVI was $57.7 million and that the Board had previously approved $24 million, which then increased to $39.5 million. He said they could not draw down on grants, adding $18.5 million. He also said the Board approved a refinancing transaction of 2015 bonds, which were issued in two tranches in October 2024 and March 2025. He said the debt service reserves were used to lower debt. That amount was equal to $12-13 million. He also attributed the decrease to various capital projects that involved a local match.

CM Salem said it seemed that projections and balance sheets were provided to the Board by Mr. Hayes, but then those reports stopped during Mr. Srinath's tenure. He asked why those stopped. Mr. Srinath said he reviewed previous Board meeting minutes from September 2022 to September 2023 and did not see where Mr. Hayes attended those meetings, nor did he see projections presented to the Board except for a presentation provided by Mr. Hayes at an April 2023 meeting. CM Salem asked if he could confirm whether the Board was receiving that information. Mr. Srinath said he provided presentations based on what had been presented previously, which included monthly actuals vs. budget, year-to-date, and cash balances that were reported quarterly. He said that nobody ever mentioned that anything was missing.

CM Salem asked the Council Auditors to verify whether projections were provided before Mr. Srinath's tenure. Mr. Srinath added that he did provide a five-year forecast at the August 2024 Board retreat.

CM Salem said there were significant NAVI-related expenses left out of the budget, specifically $40 million. Mr. Peterson suggested that amount pertained to the FY 2025-2026 budget, when Mr. Srinath would not have been present. CM Salem asked why Accounting was separate from the CFO. Mr. Srinath said he could not explain the structure before he took the role, and that all sections reported to him once he took the role.

Chair Miller asked if the five-year forecast provided to the Board in August 2024 was the annual off-site forecast. Mr. Srinath confirmed it was. Chair Miller then asked again whether he provided monthly projections to the Board. Mr. Srinath said he provided what had previously been provided to the Board, based on his review of prior meetings. Chair Miller recalled that Mr. Hayes said he provided projections to the Board, which makes Mr. Srinath's statements confusing.

Mr. Peterson said they reviewed JTA Board packets, which included a page with year-to-date projections. He added that those pages are not included in the packets from the beginning of Mr. Srinath's time as CFO.

CM Diamond asked Mr. Srinath whether anyone asked him to do anything illegal or unethical. Mr.

Srinath said no.

CM Diamond then asked if he felt that JTA was going to be in financial trouble. Mr. Srinath said that when challenges with grant drawdowns started, he began to feel worried and reported those concerns to the CEO. CM Diamond asked if there was a specific time when he felt concerned. Mr. Srinath said that around the fall of 2024, the unbilled receivables on grants had reached a critical amount. CM Diamond asked whether he recalled Ms. Obora's testimony, in which she said near the beginning of 2024 Mr. Srinath told her that JTA was going to go broke. Mr. Srinath said he had no reason to think that at the beginning of 2024. He said he had met with Ms. Obora before his departure.

CM Diamond then asked what Mr. Srinath did when he sensed there was a problem. Mr. Srinath said he went to the CEO and had meetings with individual agencies about the drawdown of grants. CM Diamond asked if the leadership team agreed there was a problem. Mr. Srinath said there was no disagreement about the facts.

CM Diamond asked whether it was suggested not to go forward with NAVI/U2C because it was too expensive. Mr. Srinath said that the Board had already approved the project and that it was not his place to make that determination. He said there was never a discussion about cutting the program. CM Diamond then asked when the financial trouble worsened after the fall of 2024. He said that the drawdown issue had continued until he left.

CM Diamond asked whether Mr. Srinath quit or was let go. Mr. Srinath said he decided to retire. CM Diamond then asked why he retired. Mr. Srinath said he was eligible for retirement benefits and wanted to retire. He said he had expressed a desire to retire earlier in the year, and Mr. Ford asked him to stay. CM Diamond asked whether he and Mr. Ford had disputed the numbers; Mr. Srinath said no.

CM Diamond asked whether Mr. Srinath attended all or most Board meetings; he said he attended most. CM Diamond asked if he ever felt the Board was not informed about the numbers. Mr. Srinath said numbers were discussed and that Mr. Ford had detailed one-on-one meetings with Board members. CM Diamond asked whether he felt the Board was making a mistake. Mr. Srinath said he did not get that impression.

