

OFFICE OF THE COUNCIL AUDITOR

FY 2021/2022 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

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**Meeting #4 - Independent Agencies
August 20, 2021**

**COUNCIL AUDITOR'S OFFICE
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MEETING #4**

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JEA
Comparison of Budgets
Approved FY 2020/21 to Proposed FY 2021/22
Electric, Water & Wastewater and District Energy System (000s)

	Electric		Water & Wastewater		District Energy		Transfers	Total	City
	Operating Budget	Capital Budget	Operating Budget	Capital Budget	Operating Budget	Capital Budget	In/Out	Budget	Contribution
FY 2020/21 Budget	\$1,247,147	\$290,945	\$512,287	\$327,862	\$9,328	\$3,036	-\$532,282	\$1,858,323	\$120,012.25
FY 2021/22 Proposed	\$1,289,900	\$240,802	\$541,509	\$362,402	\$8,840	\$5,550	-\$417,974	\$2,031,029	\$121,212.37
\$ Change	\$42,753	-\$50,143	\$29,222	\$34,540	-\$488	\$2,514	\$114,308	\$172,706	\$1,200.12
% Change	3.43%	-17.23%	5.70%	10.53%	-5.23%	82.81%	-21.48%	9.29%	1.00%

Notes:

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

	Budget FY 2020/21	Proposed FY 2021/22	Change
Electric System	1,527	1,527	0
Water & Wastewater System	625	650	25
District Energy System	6	6	0
Total JEA Employees	2,158	2,183	25

(2) Detail of City Contribution:

	Budget FY 2020/21	Proposed FY 2021/22	Change
Electric System	\$93,609.56	\$94,545.65	\$936.09
Water & Wastewater	\$26,402.69	\$26,666.72	\$264.03
Totals	\$120,012.25	\$121,212.37	\$1,200.12

**CALCULATION OF JEA ELECTRIC CONTRIBUTION
FOR FISCAL YEAR 2021-2022**

Month	Total kWh Sales (1)	Less Interchange kWh Sales (2)	Net kWh Sales
May 2020	908,162,442	-954,000	907,208,442
June	1,076,206,619	-237,000	1,075,969,619
July	1,272,612,594	-566,000	1,272,046,594
August	1,222,347,551	-1,127,000	1,221,220,551
September	1,204,795,835	-352,000	1,204,443,835
October	1,063,020,545	-510,000	1,062,510,545
November	878,662,277	-150,000	878,512,277
December	1,010,356,938	-75,000	1,010,281,938
January 2021	973,511,384	-169,000	973,342,384
February	892,269,583	-125,000	892,144,583
March	923,606,818	-2,455,000	921,151,818
April	889,796,610	-1,013,000	888,783,610
Totals	12,315,349,196	-7,733,000	12,307,616,196

(3) 0.007468

\$91,913,278

**CITY WATER/SEWER CONTRIBUTION FORMULA
FOR FISCAL YEAR 2021-2022**

MONTH	Water Consumption kGals (1)	Sewer Consumption kGals (1)	Adjustmen Total kGals (3)	Total Net Consumption kGals
May 2020	3,779,111	2,421,034	-308,019	5,892,125
June	3,915,382	2,538,441	-294,828	6,158,994
July	3,984,039	2,583,890	-294,794	6,273,134
August	3,556,967	2,331,972	-277,123	5,611,817
September	3,345,859	2,280,185	-225,845	5,400,199
October	3,279,012	2,267,356	-210,244	5,336,124
November	2,832,243	1,990,184	-158,893	4,663,534
December	3,358,370	2,377,659	-246,744	5,489,285
January 2021	3,004,246	2,180,449	-163,095	5,021,601
February	2,725,423	1,985,432	-176,076	4,534,780
March	3,131,800	2,330,494	-120,209	5,342,085
April	3,501,049	2,328,109	-294,125	5,535,033
Totals	40,413,501	27,615,205	-2,769,995	65,258,710

(2) 0.3892000

\$25,398,690

Notes:

- (1) kWh sales information is based on JEA's CMFTR124 monthly reports.
- (2) Interchange, the sale of electricity to other utilities, is not included in the contribution formula.
- (3) The current City contribution formula is based on multiplying 7.468 mills times total electric kWh sales less interchange sales for the twelve (12) months ending April of each year.
- (4) One quarter of a mill or \$3,076,904 has been dedicated to the JPA for port expansion.

Notes:

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

JEA
CALCULATION OF JEA CITY CONTRIBUTION
Proposed FY 2021/22

A Millage Calculation

Electric	\$91,913,278	78%
Water	25,398,690	22%
	<u>\$117,311,968</u>	

B Floor Calculation

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

Recommended Budget FY 2021/22

Electric	\$94,545,651	78%
Water	26,666,722	22%
Floor	<u>\$121,212,373</u>	

Conclusion

The millage calculation of \$117,311,968 is less than the minimum payment of \$121,212,373 therefore, the minimum payment of \$121,212,373 is the recommended budget for FY 2021/22 for the Electric and Water/Wastewater Systems

Notes:

A = Calculated as 7.468 mills times gross kilowatt-hours delivered by JEA to users of electricity in JEA's service area (less interchange sales) plus the amount calculated by multiplying 389.20 mills by the number of kGals of potable water and sewer service (excluding reclaimed water sales) provided to consumers during the twelve (12) month period ending April 30 of the previous year.

B = Notwithstanding the contribution calculated, JEA shall pay the City each fiscal year, from FY 2016/17 through FY 2022/23, an additional amount if necessary, to ensure a minimum annual increase of 1% using the fiscal year FY 2015/16 combined assessment of \$114,187,538 as the base year.

Although the annual transfer of available revenue from JEA to the City is based upon formulas that are applied specifically to the respective utility systems operated by JEA, JEA's Charter allows it to utilize any of its revenues regardless of source to satisfy its total annual obligation to the City.

JEA's Charter does not currently require a contribution from the District Energy System (Chilled Water).

JEA
Analysis of Proposed FY 2021/22 Electric System Operating Budget
FY 2020/21 Budget Compared to FY 2021/22 Proposed Budget
(000s)

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
Fuel Related Revenue & Expenses						
Revenue						
Fuel Related Revenue	\$410,913	\$244,005	396,237	\$368,900	-\$42,013	-10.22%
Net Fuel Related Revenues	\$410,913	\$244,005	396,237	\$368,900	-\$42,013	-10.22%
Expense						
Fuel Related and Purchased Power	\$374,174	\$245,987	409,584	\$375,632	\$1,458	0.39%
Transfer To/(From) Rate Stabilization	35,506	-2,515	-14,336	-7,285	-\$42,791	-120.52%
Uncollectible Accts.	1,233	533	989	553	-\$680	-55.15%
Net Fuel Related Expenses	\$410,913	\$244,005	396,237	\$368,900	-\$42,013	-10.22%
Fuel Fund Surplus (Deficit)	\$0	\$0	\$0	\$0	\$0	
Base Rate Revenue & Expenses						
Revenues						
Base Rate Revenue	\$802,162	\$482,611	779,791	\$793,366	-\$8,796	-1.10%
Investment Income	7,963	2,527	5,181	3,195	-\$4,768	-59.88%
Other Revenues	26,109	124,857	133,560	124,439	\$98,330	376.61%
Total Operating Revenues	\$836,234	\$609,995	\$918,532	\$921,000	\$84,766	10.14%
Expenses						
Operating & Maintenance	\$239,700	\$126,102	205,279	\$255,776	\$16,076	6.71%
Environmental Charge	-7,532	-1,117	-7,225	-1,558	\$5,974	-79.31%
Conservation Charge	7,174	4,116	6,788	6,832	-\$342	-4.77%
Natural Gas Pass Through Expense	915	662	963	918	\$3	0.33%
Non-Fuel Purchased Power	72,643	43,805	66,852	263,361	\$190,718	262.54%
Emergency Contingency	5,000	0	5,000	5,000	\$0	0.00%
PSC Fees	200	147	211	202	\$2	1.00%
Uncollectible Accts.	2,406	1,046	1,691	1,190	-\$1,216	-50.54%
Total Operating Expenses	\$320,506	\$174,761	\$279,559	\$531,721	\$211,215	65.90%
Operating Income	\$515,728	\$435,234	\$638,973	\$389,279	-\$126,449	-24.52%
Non-Operating Revenues/(Expenses)						
Debt Service	-\$131,173	-\$190,402	-232,716	-\$109,817	\$21,356	-16.28%
Operating Capital Outlay	-217,292	-134,000	-235,341	-116,621	\$100,671	-46.33%
Environmental Capital Outlay	-9,641	-5,762	-14,766	-3,295	\$6,346	-65.82%
Renewal & Replacement- Elec. Sys.	-64,012	-41,694	-62,540	-65,000	-\$988	1.54%
Interlocal Agreement	0	0	0	0	\$0	
Contribution to City's General Fund	-93,610	-62,406	-93,610	-94,546	-\$936	1.00%
Total Non-Operating Revenues/(Expenses)	-\$515,728	-\$434,264	-\$638,973	-\$389,279	\$126,449	-24.52%
Surplus/(Deficit)	\$0	\$970	\$0	\$0	\$0	
MWH Sales (000s)	12,810	7,569	12,315	12,200	-610	-4.76%
# of Accounts	491,789	496,200	498,556	501,049	9,260	1.88%

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	<u>\$ Change</u>	<u>% Change</u>
	<u>(000s)</u>	
Fuel Related Revenues:		
The decrease is due to a decrease in the Fuel rate from \$32.50 to \$30.50 per MWh and a decrease in projected sales from 12,810,000 MWh in FY 2020/21 to 12,200,000 MWh in FY 2021/22 due to the removal of a 5% contingency for weather.	-\$42,013	-10.22%
Fuel Related Expenses:		
Fuel Related and Purchased Power	\$1,458	0.39%
The increase is due to an increase in the average forecasted cost per MWh generated in FY 2021/22 due to higher projected solid fuel prices for Northside and slightly higher natural gas prices.		
Transfer To(From) Rate Stabilization	-\$42,791	-120.52%
The decrease is due to a projected withdrawal from the fuel rate stabilization fund of \$7.3 million due to a combination of lower fuel revenues from the lower projected sales of electricity and increased fuel expense. In the FY 2020/21 budget a \$35.5 million transfer to the fuel rate stabilization fund was budgeted and is the reason for the large variance.		
Uncollectible Accts	-\$680	-55.15%
The decrease is due to a decrease in the uncollectible rate from 0.3% to 0.15% which is based on improving economic conditions.		

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	<u>\$ Change</u>	<u>% Change</u>
	<u>(000s)</u>	
Base Related Revenues:		
Base Rate Revenue The decrease is primarily due to a decrease in projected sales from 12,810,000 MWh in FY 2020/21 to 12,200,000 MWh in FY 2021/22. The decrease is partially offset by a \$1.83 increase in the monthly Energy Charge. However, due to the decrease in the fuel rate mentioned above, the average residential customer will see no change in their monthly charges for electricity. JEA will hold a Public Rate Hearing and present the proposed Energy Charge increase and Fuel Rate decrease to the JEA Board for approval on August 24, 2021. If approved, the changes will go into effect on October 1, 2021. Since the budget was approved by the JEA Board in May, the rate changes were included in the budget calculations prior to approval.	-\$8,796	-1.10%
Investment Income The decrease is due a lower projected yield of 0.70% in FY 2021/22 versus 1.83% in FY 2020/21.	-\$4,768	-59.88%
Other Revenues The increase is primarily due to a projected \$100 million payment from Florida Power and Light as part of the Scherer shutdown agreement.	\$98,330	376.61%
Base Related Expenses:		
Operating & Maintenance The increase is primarily based on increases of \$12.3 million in Other Services & Charges, \$5.3 million in Salaries, \$1.1 million in Incentive Pay, and \$1.0 million in Employee Benefits. The increased expenses are partially offset by increases to Expense Credits of \$2.2 million for shared services, \$1.3 million for capitalized salaries, and \$438,000 for capitalized employee benefits. (DETAILED BREAKOUT GIVEN ON PAGE 10).	\$16,076	6.71%
Environmental Charge The decrease is driven by a \$6,346,000 decrease in Environmental Capital Projects, which is partially offset by a \$400,000 increase in Environmental Operating & Maintenance costs.	\$5,974	-79.31%

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	<u>\$ Change</u>	<u>% Change</u>
	<u>(000s)</u>	
Non-Fuel Purchased Power	\$190,718	262.54%
The increase is due to an \$81 million increase in Vogtle debt service costs with no planned withdrawals from the non-fuel purchased power rate stabilization fund which offset the Vogtle debt service costs in FY 2020/21, a \$70 million increase in Scherer debt due to a planned \$75 million early debt retirement on Scherer which is partially offset by other Scherer debt savings, \$21 million in Vogtle capacity costs based on an availability date of November 2021, and \$17 million in FPL Capacity charges for purchased power. The Vogtle project has been delayed, and any budgetary savings in FY 2021/22 due to delays will be transferred to the non-fuel purchased power stabilization fund or operating capital outlay.		
Uncollectible Accts	-\$1,216	-50.54%
The decrease is due to a decrease in the uncollectible rate from 0.3% to 0.15% which is based on improving economic conditions.		
Non-Operating Revenues/Expenses:		
Debt Service	\$21,356	-16.28%
The decrease is due to lower scheduled debt principal and interest payments due to the retirement of approximately \$104 million in debt as of June 30, 2021.		
Operating Capital Outlay	\$100,671	-46.33%
The decrease in Operating Capital Outlay is due to an increase of \$191 million in non-fuel purchased power costs and \$16 million in Operating & Maintenance costs, which reduces the amount of available funds for pay-go of capital projects. The decrease is partially offset by a savings of \$21 million in debt service due to previous early debt retirements and a net of \$85 million in additional operating revenues due to the payment from Florida Power and Light for the Scherer shutdown agreement.		
Environmental Capital Outlay	\$6,346	-65.82%
The decrease in the Environmental Capital Outlay is due to a decrease in environmental capital project costs in FY 2021/22.		

JEA
Analysis of Operating and Maintenance Expense
FY 2020/21 Budget Compared to FY 2021/22 Proposed Budget
Electric System
(000s)

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
Salaries	\$141,538	\$90,535	\$134,266	\$146,841	\$5,303	3.75%
Employee Benefits	60,100	35,149	53,129	61,054	\$954	1.59%
Incentive Pay	3,200	0	3,200	4,320	\$1,120	35.00%
Supplies	19,210	9,886	16,649	20,743	\$1,533	7.98%
City Services	619	145	351	610	-\$9	-1.45%
Other Intercompany Charges	1,015	53	391	82	-\$933	-91.92%
Other Services & Chgs.	115,896	53,820	92,050	128,230	\$12,334	10.64%
Other Contingencies	2,000	81	1,956	2,000	\$0	0.00%
City Legal Services	1,600	744	1,277	1,600	\$0	0.00%
Property & Casualty Insurance	11,052	9,570	11,090	11,378	\$326	2.95%
Interest on Customer Deposits	678	13	239	61	-\$617	-91.00%
Operating Reserve	2,500	0	2,385	2,500	\$0	0.00%
Expense Credits	-89,011	-52,377	-79,619	-91,202	-\$2,191	2.46%
Trf. to WIP- Salaries	-22,257	-15,656	-23,302	-23,563	-\$1,306	5.87%
Trf. to WIP- Emp. Benefits	-8,440	-5,861	-8,783	-8,878	-\$438	5.19%
O & M Expense	\$239,700	\$126,102	\$205,279	\$255,776	\$16,076	6.71%

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Expenditure Variance Overview - Electric System

Operating & Maintenance	\$ Change (000s)	% Change
Salaries The increase is due to increases of \$3.8 million in bargaining unit step and general increases ranging from 2.0% to 3.5%, \$1 million for a general increase of 3% for appointed employees, and a \$500,000 increase for overtime.	\$5,303	3.75%
Benefits The increase is primarily due to increased salaries.	\$954	1.59%
Incentive Pay The increase is due to an estimated 3% of payroll being budgeted for the Pay for Performance Program.	\$1,120	35.00%
Supplies The increase of \$1.5 million is primarily due to an \$0.8 million increase in inventory issues, a \$0.3 million increase in chemicals and gases, a \$0.1 million increase in Outage supplies and materials, a \$0.1 million increase in safety supplies, and a \$0.1 million increase in non-generation fuels. The remaining \$0.1 million consists of smaller increases in other supply categories.	\$1,533	7.98%
Other Intercompany Charges The decrease is due to a reduction in the interest rate used to calculate inventory carrying costs from 0.87% in FY 2020/21 to 0.14% in FY 2021/22.	-\$933	-91.92%
Other Services & Charges The increase of \$12.3 million is primarily due to a \$6.6 million increase for rental and lease of the new headquarters and associated moving costs such as scanning/imaging and utilities for the new building. Additionally, there are increases of \$2.6 million in outage costs for planned outages, \$1.5 million in Industrial Services for facilities projects and other facilities maintenance contract increases, \$900,000 for strategic consulting (including resiliency consulting), \$600,000 for the Integration Resource Plan, and \$300,000 in maintenance of right of ways.	\$12,334	10.64%
Interest on Customer Deposits The decrease is due to a reduction in the interest rate used to calculate the interest on customer deposits from 1.6% in FY 2020/21 to 0.14% in the FY 2021/22 Budget.	-\$617	-91.00%

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Expenditure Variance Overview - Electric System

Operating & Maintenance	<u>\$ Change</u> <u>(000s)</u>	<u>% Change</u>
Expense Credits Expense credits are used to recognize Energy System Operating & Maintenance costs that are not attributable to the operation and maintenance of the Energy System such as motor pool charges or administrative support. The increase is due to an increase in water billing credits for work attributable to the Water & Wastewater System and increased Operating & Maintenance costs. The increase is partially offset by a \$1.4 million decrease in capitalized administrative overhead which is used to recognize indirect capital costs.	-\$2,191	2.46%
Transfer to WIP- Salaries The Transfers to WIP - Salaries captures employee salaries charged to capital project work orders, and is a credit to the operating fund.	-\$1,306	5.87%
Transfer to WIP-Emp. Benefits The Transfers to WIP - Emp. Benefits captures employee benefits charged to capital project work orders, and is a credit to the operating fund.	-\$438	5.19%

JEA
Analysis of FY 2021/22 Proposed Capital Budget
Electric System
FY 2020/21 Budget Compared to FY 2021/22 Proposed Budget
(000s)

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
Capital Funds						
Renewal & Replacement Deposits	\$64,012	\$41,694	\$62,540	\$65,000	\$988	1.54%
Construction Fund Investment Income	0	0	0	0	NA	NA
Debt	0	0	0	0	NA	NA
Other Proceeds	0	0	0	55,886	55,886	100.00%
Environmental Capital Outlay	9,641	5,762	14,766	3,295	-\$6,346	-65.82%
Operating Capital Outlay	217,292	134,000	235,341	116,621	-100,671	-46.33%
Total Capital Funds	\$290,945	\$181,456	\$312,647	\$240,802	-\$50,143	-17.23%
Capital Projects						
Generation Projects	\$30,462	\$16,065	\$25,666	\$40,010	\$9,548	31.34%
Transmission & Distribution	129,577	61,352	105,205	119,503	-10,074	-7.77%
Other	57,503	24,024	52,943	81,289	23,786	41.36%
Total Capital Projects	\$217,542	\$101,441	\$183,814	\$240,802	\$23,260	10.69%
Capital Reserves	73,403	0	0	0	-73,403	-100.00%
Total	\$290,945	\$101,441	\$183,814	\$240,802	-\$50,143	-17.23%
Surplus (Deficit)	\$0	\$80,015	\$128,833	\$0	\$0	

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

Electric Project Title	FY 2021/22 Proposed
GENERATION	
Kennedy Generating - CT7 - Rotor Replacement	9,445
Northside Generating - Generation Support Capital Improvements	4,000
Northside Generating - N03 Turbine & Generator Inspection	3,090
Northside Generating - Energy Project Management Capital Improvement Projects	3,000
Northside Generating - CT3 Major Inspection	2,790
Brandy Branch Generating - General Capital Improvements	2,000
Kennedy Generating - MarkVIe and EX2100e Upgrade	1,693
Northside Generating - N03 Turbine Valve Inspection	1,246
Northside Generating - N01 Impulse Cleaning System Installation	1,100
Brandy Branch Generating and Kennedy Generating - Fire Protection Updates	966
Northside Generating - N03 Turbine Inspection	850
Northside Generating - N03 Condenser Tube Replacement	842
Brandy Branch Generating - B50 Turbine Parts Warehouse	839
Northside Generating - N03 Air Preheater Overhaul	742
Northside Substation Improvements - Phase 2	700
Northside Generating - N01-N02 Fan Silencer replacement	670
Northside Generating - N03 Secondary Superheater Tube Replacement	618
Northside Generating - N02 Boiler Elevator Overhaul	529
Northside Generating - N01, N02 Expansion Joint Fab & Install	502
Northside Generating - N33, N34, N35, N36 Control System Upgrade	398
Northside Generating - N00 Fire Main Valve Replacement	280
Brandy Branch Generating - CT2 - Hot Gas Path Inspection #6	250
Brandy Branch Generating - CT3 - Hot Gas Path Inspection #6	250
Kennedy Generating - CT7 - Hot Gas Path Inspection #3	250
Northside Generating - N33 Electrical Equipment Upgrades	234
Northside Generating - N02 A Cyclone Crossover EJ Repair	213

Electric Project Title	FY 2021/22 Proposed
Northside Generating - N03 Breaker Upgrade	194
Brandy Branch Generating - B52, B53 Transition Duct Liner	175
Northside Generating - N01 N02 UPS Replacement	158
Northside Generating - N34 Electrical Equipment Upgrades	80
Budget Reserve	1,905

GENERATION SUBTOTAL \$40,010

TRANSMISSION AND DISTRIBUTION	
Electric Distribution Maintenance Capital Upgrades	12,500
Customer Order Management - New Electric Service Additions	11,500
69kv - 663 line rebuild	9,931
Customer Order Management - Development Driven Projects	9,250
SAIDI Improvement Plan	5,842
Real Estate - Greenland to Mayo Substation - Transmission Corridor Purchase	4,410
Pole Replacement Program	4,200
Eagle LNG 138-13.8 kV Substation	3,000
General Underground Network and Commercial Repair & Replace	3,000
CEMI-5 Electric Distribution Betterment	3,000
Mayo 230-138-26kV Substation	2,816
Substation Repair & Replace Projects - Transformer Replacements	2,610
Joint Participation Electric Relocation Projects	2,000
Underground Network Improvement Plan	1,988
Park and King 4kV Substation Rebuild	1,866
Electric Meters - Growth	1,760
853 Pole Replacement	1,686
Electric Distribution System Improvements	1,664
230kV Circuit 915 Partial Rebuild	1,611
Real Estate - North Jacksonville Transmission Corridor Acquisition	1,600
230kV Breaker Replacement	1,600
26kV Feeder Circuit Breaker Replacement	1,536
Circuit 649 UG 69kV Reconductor Project	1,294
St Johns 4kV Substation Rebuild	1,000