CM Diamond asked whether the drawdown of cash reserves occurred while Mr. Srinath was CFO. Mr. Srinath said he used capital program funds on capital projects. He also said that bond proceeds were used on projects. He said a large part of the drawdown stemmed from the additional $18 million that they could not draw down.

CM Diamond recalled that Mr. Hayes testified there was a Board policy requiring at least 25 percent in operating reserves that cannot be spent and asked if Mr. Srinath was familiar with the policy. He said he was familiar with it and that the Board changed the amount to 20 percent in September 2024. CM Diamond asked whether they had ever gone below that amount. Mr. Srinath said they went below it once in March/April 2025 to support a $5 million payment to a contractor. CM Diamond asked if the Board was apprised. Mr. Srinath said Mr. Ferguson was the signatory for that transaction and that the CEO was aware of it; he did not know if the Board was aware. CM Diamond asked if operation was wiped out to $0. Mr. Srinath said he was not there when that happened.

Chair Miller asked when the FY 2024-2025 ended. Mr. Peterson said that fiscal year would have ended on September 30, 2025. He added that the June 30, 2025, quarterly summary had a projected favorable variance of about $3 million, which shifted to a $19 million deficit by the end of the fiscal year. Chair Miller asked if Mr. Srinath had prepared that June 2025 quarterly summary. Mr. Srinath said he did not prepare that summary. Mr. Peterson clarified that the reporting period ended June 30 and the summary was due to the Council Auditors by July 30. He said that specific summary was submitted by Ms. Obora. Chair Miller asked for Mr. Srinath's assessment of what happened during that period. Mr. Srinath noted that what was provided in July were projections. Chair Miller asked whether he had a sense of what the end of the year would look like. Mr. Srinath asked the Council Auditors if the $19 million deficit was a projection. Mr. Peterson said it was, but noted it was based on 12 months of actuals. Mr. Srinath noted that many audits were done after the fact but hesitated to speculate on how the year would end.

CM Salem asked whether Mr. Srinath sensed things were deteriorating and whether that influenced how he advised people and his decision to depart. Mr. Srinath said he did not leave because of JTA's financial situation. He then said that, based on eight months of actuals at the time of his departure, JTA had a $1.3 million deficit. He said he discussed that with the CEO and the executive leadership team. He said that report went to the Board after he left. He also said that in April 2025, there was a deficit of roughly $2 million. CM Salem asked whether he thought it would get worse later in the year. Mr. Srinath said that if revenues decreased and expenses increased, it could have gotten worse, and that he had that conversation with the CEO. CM Salem asked if there was any indication that revenues would increase or that expenses would be controlled. Mr. Srinath said he had that conversation with the CEO.

Chair Miller asked if Mr. Srinath knew Michelle Markham and if she worked for Mr. Srinath. Mr. Srinath said she did. Chair Miller said that she was the person who signed the June 2025 quarterly report and asked what Mr. Srinath what their roles were in preparing the summary. Mr. Srinath said she was responsible for budgets, financial planning, and analysis. Chair Miller then asked whether Mr. Srinath had an exit interview with the CEO and whether they discussed what was coming down the road. He said he talked to the CEO about how expenses needed to be controlled. Chair Miller asked what the CEO's response was. Mr. Srinath said he acknowledged the concerns.

CM Salem said past testimony demonstrated that NAVI was important to the CEO and asked whether Mr. Srinath was part of conversations reflecting that. Mr. Srinath said that was the case and that considerable issues and concerns were expressed.

Chair Miller asked if Mr. Srinath prepared the FY 2026 budget before his departure. He said he did and discussed it with the Board before he left. Chair Miller asked Mr. Peterson to provide an overview of the FY 2026 budget and where it ended. Mr. Peterson said that based on numbers presented by Mr. Barnes, JTA finished the year with an unaudited deficit of $40 million due to a $7 million revenue shortfall and roughly $33 million in excess expenditures.

IV. Governance, Accountability & Financial Controls (time permitting)

V. Other Issues

VI. Chair's Comments

Chair Miller said he wanted to invite the last two Board Chairs to the Committee to testify. CM Salem said getting the Board Chairs' perspective would be important. He also said it would be important to get into JTA's current priorities at a future meeting. Chair Miller said he wanted to be mindful of the Administration when discussing JTA's next steps.

VII. Public Comments

VIII. Adjourn

Chair Miller adjourned the meeting at 3:05 p.m.