Electric Project Title	FY 2021/22 Proposed
Distribution System - Pole Removal	1,000
Brandy Branch Solar Feeders 356, 357	906
Forest Sub 217 Feeder - Electric Distribution	893
Underground Cable Replacement Program - Existing Developments	750
Transmission and Substation Class Circuit Breaker Replacement Program	750
General Distribution Improvements	750
Electric Meters - Replacement	740
Cecil Commerce Center North Solar T2 Addition - Substation Project	709
General Substation Improvements	700
Transmission Line Relay Replacement Project	689
Transmission Insulator Replacement	650
Transmission Outdoor Potential Device Replacement	610
230 KV_ 138KV_ 69 kV Pole Refurbishment	600
Normandy Substation Protection Improvement	576
4kV Rehab – Distribution Projects	500
Beeghly 393 Overhead Feeder Extension–Arnold Rd	500
Hamilton 312 Reconductor	422
Real Estate - Imeson Substation - Property Acquisition	415
Georgia Street Pipe Type Cable Pump Plant Replacement	400
Cecil Commerce Center North Solar Feeders 371, 372	400
230kV Breaker Replacement - Protection & Controls	370
Bartram 298: Feeder Extension in Transmission ROW from Sub to Bartram Park Bv	312
Greenland Energy to Mayo 230kV Circuit 950 Addition	300
Kennedy Substation Control Cable and Protection System Replacement	300
General Transmission Improvements	300
Real Estate - Study and Investigate - Durbin 230-26KV Substation Property	292
Park and King 4kV Substation Rebuild - Protection & Controls	247
Energy Management System - Base Upgrade Project	240
Automatic Recloser Deployment	235
URD-2026 Reliability Improvement	225
Park and King 4kV Distribution Feeder Getaway Rebuild	224

Electric Project Title	FY 2021/22 Proposed
Capital Tools and Equipment - Underground Network and Service Centers	220
McDuff Substation 4kV Circuits 4, 6, and 9 Relocation	200
Ribault 138-26 kV T2 and Circuit Breaker 452 Addition	188
Steelbald Solar Center - Protection & Controls	187
Cecil Commerce Center North Solar - Protection & Controls	185
Circuit 650 UG 69kV Reconductor Project	180
Eagle LNG 138-13.8 kV Substation - Protection & Controls	157
Imeson 26kV Circuit 493 New Feeder Addition	150
Mayo 230-138-26kV Substation - Protection & Controls	150
Ribault 138-26 kV T2 and Circuit 452 Addition - Protection & Controls	150
General Protection System Improvements Transmission	150
Greenland Energy to Bartram 230 kV Circuit 909 Addition	150
Southside GIS 69kV Controller Replacement	138
Circuit 830 Static Wire Replacement	120
Circuit 825 Static Wire Replacement	120
Transmission Capacitor Bank Controls Replacement	120
Westlake Solar Center - Protection & Controls	120
Eagle LNG 138kV Circuit 847 Interconnect	118
Distribution Breaker Telemetry Enhancements	110
Imeson 26kv Circuit 493 Substation Breaker and Cap Bank Addition	101
Greenland Energy 230kV Bay & Breaker Addition for Circuit 950	100
St Johns 4kV Substation Rebuild - Protection & Controls	100
OM - General Transmission Improvements	100
Ritter Park Circuit 428 Extension	90
Ribault 26 kV Circuit 452 Addition	90
Capital Tools and Equipment - T&S Maintenance	80
Mayo Substation - 138kV Transmission Interconnects	75
Mayo Substation Distribution Feeders	72
Transmission Circuit 692 Underground Cable Replacement- Part B - Protection & Controls	70
Circuit 645 UG 69kV Cable Replacement Project- PART B	60
Circuit 645 UG 69kV Cable Replacement Project- PART A	60

Electric Project Title	FY 2021/22 Proposed
Overhead-Underground Conversion in Neighborhoods	60
Energy Management System - RTU Upgrade Project	60
Electric Customer Service Response Tools and Equipment	55
St Johns 4kV Distribution Feeder Getaway Rebuild	50
Circuit 684S Pipe-Type Cable Replacement	40
69kv - 663 line rebuild - Protection & Controls	25
College St Substation 13kV Protection and Arc Flash Upgrade	20
West Jax Substation Protection Improvement	20
Greenland Energy 230kV Bay & Breaker Addition for Circuit 950 - Protection & Controls	10
Imeson 26kv Circuit 493 Substation Breaker and Cap Bank Addition - Protection & Controls	4
Budget Reserve	7,579
TRANSMISSION AND DISTRIBUTION SUBTOTAL	\$119,503

ELECTRIC OTHER	
Facilities - JEA Headquarters	20,131
Technology Services Projects	13,956
Capital Administrative Overhead	10,500
Facilities - Emergency Ops Center Hardened Facility	10,000
Fleet - Replacement	8,250
Facilities - Commonwealth - Admin Upgrades	4,500
Facilities - Southside Renovations - Phase 2	2,961
Facilities - Industrial Training Center	1,876
Facilities - Brandy Branch Operations and DC Power Systems Generator Backup Units	850
Facilities - Westside Building 5 Glove Lab Upgrades	753
Security Improvements	650
Fleet - Expansion	634
Facilities - PV Array Upgrades	631
Facilities - Roof Replacements	450
Facilities - Heating, Ventilation, and Air	430
Laboratory Equipment Upgrades	349
Security - Video Server Upgrade	275

Electric Project Title	FY 2021/22 Proposed
Security - Fencing	260
Security - Commonwealth Security Enhancements	257
Facilities - Paving and Site Improvements	250
Facilities - Kennedy Generating - Pump Shop Demolition	250
Security - Normandy Substation Fence Replacement	225
Facilities - Building Upgrades	200
Facilities - Generators	200
Facilities - Southside Asphalt Pavement Upgrade	200
Facilities - Plumbing Upgrades	100
Facilities - Electrical and Lighting	100
Utility Locate Group - Capital Equipment	50
Security - Fire System Sprinklers	20
Facilities - Elevators	1
Budget Reserve	1,982
ELECTRIC OTHER SUBTOTAL	81,289
ELECTRIC GRAND TOTAL	240,802

JEA
Analysis of Proposed FY 2021/22 Water & Wastewater System Operating Budget
FY 2020/21 Budget Compared to FY 2021/22 Proposed Budget
(000s)

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
Operating Revenues						
Water & Sewer Revenues	\$465,324	\$298,384	\$453,497	\$466,939	\$1,615	0.35%
Investment Income	2,975	1,689	2,681	2,076	-899	-30.22%
Capacity & Extension Fees	29,388	24,818	37,227	47,000	17,612	59.93%
Contributed Capital	0	161	161	0	0	NA
Other Revenues	14,600	10,338	12,522	25,494	10,894	74.62%
Total Operating Revenues	\$512,287	\$335,390	\$506,088	\$541,509	\$29,222	5.70%
Operating Expenditures						
Operating & Maintenance	\$177,825	\$101,336	\$161,389	\$192,491	\$14,666	8.25%
Uncollectibles	1,396	639	1,092	700	-696	-49.86%
Emergency Contingency	1,000	0	1,000	1,000	0	0.00%
Total Operating Expenses	\$180,221	\$101,975	\$163,481	\$194,191	\$13,970	7.75%
Operating Income	\$332,066	\$233,415	\$342,607	\$347,318	\$15,252	4.59%
Non-Operating Revenues/(Expenses)						
Debt Service	-\$65,437	-\$40,507	-\$61,085	-\$67,135	-\$1,698	2.59%
Interlocal Payments	0	-942	-942	-21,000	-21,000	N/A
Capacity Fee Transfer	-29,388	-24,979	-37,387	-47,000	-17,612	59.93%
Operating Capital Outlay	-184,287	-130,038	-190,184	-160,273	24,014	-13.03%
Renewal & Replacement Fund	-26,551	-17,737	-26,606	-25,243	1,308	-4.93%
Contribution to City's General Fund	-26,403	-17,602	-26,403	-26,667	-264	1.00%
Total Non-Operating Revenues/(Expenses)	-\$332,066	-\$231,805	-\$342,607	-\$347,318	-\$15,252	4.59%
Surplus/(Deficit)	\$0	\$1,610	\$0	\$0		
Water Sales (kGals)	40,425,000	24,201,007	37,541,218	39,000,000	-1,425,000	-3.53%
Sewer Sales (kGals)	34,650,000	21,346,864	32,849,358	34,000,000	-650,000	-1.88%
Number of Accounts	676,994	689,730	689,730	693,179	16,185	2.39%

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Revenue and Expense Variance Overview Water & Wastewater System

	<u>\$ Change</u>	<u>% Change</u>
	(000s)	
Revenues:		
Investment Income	-\$899	-30.22%
The decrease is due to lower investment yields. The average yield for the FY 2021/22 forecast is 1.26% versus 2.33% for the FY 2020/21 budget.		
Capacity & Extension Fees	\$17,612	59.93%
The increase reflects projected construction activity in FY 2021/22 and a phased rate increase in capacity and other fees. JEA will hold a Public Rate Hearing and present the proposed capacity and other fee increases to the JEA Board for approval on August 24, 2021. If approved, the changes will go into effect on October 1, 2021. Since the budget was approved by the JEA Board in May, the rate changes were included in the budget calculations prior to approval.		
Other Revenues	\$10,894	74.62%
The increase is due to projected increases in "other revenues" such as tappings, sewer connection, dumping, and late fees. The increase also includes an appropriation of \$9.4 million in surplus revenue from FY 2019/20.		

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Revenue and Expense Variance Overview Water & Wastewater System

	<u>\$ Change</u>	<u>% Change</u>
	(000s)	
Expenses:		
Operating & Maintenance	\$14,666	8.25%
The increase is due to increases of \$5.6 million for salaries due to bargaining unit step increases and the addition of 25 new positions for engineers, crew leaders, mechanics, apprentices, technicians, and trainees. There are also increases of \$2.5 million for the allocation to the Water & Wastewater System for the new HQ building, \$1.2 million in insurance premiums, \$952,000 in benefits due to the salary increases and the new positions, \$680,000 for incentive pay, and \$592,000 in additional supplies. (DETAILED BREAKOUT GIVEN ON PAGE 24)		
Uncollectibles	-\$696	-49.86%
The decrease is due to a decrease in the uncollectible rate from 0.30% in FY 2020/21 to 0.15% in FY 2021/22 based on improving economic conditions.		
Debt Service	-\$1,698	2.59%
Previously, JEA paid down bonds early that were due to mature in FY 2020/21. This lowered debt service payments in the FY 2020/21 budget. The increase in the FY 2021/22 budget is due to a return to a regular debt service schedule and costs for using the revolving credit facility (line of credit), for up to \$130 million for capital projects.		
Capacity Fee Transfer	-\$17,612	59.93%
The increase reflects the current trend of construction activity and increased fees.		

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Revenue and Expense Variance Overview Water & Wastewater System

	<u>\$ Change</u>	<u>% Change</u>
	(000s)	
Operating Capital Outlay	\$24,014	-13.03%
The decrease is primarily due to increases of \$12.5 million for septic tank phase out and \$8.5 million for true up payments due per interlocal agreements with Nassau, St. Johns, and Clay Counties.		
Renewal & Replacement Fund	\$1,308	-4.93%
The Renewal & Replacement is calculated at 5% of prior year estimated revenues. The contribution has increased from FY 2020/21 due to higher estimated revenues but will be adjusted when actual data is known.		

JEA
Analysis of Operating and Maintenance Expense
Water & Wastewater System
FY 2020/21 Budget Compared to FY 2021/22 Proposed Budget
(000s)

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
Salaries	\$56,604	\$38,743	\$56,315	\$62,248	\$5,644	9.97%
Employee Benefits	23,680	14,312	22,481	24,632	952	4.02%
Incentive Pay	1,000	0	1,000	1,680	680	68.00%
Supplies	14,589	8,726	13,524	15,181	592	4.06%
Other Services & Charges	95,645	54,179	84,898	104,313	8,668	9.06%
Contracts and Contingencies	500	35	535	500	0	0.00%
Purchased Water & Treatment	25	22	30	30	5	20.00%
Property Insurance	2,825	1,603	2,046	4,052	1,227	43.43%
Operating Reserves	1,500	0	1,500	1,500	0	0.00%
Interest on Customer Deposits	34	-21	-9	23	-11	-32.35%
Expense Credits	-7,089	-6,363	-7,704	-6,186	903	-12.74%
Transfers to WIP Salaries	-8,409	-7,398	-10,285	-11,273	-2,864	34.06%
Transfers to WIP Emp. Benefits	-3,079	-2,502	-3,569	-4,210	-1,131	36.73%
Total O & M Expense	\$177,825	\$101,336	\$160,762	\$192,491	\$14,666	8.25%

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Expenditure Variance Overview - Water & Wastewater

Operating & Maintenance	<u>\$ Change</u> <u>(000s)</u>	<u>% Change</u>
Salaries The increase is due to increases of \$3.9 million for salaries due to bargaining unit step increases ranging from 2.0% to 3.5% and \$1.9 million for the addition of 25 new positions.	\$5,644	9.97%
Employee Benefits The increase is primarily due to the addition of 25 new positions.	\$952	4.02%
Incentive Pay The increase is due to an estimated 3% of payroll being budgeted for the Pay for Performance Program.	\$680	68.00%
Other Services and Charges The increase is primarily due to \$6.1 million for the Water Demand Side Management (DSM) Incentives/Rebates program to incentivize water conservation for FY 2021/22 and \$2.5 million for the new Headquarters building allocation.	\$8,668	9.06%
Property Insurance The increase is due to an increase in the amount charged by the City of Jacksonville of \$1,300,000 for Property Damage Insurance for transmission and distribution assets. The increase is slightly offset by decreases of \$56,000 for Property Damage Insurance, \$44,300 for Insurance Brokerage fees, \$36,500 for Workers' Compensation Insurance and \$25,000 for General/Automobile Insurance.	\$1,227	43.43%
Transfer to WIP- Salaries The Transfers to WIP - Salaries captures employee salaries charged to capital project work orders, and is a credit to the operating fund.	-\$2,864	34.06%
Transfer to WIP-Emp. Benefits The Transfers to WIP - Emp. Benefits captures employee benefits charged to capital project work orders, and is a credit to the operating fund.	-\$1,131	36.73%

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

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
Capital Funds						
Debt	\$87,636	\$0	\$0	\$129,886	\$42,250	48.21%
Other Proceeds	0	0	0	0	NA	NA
Renewal & Replacement Deposits	26,551	17,737	26,606	25,243	-1,308	-4.93%
Operating Capital Outlay	184,287	130,038	190,023	160,273	-24,014	-13.03%
Contributed Capital	0	161	161	0	NA	NA
Capacity Fees	29,388	24,818	37,227	47,000	17,612	59.93%
Total Capital Funds	\$327,862	\$172,754	\$254,017	\$362,402	\$34,540	10.53%
Capital Projects						
Water	\$99,342	\$36,702	\$82,951	\$96,792	-\$2,550	-2.57%
Sewer	200,440	52,415	135,184	231,120	30,680	NA
Other	28,080	11,505	24,831	34,490	6,410	22.83%
Total Capital Projects	\$327,862	\$100,622	\$242,966	\$362,402	\$34,540	10.53%
Surplus/(Deficit)	\$0	\$72,132	\$11,051	\$0	\$0	

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

JEA
Water Wastewater System
FY 2021
Capital Budget
(000s Omitted)

Water/Wastewater Project Title	FY 2021/22 Proposed
WATER	
RiverTown Water Plant - New 4.7 MGD Water Plant	11,920
Water Meters - Replacement	6,500
US1 Booster Station - Old St Augustine Rd to US1 Booster Station - New	5,921
Galvanized Pipe Replacement - Program	5,234
Water Delivery System - Repair & Replace	5,000
SIPS - Main St Water Plant - 1st St to Franklin St - Transmission - New	4,980
Well Rehabilitation and Replacement Program	4,600
Greenland - Southside Blvd - Deerwood 3 to Greenland	4,458
JP - Nassau - William Burgess Blvd - US 17 to Miner Rd - New	3,568
Lofton Oaks Water Plant - Improvements	3,007
Development Driven Projects	2,780
E 1st St Main St to E 4th St - Raw Water - New	2,476
Beverly Hills Water Main Replacement	2,411
Water Meters - Growth	2,350
McDuff Water Plant - Refurbishment Project	2,229
New World Av - Waterworks Ave to Chaffee Rd - Transmission - New	2,221
Norwood Water Plant - Rehabilitation	2,094
Water Meters - Large Water Meter Replacement	2,030
Bessie Circle - Water Main Installation	1,178
Water Transmission Replacement	1,066
Water Purification Demonstration Facility	1,000
Real Estate - North Grid - Downtown Water Plant - Property Acquisition	1,000
Main Extensions and Taps	950
Deerwood - Southside Blvd Intertie to Deerwood III Water Plant - New	927
St Johns Forest Water Plant - Well No 5 - New	874
JP - FDOT/COJ - Chaffee Rd - Westmeadows Dr S to Samaritan Wy - Transmission - New	830
JP - FDOT - I95 and MLK Interchange - Water Main Replacement	830
Martin Luther King - Fairfax to Brentwood Water Main Replacement	799
Water Plant Capital Renewal & Replacement	750
Water Treatment Plant Large Capital Improvements	700
JP - Joint Participation Projects	700
Well Field Repair & Replace	700
Palm Avenue Water Main Replacement	671
Ponte Vedra Blvd 6" Cast Iron Replacement	573

JEA
Water Wastewater System
FY 2021
Capital Budget
(000s Omitted)

Water/Wastewater Project Title	FY 2021/22 Proposed
Hampton Falls Dr Electrical Ease. - San Pablo to Suni Pines Connection - 12 inch Water Main Replacement	500
Lakeshore Water Plant - Reservoir Rehabilitation - Phase 2	460
JP - COJ - McCoy's Creek – Cherokee St. to St. Johns River	355
Greenland Well No. 2 Well Rehabilitation Project	326
Harbor Island Drive Water Main Replacement	320
JP - Pages Dairy Rd - Felmor Rd to Chester Ave - Transmission	318
Jammes Rd - Wilson Blvd to Harlow Blvd	310
JP- FDOT - North Grid - Lem Turner - Capper Rd to Leonid	306
Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades	250
Pritchard Rd - Old Plank Rd to Cisco Dr W - Transmission - New	216
Oakridge Water Plant - High Service Pump Replacement	162
103rd St (Cecil Field) Water Main Replacement - Cecil Commerce Ctr Pkwy to Aviation Ave	108
Grid - Cost Participation - New	100
Water Treatment Plant Reservoir Repair & Replace	100
JP - FDOT - Lane Ave S - Water Main Replacement - Distribution	89
Hendricks Well No. 5 Well Rehabilitation Project	87
Main Street Well No. 12 Well Rehabilitation Project	86
Hendricks Well No. 8 Well Rehabilitation Project	80
Royal Lakes Water Plant High Service Pump Expansion	78
Arlington Water Plant Well No 4 Rehabilitation	77
Forest Blvd - Stone Rd to T-Line - Raw Water Main - New	74
Hendricks Well No. 7 Well Rehabilitation Project	72
Mandarin Road Loop Connection - Transmission - New	57
Greenland Water Plant - Expansion from 6.0 to 9.0 MGD	50
JP - FDOT - Beaver St Water Main Replacement - Edgewood Ave N to McDuff Ave N	50
Lovegrove Water Plant - Electric System Upgrade	40
JP - FDOT - 103rd St. (SR134) - Firestone to Wesconnett - Water Main Improvements	36
JP - FDOT - I10 Widening - I295 to I95 - Water Main Replacement	30
JP - JTA - San Pablo Rd - Beach Blvd to Atlantic Blvd	25
Greenland Well No. 1 Well Rehabilitation Project	23
JP - FDOT Edgewood Ave. South Resurfacing from US 17 to Cassat Ave.	22
JP - FDOT - SR212 (US90/Beach Blvd.) Southside Blvd. to Eve Dr - Water Main Replacement	12
Margaret St. Area Water Main Installation	11
Southeast Water Plant - Ground Storage Tank	10
JP - JTA - Collins Rd	10

JEA
Water Wastewater System
FY 2021
Capital Budget
(000s Omitted)

Water/Wastewater Project Title	FY 2021/22 Proposed
JP - FDOT- SR202 - JTB at San Pablo Rd	4
Water Pipeline Crossings Resiliency	1
Budget Reserve	4,609
WATER SUBTOTAL	96,792
SEWER	
Southwest Reclamation Facility - Expansion to 16 MGD	29,105
Greenland Reclamation Facility - 4.0 MGD	25,984
Buckman Reclamation Facility - Disinfection System Replacement	11,858
US 1 - Greenland Reclamation Facility to CR 210 - Transmission - New - Reclaim	9,267
Buckman Reclamation Facility - Biosolids Conversion - Process Facility	8,895
5th St W - Imeson Rd to Melson Ave - Transmission - New - Force Main	8,749
Buckman Reclamation Facility - Blower System Improvements	6,634
Nassau - Radio Av - Reclaim Water Storage Tank and Booster Pump Station - Reclaim	6,559
Buckman Reclamation Facility - Biosolids Dryer Rehabilitation - Andritz OEM	6,333
Nassau Regional Reclamation Facility - Expansion to 3 MGD	6,290
Real Estate - Northwest Reclamation Facility - Property Acquisition	6,000
Pumping Stations - Capital Equipment Replacement	4,500
Sewer Collection System Repair & Replace	4,000
Sewer Collection System Trenchless Repair & Replace	3,822
Manhole Inspection, Prioritization, and Rehabilitation or Replacement	3,578
Twin Creeks Reclaim Storage Tank and Booster PS - Reclaim- (Reimb-20)	3,328
Mandarin-Greenland Interconnect - Reclaim	3,300
JP - SJC - CR210 - South Hampton to Ashford Mills - Transmission - Reclaim	3,113
Cedar Bay Backup Power System	3,060
Arlington East Reclamation Facility Upgrades - Odor Control	2,642
Mandarin Reclamation Facility - Sludge Holding Tanks Rehabilitation	2,547
Water Reclamation Facilities - Capital Equipment Replacement	2,500
District II - Robena Rd Booster Pump Station	2,429
Resiliency - Pump Stations, Plants, Electrical Reliability	2,370
Real Estate - Nassau Regional Reclamation Facility - Storage Tank and Boosters - Property Acquisition	1,950
Arlington East Reclamation Facility - Secondary MCC Replacement	1,878
Monterey - 3254 Townsend Rd - Class III/IV - Pump Upgrade	1,811
4511 Spring Park Rd Lift Station	1,780
District II - 11308 Harts Rd - Class III/IV	1,757
Buckman Reclamation Facility - Fine Screen Replacement	1,639

JEA
Water Wastewater System
FY 2021
Capital Budget
(000s Omitted)

Water/Wastewater Project Title	FY 2021/22 Proposed
Arlington East Reclamation Facility - Parallel Sludge Line	1,618
SCADA RTU and Control Panel Upgrades	1,500
Large Diameter Cured In Place Piping	1,500
Monterey Reclamation Facility Improvements - Phase 1	1,492
Development Driven Projects - Reclaim	1,460
SR200 - William Burgess Blvd to Police Lodge Rd - Transmission - Reclaim	1,335
Greenland - Burnt Mill Pump Station to Greenland Energy - Transmission - Force Main	1,305
Southwest - 5104 118th St - Class III/IV	1,293
Development Driven Projects - Pump Stations	1,275
Veterans Pkwy - Stillwater Subdivision to CR210 - Transmission - Reclaim	1,231
Mandarin - 106 Twin Creeks - Class III/IV - Booster Pump Station	1,228
Arlington East Reclamation Facility Upgrades - Aeration Basin and Blowers	1,213
Southwest - 6217 Wilson Bv - Class III/IV	1,179
Wastewater Large Capital Improvements	1,175
Arlington East Reclamation Facility Upgrades - Influent Structure	1,096
Herschel St. 12in Force Main Replacement	1,045
Nassau Regional Reclamation Facility - Effluent Management	1,000
Southwest - 4881 Timuquana Rd - Class III/IV	979
Nassau - Radio Ave - Class III/IV - New Pump Station	949
Ductile Iron Force Main Replacement	943
Holiday Road Master Pump Station Rehabilitation - Phases 1 and 2	898
Main Extensions and Taps - Sewer	850
JP - COJ - McCoys Creek – Cherokee St. to St. Johns River – Sewer	845
Development Driven Projects - Sewer	840
Monterey Reclamation Facility Improvements- Phase 2	810
Buckman Reclamation Facility - Biosolids Process Renewal and Replacement	740
9247 Baymeadows Rd - Class III/IV - Pump Upgrade	704
Real Estate - RiverTown - New Storage and Pumping System	703
CR210 - Longleaf Pine Pkwy to Shearwater Rd - Trans – Reclaim	645
JP - FDOT - Copper Circle Lift Station Replacement - (Reimb-100)	631
ARV Inspection, Prioritization, and Rehabilitation or Replacement	570
Davis - Gate Pkwy to RG Skinner - Transmission - Reclaim	542
Southwest Service Area Infiltration and Inflow Analysis and Remediation	500
Ponte Vedra Reclamation Facility - UV Disinfection System Improvements	500
District II - Arnold Road Master Pump Station	500

JEA
Water Wastewater System
FY 2021
Capital Budget
(000s Omitted)

Water/Wastewater Project Title	FY 2021/22 Proposed
RiverTown Booster Pump Station - Reclaim	450
Pirates Cove Rd 8" Force Main Replacement	444
District II - 10800 Key Haven Bv - Class III/IV	422
District II Reclamation Facility - South Headwork Rehabilitation	414
JP - Joint Participation Projects - Sewer	400
Lorain St 8" Force Main Replacement	373
Buckman Reclamation Facility - Biosolids RAW Sludge Holding Tank Restoration	358
Arlington East - 8751 Bayleaf Dr - Class III/IV - Pump Upgrade	350
Melson Ave. Trunk Main Manhole Replacements	327
Veterans Pkwy - Stillwater Subdivision to CR210 - Transmission - Force Main	319
SCADA Renewal & Replacement	268
Wastewater Odor Control - All Plants and Pump Stations	250
Eastport Rd - Emuness Rd to Sara Dr - Distribution - New - Force Main	246
Margaret St. Area Sewer Main Installation	239
Yacht Club Rd 8" Subaqueous Force Main Replacement	213
JP- District II - Lem Turner - Capper Rd to Leonid - Force Main	187
Buckman Reclamation Facility - Biosolids Conversion - Operations/Maintenance Bldgs	184
Arlington East Reclamation Facility - Reclaim Filter - Increase Capacity from 8 to 10 MGD	169
Old Kings Rd. at Little Six Mile Creek 8" Force Main	156
Nocatee South Storage Tank and Booster Pump Station - Reclaim	126
Harbor Island Drive Pipe Force Main Replacement	120
District II - Reclaimanch Rd - Tradeport Dr to DUV-14491 Master Pump Station - Force Main	110
Grid - Cost Participation - New - Reclaim	100
Grid - Cost Participation - New - Force Main	100
Diesel-driven Backup Pump Repair & Replace	100
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100
Buckman Reclamation Facility - Primary Clarifier Rehabilitation	99
Walnut St Trunkline Replacement: 32nd St Pump Station to 16th St E	96
Southwest - 5825 Robitzsch Lane - Class III/IV	71
South Shores Sub-Aqueous Force Main Rehabilitation	66
JP - COJ - Old Middleburg Rd - Argyle Forest Blvd to Maynard Place - Transmission - New - Force Main	63
JP - JTA - 5th St - Huron Ave to Melson Ave - S	55
Reuse Delivery Repair & Replace	55
Manhole SCADA Repair & Replace	50
Reuse Facility - Capital Equipment Replacement	50

JEA
Water Wastewater System
FY 2021
Capital Budget
(000s Omitted)

Water/Wastewater Project Title	FY 2021/22 Proposed
JP - FDOT - 103rd St. (SR134) - Firestone to Wesconnett - Sewer Main Improvements	36
JP - FDOT - I10 Widening - I295 to I95 - Force Main Replacement	30
Southwest - 7703 Blanding Bv - Class III/IV	26
Bradley Road Pump Station Improvements	25
Nocatee South Reclaim Improvements	20
Ridenour WTP - Storage and Repump - Reclaim	19
Monterey - 5838 Pompano - Class III/IV - Pump Upgrade	15
Monterey - 7732 Merrill Rd - Class III/IV - Pump Station Upgrade & 2530 Mayapple Pump Station Upgrade	12
JP - JTA - Collins Rd - Sewer	4
Sewer Pipeline Crossings Resiliency	1
Budget Reserve	11,030
SEWER SUBTOTAL	231,120
WATER OTHER	
Technology Services Projects	8,544
Capital Administrative Overhead	7,800
Facilities - Generators	3,725
Fleet - Replacement	3,100
Fleet - Expansion	2,072
Facilities - District II Reclamation Facility New Plant Entrance	1,390
Facilities - Fleet Service Operations Building Renovations	994
Security Improvements	650
Facilities - Mandarin Reclamation Facility - Facility Parking and Storm Water Upgrades - Phase 2	643
Facilities - Arlington East Reclamation Facility Storage Building	600
Facilities - Heating, Ventilation, and Air	520
Facilities - Roof Replacements	435
Facilities - Building Upgrades	400
Facilities - Electric and Lighting Systems	400
Facilities - Paving and Site Improvements	338
Security - Fencing	260
Facilities - Plumbing Upgrades	250
Laboratory Equipment Upgrades	249
Facilities - District II Reclamation Facility - New Storage Building and Site Upgrades	150
Real Estate - Easement Location and Acquisitions	150
Facilities - Elevators	100
Utility Locate Group - Capital Equipment	50

JEA
Water Wastewater System
FY 2021
Capital Budget
(000s Omitted)

Water/Wastewater Project Title	FY 2021/22 Proposed
Security - Fire Alarm and Sprinkler Systems	20
Facilities - Blacks Ford Reclamation Facility New Parking and Storage Building	7
Budget Reserve	1,643
WATER OTHER SUBTOTAL	34,490
WATER/WASTEWATER GRAND TOTAL	362,402

JEA
Analysis of FY 2021/22 Proposed District Energy System Operating Budget
FY 2020/21 Budget Compared to FY 2021/22 Proposed Budget
(000s)

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
OPERATING BUDGET:						
Operating Revenues						
Revenues	\$9,328	\$4,888	\$8,527	\$8,840	-\$488	-5.24%
Investment Income	0	2	2	0	0	
Total Operating Revenues	<u>\$9,328</u>	<u>\$4,890</u>	<u>\$8,529</u>	<u>\$8,840</u>	<u>-\$488</u>	<u>-5.24%</u>
Operating Expenditures						
Operating and Maintenance	\$5,194	\$2,694	\$4,463	\$5,128	-\$66	-1.27%
Total Operating Expenditures	<u>\$5,194</u>	<u>\$2,694</u>	<u>\$4,463</u>	<u>\$5,128</u>	<u>-\$66</u>	<u>-1.27%</u>
Operating Income	<u>\$4,134</u>	<u>\$2,196</u>	<u>\$4,066</u>	<u>\$3,712</u>	<u>-\$422</u>	<u>-10.22%</u>
Non-Operating Revenues/(Expenses)						
Debt Service	-\$3,024	-\$2,016	-\$3,024	-\$3,171	-\$147	4.86%
Rate Stabilization - Debt Management	0	0	0	0	NA	NA
Renewal & Replacement	-437	-289	-434	-427	10	-2.36%
Operating Capital Outlay	-673	0	-608	-114	559	-83.07%
Total Non-Operating Revenues/(Expenses)	<u>-\$4,134</u>	<u>-\$2,305</u>	<u>-\$4,066</u>	<u>-\$3,712</u>	<u>\$422</u>	<u>-10.22%</u>
Surplus/(Deficit)	<u>\$0</u>	<u>-\$109</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Revenue and Expense Variance Overview - District Energy System

	<u>\$ Change</u>	<u>% Change</u>
	<u>(000s)</u>	
Operating Revenue		
Revenues	-\$488	-5.24%
The decrease is primarily due to the termination of the service agreement with the San Marco Place Condominium Association.		
Operating Expenditures		
Operating & Maintenance		
The decrease is due to a decrease of \$160,000 in other services and charges which is offset by increases of \$64,000 in property insurance expenses, \$30,000 in salaries related to bargaining unit step increases, and \$17,000 in supplies. (DETAILED BREAKOUT GIVEN ON PAGE 36)	-\$66	-1.27%
Non-Operating Revenues/(Expenses)		
Debt Service	-\$147	4.86%
The increase is due to an increase in capital projects scheduled in FY 2021/22.		
Operating Capital Outlay	\$559	-83.07%
The decrease is due to the decrease in revenues and increase in expenses. Therefore, having less cash on hand to transfer to capital.		

JEA
Analysis of Operating and Maintenance Expense
District Energy System
FY 2020/21 Budget Compared to FY 2021/22 Proposed Budget
(000s)

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
Salaries	\$575	\$355	\$533	\$605	\$30	5.22%
Employee Benefits	224	129	198	228	4	1.79%
Supplies	99	34	67	116	17	17.17%
Other Services & Chgs.	4,042	2,113	3,460	3,882	-160	-3.96%
Intercompany Charges	70	34	57	70	0	0.00%
Property Insurance	92	59	81	156	64	69.57%
Operating Reserve	100	0	100	100	0	0.00%
Expense Credits	-8	-30	-33	-29	-21	262.50%
O & M Expense	<u>\$5,194</u>	<u>\$2,694</u>	<u>\$4,463</u>	<u>\$5,128</u>	<u>-\$66</u>	<u>-1.27%</u>

JEA
FY 2020/21 Original Budget Vs. FY 2021/22 Proposed Budget
Expenditure Variance Overview - District Energy System

	<u>\$ Change</u>	<u>% Change</u>
Operating & Maintenance	(000s)	
Salaries	\$30	5.22%
The increase is due to increases for salaries due to bargaining unit step increases ranging from 2.0% to 3.5%.		
Supplies	\$17	17.17%
The increase is due to an increase in direct purchases for existing facilities.		
Other Services and Charges	-\$160	-3.96%
The decrease is primarily due to reduced costs for utilities.		
Property Insurance	\$64	69.57%
The increase is due to increases of \$50,000 for Property Damage Insurance for transmission and distribution assets, \$4,000 for Property Damage Insurance, \$2,500 for General Liability Insurance, and \$1,480 for Workers' Compensation Insurance.		

JEA
Analysis of FY 2021/22 District Energy System Capital Budget
FY 2020/21 Budget Compared to FY 2021/22 Proposed Budget
(000s)

	2020/21 Original Budget	8 Months Actual FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	\$ Change 2021/22 Proposed Budget over 2020/21 Original	% Change
Capital Funds						
Debt	\$567	\$0	\$0	\$3,967	\$3,400	599.65%
Other Proceeds*	1,359	294	1,909	1,042	-\$317	-23.33%
Renewal & Replacement	437	289	434	427	-\$10	-2.29%
Operating Capital Outlay	673	0	608	114	-\$559	-83.06%
Total Capital Funds	<u>\$3,036</u>	<u>\$583</u>	<u>\$2,951</u>	<u>\$5,550</u>	<u>\$2,514</u>	82.81%
Capital Projects						
District Energy System Projects	<u>\$3,036</u>	<u>\$583</u>	<u>\$2,951</u>	<u>\$5,550</u>	<u>\$2,514</u>	82.81%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	

* Funding from prior year remaining balances

CAPITAL BUDGET:

Description	FY 2021/22
Downtown - Chilled Water Extension - New JEA Office & Ed Ball	3,501
Downtown Plant Expansion - New Chiller & Cooling Tower	610
District Energy System - Repair & Replace	565
Security Improvements	150
Budget Reserve	724
District Energy Total	<u>\$5,550</u>

**JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2022**

	Electric System	Water & Wastewater System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$368,899,940	\$0	\$0	\$368,899,940
Total Net Revenues	\$368,899,940	\$0	\$0	\$368,899,940
FUEL EXPENSES:				
Fuel & Purchased Power	\$368,899,940	\$0	\$0	\$368,899,940
FUEL SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$785,192,000	\$439,929,234	\$8,839,543	\$1,233,960,777
Environmental Charge Revenue	7,442,000	27,010,000	0	34,452,000
Conservation Charge & Demand Side Revenue	732,000	0	0	732,000
Other Revenues	123,615,440	25,494,531	0	149,109,971
Natural Gas Pass Through Revenue	823,420	0	0	823,420
Total Base Related Revenues	\$917,804,860	\$492,433,765	\$8,839,543	\$1,419,078,168
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$255,776,299	\$184,882,130	\$5,127,990	\$445,786,419
Environmental	2,263,500	7,608,200	0	9,871,700
Conservation & Demand-side Management	7,227,800	0	0	7,227,800
Natural Gas Pass Through Expense	918,473	0	0	918,473
Non-Fuel Purchased Power	263,361,133	0	0	263,361,133
Non-Fuel Uncollectibles & PSC Tax	1,391,596	700,409	0	2,092,005
Emergency Reserve	5,000,000	1,000,000	0	6,000,000
Total Base Related Expenses	\$535,938,801	\$194,190,739	\$5,127,990	\$735,257,530
BASE OPERATING INCOME:	\$381,866,059	\$298,243,026	\$3,711,553	\$683,820,638
NON-OPERATING REVENUE:				
Investment Income	\$3,194,911	\$2,075,631	\$0	\$5,270,542
Transfer To/From Fuel Recovery	0	0	0	0
Capacity Fees	0	47,000,000	0	47,000,000
Total Non Operating Revenues	\$3,194,911	\$49,075,631	\$0	\$52,270,542
NON-OPERATING EXPENSES:				
Debt Service	\$109,816,948	\$67,135,355	\$3,171,208	\$180,123,511
Demand-side Management - Rate Stabilization	-395,800	0	0	-395,800
Environmental - Rate Stabilization	-3,821,756	0	0	-3,821,756
Total Non Operating Expenses	\$105,599,392	\$67,135,355	\$3,171,208	\$175,905,955
BASE INCOME BEFORE TRANSFERS	\$279,461,578	\$280,183,302	\$540,345	\$560,185,225
City Contribution Expense	\$94,545,651	\$26,666,722	\$0	\$121,212,373
Interlocal Payments	0	21,000,000	0	21,000,000
Renewal and Replacement Fund	65,000,000	25,243,465	426,828	90,670,293
Operating Capital Outlay	116,621,139	149,471,315	113,517	266,205,971
Environmental Capital Outlay	3,294,788	10,801,800	0	14,096,588
Capacity Fees	0	47,000,000	0	47,000,000
Operating Contingency	0	0	0	0
Total Non-Fuel Expenses	\$279,461,578	\$280,183,302	\$540,345	\$560,185,225
SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$1,289,899,711	\$541,509,396	\$8,839,543	\$1,840,248,650
TOTAL APPROPRIATIONS	\$1,289,899,711	\$541,509,396	\$8,839,543	\$1,840,248,650
BUDGETED EMPLOYEE POSITIONS	1,527	650	6	2,183
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

**JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2022**

	Electric System	Water & Wastewater System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$65,000,000	\$25,243,465	\$426,828	\$90,670,293
Operating Capital Outlay	116,621,139	149,471,315	113,517	266,205,971
Environmental Capital Outlay	3,294,788	10,801,800	0	14,096,588
Capacity Fees	0	47,000,000	0	47,000,000
Debt Proceeds	0	129,885,420	3,967,000	133,852,420
Other Proceeds	55,886,073	0	1,042,944	56,929,017
Total Capital Funds	<u>\$240,802,000</u>	<u>\$362,402,000</u>	<u>\$5,550,289</u>	<u>\$608,754,289</u>
CAPITAL PROJECTS:				
Generation Projects	\$40,010,000	\$0	\$0	\$40,010,000
Transmission & Distribution Projects	119,503,000	0	0	119,503,000
District Energy Projects	0	0	5,550,289	5,550,289
Water Projects	0	96,792,000	0	96,792,000
Sewer Projects	0	231,120,000	0	231,120,000
Other Projects	81,289,000	34,490,000	0	115,779,000
Total Capital Projects Subtotal	<u>\$240,802,000</u>	<u>\$362,402,000</u>	<u>\$5,550,289</u>	<u>\$608,754,289</u>
Capital Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Projects	<u>\$240,802,000</u>	<u>\$362,402,000</u>	<u>\$5,550,289</u>	<u>\$608,754,289</u>

**COUNCIL AUDITOR'S OFFICE
JEA PAY FOR PERFORMANCE PLAN SUMMARY
PROPOSED BUDGET FY 2021/2022**

PURPOSE

The purpose of the JEA Pay for Performance plan is to “focus employees and managers on key corporate measures and objectives, as well as to push the organization toward a continuous improvement culture with resulting operational excellence” and reward exceptional performance as measured against pre-established goals. The Pay for Performance plan for FY 2020/21 was approved by the JEA Board of Directors on June 23, 2020. It was amended on October 1, 2020. The JEA Board of Directors shall review and approve each new fiscal year program. The JEA Board has not yet reviewed and approved the Pay for Performance Plan parameters and payouts for FY 2021/22, but the Board is expected to take it up at the Board Meeting on August 24, 2021.

JEA FY 2021/22 BUDGET

The amount budgeted for the JEA Pay for Performance plan is \$6,000,000. This represents approximately 62% of the maximum potential payout. The current total estimated cost for FY 2021/22 may not exceed \$9,635,000 or 5% of budgeted payroll. The budgeted Pay for Performance amount is listed as “incentive pay” within Operating & Maintenance expense.

ELIGIBILITY

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

PERFORMANCE GOALS

These will not be determined by the JEA Board of Directors until August 24, 2021, at the earliest.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (10401)**

PROPOSED BUDGET BOOK – Page # 25

BACKGROUND:

Funding budgeted in the Streets & Highways 5-Year Road Program is used for road and drainage projects and debt service in accordance with the Better Jacksonville Plan and the interlocal agreement, as amended, between the City and the Jacksonville Transportation Authority (JTA). Effective September 1, 2016 with the extension of the Local Option Gas Tax, the allocation of the Constitutional Fuel Tax (2 cents) between JTA and the City is now split 50/50. This is an “all years” fund.

REVENUE:

1. State Shared Revenue:

- The budgeted amount of \$4,863,858 represents 50% of the Constitutional Fuel Tax (2 cents) revenues. These revenues are impacted by the consumption of gasoline, which is directly affected by the state of the economy, tourism, and the infusion of more gasoline-efficient vehicles and hybrids.

2. Contribution From Local Units:

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

EXPENDITURES:

1. Capital Outlay:

- This expenditure represents the City's portion of the Constitutional Fuel Tax (2 cents) that is used to fund capital projects. This funding is proposed to be used to fund a portion of the FY 2021/22 Capital Improvement Projects as noted below.

Project Name in CIP	FY 2021/22 Proposed
Chaffee Road	\$ 4,863,858
Total	<u>\$ 4,863,858</u>

2. Grants, Aids & Contributions:

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

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
LOCAL OPTION ½ CENT TRANSPORTATION (10402)**

PROPOSED BUDGET BOOK – Page # 149

BACKGROUND:

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

REVENUE:

1. Local Option Sales Tax:

- The budgeted amount represents the revenues estimated to be generated from the local option half-cent sales tax. The increase of \$17,482,365 is based on prior year and recent actuals.

EXPENDITURES:

1. Grants, Aids & Contributions:

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

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (10403)**

PROPOSED BUDGET BOOK – Page # 26

BACKGROUND:

The Local Option Gas Tax is the tax of six cents on every gallon of motor fuel and diesel sold in Duval County. The gas tax revenue is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement. In FY 2013/14, City Council approved an extension of the Local Option Gas Tax until August 31, 2036 with Ordinance 2013-820-E in which the City receives one cent and JTA receives the remaining five cents of the gas tax. In FY 2021/22, City Council approved an extension of the Local Option Gas Tax until August 31, 2046 with Ordinance 2021-223-E, which beginning September 1, 2036, the City and JTA will each receive three cents of the gas tax. Eligible uses of funding are: public transportation operations and maintenance, pedestrian safety improvements, drainage projects, street lighting, traffic signs and signals, bridge maintenance and operation, and debt service for transportation capital projects. This is an “all years” fund.

REVENUE:

1. Local Option Fuel Tax:
 - The budgeted amount represents the revenues estimated to be generated from the local option gas tax.
2. Contribution from Local Units:
 - This line represents the City’s portion that is distributed from the fiscal agent to the City and is used to fund capital projects.

EXPENDITURES:

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

Fund	Dept.	Project Name	Expenditures
10403	PW	Roadway, Sign, Stripe, and Signal	\$2,500,000
10403	PW	Sidewalk Construction – New	1,000,000
10403	PW	Traffic Signalization - Countywide	800,000
10403	PW	Railroad Crossings	750,000
10403	PW	Traffic Street Lights (mast arm paint)	89,680
10403	PW	Roadway Safety Project – Pedestrian Crossing	34,920
Total			<u>\$5,174,600</u>

2. Grants Aids & Contributions:
 - Per the interlocal agreement between the City and JTA that extended the Local Option Gas Tax until August 31, 2036, the City will send to the fiscal agent all funds collected from the Local Option Gas Tax and the fiscal agent will remit the City’s portion (one of the six cents) back to the City.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (10403)**

PROPOSED BUDGET BOOK – Page # 26

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

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 2021/22 BUDGET
5 – CENT LOCAL OPTION GAS TAX (10404)**

PROPOSED BUDGET BOOK – Page # 27

BACKGROUND:

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

REVENUE:

1. Local Option Fuel Tax:

- The budgeted amount represents nine months of revenues commencing January 1, 2022, estimated to be generated from the five-cent local option gas tax.

EXPENDITURES:

1. Debt Management Fund Repayments

- This expenditure represents the payment of the total revenue to the debt management fund. (See Recommendation)

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

We recommend the Debt Management Fund charges be reduced to \$0. This should be offset in this fund with half the funds being sent to JTA pursuant to the interlocal agreement and the other half being placed in a contingency account within this fund pending the CIP budget hearing where it can be used to reduce borrowing. This will be offset in the Debt Management Fund by reducing loan repayments by a corresponding amount since this was used to balance the fund. This will impact Schedule B4 Debt Management Fund detail but have no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
NINTH-CENT FUEL TAX (10405)**

PROPOSED BUDGET BOOK – Page # 28

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. While diesel fuel also has a Ninth-Cent fuel tax, the diesel fuel tax was not included in this legislation because it was already authorized by State law. The Ninth-Cent Fuel Tax revenue is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement with each receiving one-half cent (\$0.005). Eligible uses of funding are: public transportation operations and maintenance, roadway and right-of-way maintenance, roadway and right-of-way drainage, streetlight installation, operation, maintenance, and repair, traffic signs, traffic engineering, signalization, and pavement markings installation, operation, and repair, bridge maintenance and operation, and debt service for capital projects including construction or reconstruction of roads and sidewalks.

REVENUE:

1. Local Option Fuel Tax:

- The budgeted amount represents nine months of revenues commencing January 1, 2022, estimated to be generated from the Ninth-Cent Fuel Tax.

EXPENDITURES:

1. Debt Management Fund Repayments

- This expenditure represents the payment of a portion of the interest in the debt management fund. (See Recommendation)

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

We recommend the Debt Management Fund charges be reduced to \$0. This should be offset in this fund with half the funds being sent to JTA pursuant to the interlocal agreement and the other half being placed in a contingency account within this fund pending the CIP budget hearing where it can be used to reduce borrowing. This will be offset in the Debt Management Fund by reducing loan repayments by a corresponding amount since this was used to balance the fund. This will impact Schedule B4 Debt Management Fund detail but have no impact on Special Council Contingency.

**Jacksonville Transportation Authority
Comparison of Budgets
2021/22 to 2020/21
Operating and Capital Budgets**

	Bus		Connexion		Skyway		Ferry		General Fund		Transfers Out	Total Budget
	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital		
Approved FY2021	\$109,040,896	\$9,132,636	\$19,665,487	\$2,483,500	\$7,278,027	\$879,646	\$3,040,784	\$0	\$2,892,254	\$41,100,000	-\$21,658,287	\$173,854,943
Proposed FY2022	\$117,854,162	\$45,684,830	\$17,788,892	\$1,723,414	\$6,915,013	\$5,665,777	\$2,859,594	\$6,342,916	\$2,507,561	\$9,344,748	-\$18,960,847	\$197,726,060
\$ Change	\$8,813,266	\$36,552,194	-\$1,876,595	-\$760,086	-\$363,014	\$4,786,131	-\$181,190	\$6,342,916	-\$384,693	-\$31,755,252	\$2,697,440	\$23,871,117
% Change	8.08%	400.24%	-9.54%	-30.61%	-4.99%	544.10%	-5.96%	N/A	-13.30%	-77.26%	-12.45%	13.73%

Employee Headcount			
Budget	Original FY2021 FT	Proposed FY2022 FT	Change
<u>Union</u>			
Bus Operators	365	368	3
Bus Supervisors/Dispatchers	32	24	-8
Bus Maintenance	111	122	11
Skyway Maintenance	26	24	-2
Connexion Maintenance	15	15	0
Customer Service	8	6	-2
Ferry Maintenance	0	0	0
Total	557	559	2
<u>Non-Union</u>			
Engineering (CCP)	14	11	-3
Automation	6	7	1
Corporate	115	130	15
Bus	86	85	-1
Skyway	14	19	5
Connexion	10	7	-3
Ferry	0	0	0
Total	245	259	14

Grand Total	802	818	16
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Amounts flowing through the City of Jacksonville to Jacksonville Transportation Authority:	
City Contribution (Connexion)	\$1,525,918
Sales Tax (General Fund)	2,032,848
Local Option Gas Tax (Bus Operations)	16,634,198
Local Option Gas Tax (General Capital)	9,344,748
Sales Tax (Bus)	72,694,156
	<u>\$102,231,868</u>

JTA Vehicle Fleet Totals (@ year-end)		
Vehicle Type	FY2021	FY2022
Buses*	217	236
Connexion (CTC)	105	106
Non-Revenue Support	84	84
Total	406	426

* Bus Fleet Breakdown		
Bus Type	FY2021	FY2022
Fixed Route Fleet	141	148
First Coast Flyers	58	58
Community Shuttle	8	0
Active Fleet Total	207	206
Contingency	10	30
Total Buses	217	236

**Jacksonville Transportation Authority
Analysis of FY 2021/22 Operating Budget
Bus Division**

	FY 2020/21 Original Budget	6 Months Actuals FY 2020/21	12 Months Projected FY 2020/21	FY 2021/22 Proposed Budget	FY 2021/22 Proposed Budget over FY 2020/21 Original \$ Change % Change	
Operating Revenues						
Federal, State & Local Grants	\$24,647,593	\$10,263,262	\$15,726,524	\$18,783,669	-\$5,863,924	-23.79%
Local Option Gas Tax	18,056,827	8,658,134	17,316,268	16,634,198	-1,422,629	-7.88%
Net Sales Tax - Operating	54,937,209	33,854,108	67,708,216	72,694,156	17,756,947	32.32%
Passenger Fares	8,296,692	2,876,338	6,252,676	8,545,927	249,235	3.00%
Federal Preventative Maintenance	2,500,000	175,376	350,752	1,750,000	-750,000	-30.00%
Non-Transportation Revenue	600,995	616,263	732,526	1,040,275	439,280	73.09%
Interest Earnings	1,580	0	0	1,987	407	25.76%
Total Operating Revenues	\$109,040,896	\$56,443,481	\$108,086,962	\$119,450,212	\$10,409,316	9.55%
Operating Expenditures						
Salaries and Wages	\$36,655,904	\$20,016,341	\$38,006,682	\$40,464,875	\$3,808,971	10.39%
Fringe Benefits	19,172,747	10,953,223	20,906,446	18,175,581	-997,166	-5.20%
Fuel and Lubricants	4,672,344	1,598,761	4,197,522	3,498,523	-1,173,821	-25.12%
Materials and Supplies	5,157,568	1,862,861	5,325,722	5,035,291	-122,277	-2.37%
Services	16,511,591	9,860,607	16,821,214	21,501,651	4,990,060	30.22%
Insurance	584,801	244,329	488,658	998,400	413,599	70.72%
Travel/Training/Dues & Subscriptions	339,333	159,687	319,374	528,254	188,921	55.67%
All Other/Miscellaneous	2,405,099	955,557	2,281,114	2,258,059	-147,040	-6.11%
Contingency	1,883,222	0	0	8,028,731	6,145,509	326.33%
Transfer to Connexion	13,310,635	5,660,267	10,841,334	12,729,376	-581,259	-4.37%
Transfer to Skyway	6,628,157	3,758,195	6,976,691	4,680,402	-1,947,755	-29.39%
Transfer to Ferry	1,719,495	1,038,958	1,884,916	1,551,069	-168,426	-9.80%
Total Operating Expenditures	\$109,040,896	\$56,108,786	\$108,049,673	\$119,450,212	\$10,409,316	9.55%
Surplus/(Deficit)	\$0	\$334,695	\$37,289	\$0	\$0	N/A

Jacksonville Transportation Authority
FY 2020/21 Original Budget vs. FY 2021/22 Budget
Bus Division - Operating Variance Overview

Revenues	\$ Change	% Change
Federal, State & Local Grants The decrease is primarily due to CARES Act funding of \$16.5 million budgeted in FY 2020/21, that is not budgeted for in FY 2021/22. This is partially offset by The American Rescue Plan (ARP) Act grant of \$10.3 million being budgeted for FY 2021/22. The ARP Act was passed in 2021. Per the Federal Transit Administration, JTA's apportionment share of the ARP is \$57,957,622.	-\$5,863,924	-23.79%
Local Option Gas Tax The decrease in the Local Option Gas Tax revenue is primarily due to the increase in debt service from the issuance of new bonds FY2020/21.	-\$1,422,629	-7.88%
Net Sales Tax - Operating The increase is based on JTA estimates for the 1/2 Cent Sales and Constitutional Gas Taxes, along with additional debt service savings from the refinance of the outstanding sales tax bonds. This is the net amount after paying the debt service on the BJP debt.	\$17,756,947	32.32%
Passenger Fares The increase is due to anticipated increases in overall ridership, as well as from the addition of Express Select services (provides commuters with executive style, affordable rides in vehicles with comfortable seating and conveniences such as Wi-Fi and USB charging ports) offered for St. Johns, Baker, and Nassau counties.	\$249,235	3.00%
Federal Preventative Maintenance The decrease is due to a larger allocation going to the Skyway Division. These funds are from the Section 5307 Urbanized Area Formula Program Grant and can be used for both operating and capital expenses.	-\$750,000	-30.00%
Non-Transportation Revenue The increase is primarily due to anticipated advertising revenue from bus shelters.	\$439,280	73.09%

Jacksonville Transportation Authority
FY 2020/21 Original Budget vs. FY 2021/22 Budget
Bus Division - Operating Variance Overview

Expenditures	\$ Change	% Change
Salaries and Wages The increase is due to the addition of 11 positions for bus maintenance, an anticipated increase for union employees that is currently in negotiations, and a 3% performance based increase for non-union staff.	\$3,808,971	10.39%
Fringe Benefits The decrease is due to fewer union employees participating in the health insurance benefits plan.	-\$997,166	-5.20%
Fuel & Lubricants The decrease is due to reduced service levels as well as JTA's hedging strategy that allows JTA to lock in lower fuel prices into the future thereby reducing its exposure to volatile fuel costs.	-\$1,173,821	-25.12%
Services The increase is primarily due to the following: (1) Contracted Security to include a contractual increase, budgeting a full year of costs, and additional security personnel (First Coast Security/JSO officer) at the Jacksonville Regional Transportation Center (JRTC) to address safety concerns for JTA employees and customers, (2) The Mobility Optimization through Vision and Excellence (MOVE) Initiative which is intended to integrate new transit technologies and mobility alternatives into its business model. This is JTA's strategic plan for the next 5 years, (3) The Ridership Initiative designed to increase ridership, (4) JTA's Automation department's expenses were moved from under JTA Administration and will cover the continued progress in the testing and design phases related to the Ultimate Urban Circulator (U2C) Bay Street Innovation Corridor Project, and (5) the contract services for the maintenance for the escalators and elevators at the Skyway were moved to the Bus Division, Facilities Management.	\$4,990,060	30.22%
Insurance The increase is based on projections received from JTA's insurance broker.	\$413,599	70.72%
Travel/Training/Dues & Subscriptions The increase is primarily due to anticipated travel expense returning to pre-COVID levels.	\$188,921	55.67%
Contingency The increase is primarily due to the allocation remaining from the American Rescue Plan Act revenues.	\$6,145,509	326.33%
Transfer to Connexion This funding is necessary to balance the Connexion budget and support expenses in Connexion operations.	-\$581,259	-4.37%
Transfer to Skyway This funding is necessary to balance the Skyway budget and support expenses in Skyway operations.	-\$1,947,755	-29.39%
Transfer to Ferry This funding is necessary to balance the Ferry budget and support expenses in Ferry operations.	-\$168,426	-9.80%

**Jacksonville Transportation Authority
Analysis of FY 2021/22 Operating Budget
Connexion Division**

	FY 2020/21 Original Budget	6 Months Actuals FY 2020/21	12 Months Projected FY 2020/21	FY 2021/22 Proposed Budget	FY 2021/22 Proposed Budget over FY 2020/21 Original \$ Change % Change	
Operating Revenues						
Federal, State & Local Grants	\$542,036	\$79,182	\$558,364	\$347,328	-\$194,708	-35.92%
Passenger Fares	1,222,311	337,159	1,003,318	1,109,380	-112,931	-9.24%
State Transportation Disadvantaged Funds	2,090,616	951,678	2,053,356	1,826,890	-263,726	-12.61%
City of Jacksonville (Paratransit Contribution)	1,496,760	748,380	1,496,760	1,525,918	29,158	1.95%
Federal Preventative Maintenance	1,000,000	166,667	533,334	250,000	-750,000	-75.00%
Non-Transportation Revenue	3,129	11	22	0	-3,129	-100.00%
Transfer from Bus Operations	13,310,635	5,660,267	10,841,334	12,729,376	-581,259	-4.37%
Total Operating Revenues	\$19,665,487	\$7,943,344	\$16,486,488	\$17,788,892	-\$1,876,595	-9.54%
Operating Expenditures						
Salaries and Wages	\$2,818,512	\$912,434	\$1,824,868	\$2,633,342	-\$185,170	-6.57%
Fringe Benefits	1,184,868	767,701	1,285,402	1,082,210	-102,658	-8.66%
Fuel and Lubricants	1,370,890	416,656	1,133,312	890,010	-480,880	-35.08%
Materials and Supplies	944,421	229,789	909,578	865,676	-78,745	-8.34%
Services	12,682,596	5,532,856	11,065,712	12,061,666	-620,930	-4.90%
Insurance	2,847	2,981	5,962	1,174	-1,673	-58.76%
Travel/Training/Dues & Subscriptions	60,288	26,796	53,392	67,509	7,221	11.98%
All Other/Miscellaneous	118,065	54,131	208,262	187,305	69,240	58.65%
Contingency	483,000	0	0	0	-483,000	-100.00%
Total Operating Expenditures	\$19,665,487	\$7,943,344	\$16,486,488	\$17,788,892	-\$1,876,595	-9.54%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2020/21 Original Budget vs. FY 2021/22 Budget
Connexion Division - Operating Variance Overview**

JTA is designated as the Duval County Transportation Coordinator, which JTA has named the Connexion Division. The Americans with Disabilities Act (ADA) of 1990 requires public transit agencies that provide fixed-route service to provide "complementary para-transit" services to people with disabilities who cannot use the fixed-route bus or rail service because of a disability. The ADA regulations specifically define a population of customers who are entitled to this service as a civil right.

Revenues	\$ Change	% Change
Federal, State & Local Grants The decrease is based on anticipated reduction in federal funding for formula grants and discretionary grants not being included in FY 2021/22.	-\$194,708	-35.92%
Passenger Fares The decrease is based on anticipated reduction in ridership.	-\$112,931	-9.24%
State Transportation Disadvantaged Funds The decrease is based on anticipated reduction in ridership.	-\$263,726	-12.61%
Federal Preventative Maintenance The decrease is due to a larger allocation going to the Skyway Division. These funds are from the Section 5307 Urbanized Area Formula Program Grant and can be used for both operating and capital expenses.	-\$750,000	-75.00%
Expenditures	\$ Change	% Change
Salaries and Wages The decrease is primarily due to a director position vacancy that is not anticipated to be filled in FY 2021/22.	-\$185,170	-6.57%
Fringe Benefits The decrease is primarily due to the vacancy of a director position along with a decline in the number of union employees participating in the health insurance benefits plan.	-\$102,658	-8.66%
Fuel and Lubricants The decrease is primarily due to reduced service levels as well as JTA's hedging strategy that allows JTA to lock in lower fuel prices into the future thereby reducing its exposure to volatile fuel costs.	-\$480,880	-35.08%
Services The decrease is primarily due to an anticipated reduction in revenue hours supporting ridership with MV Transportation.	-\$620,930	-4.90%
All Other/Miscellaneous The increase is primarily due to JTA budgeting for an anticipated centralized storage location of its vehicles that support Clay County transportation. The Clay County centralized storage location is yet to be determined.	\$69,240	58.65%
Contingency The decrease is primarily due to lower revenue estimates for FY 2021/22.	-\$483,000	-100.00%

**Jacksonville Transportation Authority
Analysis of FY 2021/22 Operating Budget
Skyway Division**

	FY 2020/21 Original Budget	6 Months Actuals FY 2020/21	12 Months Projected FY 2020/21	FY 2021/22 Proposed Budget	FY 2021/22 Proposed Budget over FY 2020/21 Original \$ Change % Change	
Operating Revenues						
Federal, State & Local Grants	\$136,870	\$52,472	\$191,644	\$234,611	\$97,741	71.41%
Federal Preventative Maintenance	500,000	0	500,000	2,000,000	1,500,000	300.00%
Non-Transportation Revenue	13,000	0	13,000	0	-13,000	-100.00%
Transfer from Bus Operations	6,628,157	3,758,195	6,976,691	4,680,402	-1,947,755	-29.39%
Total Operating Revenues	\$7,278,027	\$3,810,667	\$7,681,335	\$6,915,013	-\$363,014	-4.99%
Operating Expenditures						
Salaries and Wages	\$2,469,906	\$1,352,682	\$2,405,365	\$2,903,521	\$433,615	17.56%
Fringe Benefits	1,337,877	804,465	1,408,930	1,398,747	60,870	4.55%
Fuel and Lubricants	8,961	909	1,818	7,798	-1,163	-12.98%
Materials and Supplies	1,062,522	582,944	1,665,888	1,041,018	-21,504	-2.02%
Services	1,339,505	651,446	1,502,892	697,860	-641,645	-47.90%
Insurance	497,512	189,010	378,020	496,947	-565	-0.11%
Travel/Training/Dues & Subscriptions	25,535	11,298	22,596	30,378	4,843	18.97%
All Other/Miscellaneous	344,209	217,913	295,826	338,744	-5,465	-1.59%
Contingency	192,000	0	0	0	-192,000	-100.00%
Total Operating Expenditures	\$7,278,027	\$3,810,667	\$7,681,335	\$6,915,013	-\$363,014	-4.99%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

Jacksonville Transportation Authority
FY 2020/21 Original Budget vs. FY 2021/22 Budget
Skyway Division - Operating Variance Overview

Revenues	\$ Change	% Change
Federal, State & Local Grants The increase is based on Federal Assistance Grants received over the last 3 years.	\$97,741	71.41%
Federal Preventative Maintenance The increase is primarily due to the needed repairs to various systems of the Skyway.	\$1,500,000	300.00%
Transfer from Bus Operations Funding necessary to balance the Skyway budget and support expenses in Skyway operations. The reduction is due to the increase in Federal Preventative Maintenance revenue.	-\$1,947,755	-29.39%
Expenditures	\$ Change	% Change
Salaries and Wages The increase is due to the addition of five control center operators, an anticipated increase for union employees that is currently in negotiations, and a 3% performance based increase for non-union staff.	\$433,615	17.56%
Fringe Benefits The increase is primarily due to the addition of the five control center operators.	\$60,870	4.55%
Services The decrease is due to the expense for JSO officers and security at the Jacksonville Regional Transportation Center being moved to the Bus Division, as well as the contract services expense for the escalator and elevators being moved to Facilities Management in the Bus Division for FY 2021/22.	-\$641,645	-47.90%
Contingency The decrease is primarily due to lower revenue estimates for FY 2021/22.	-\$192,000	-100.00%

**Jacksonville Transportation Authority
Analysis of FY 2021/22 Operating Budget
Ferry Division**

	FY 2020/21 Original Budget	6 Months Actuals FY 2020/21	12 Months Projected FY 2020/21	FY 2021/22 Proposed Budget	FY 2021/22 Proposed Budget over FY 2020/21 Original \$ Change % Change	
Operating Revenues						
Federal, State & Local Grants	\$0	\$0	\$0	\$127,823	\$127,823	N/A
Passenger Fares	1,321,289	349,800	849,600	1,180,702	-140,587	-10.64%
Transfer from Bus Operations	1,719,495	1,038,958	1,884,916	1,551,069	-168,426	-9.80%
Total Operating Revenues	\$3,040,784	\$1,388,758	\$2,734,516	\$2,859,594	-\$181,190	-5.96%
Operating Expenditures						
Salaries and Wages	\$228,413	\$118,656	\$237,312	\$222,375	-\$6,038	-2.64%
Fringe Benefits	67,799	59,216	118,432	63,376	-4,423	-6.52%
Fuel and Lubricants	294,524	72,736	145,472	213,593	-80,931	-27.48%
Materials and Supplies	17,430	2,878	5,756	10,210	-7,220	-41.42%
Services	2,248,676	1,064,453	2,128,906	2,182,832	-65,844	-2.93%
Insurance	54,464	25,862	51,724	55,210	746	1.37%
Travel/Training/Dues & Subscriptions	7,817	4,484	5,968	9,278	1,461	18.69%
All Other/Miscellaneous	46,661	40,473	40,946	102,720	56,059	120.14%
Contingency	75,000	0	0	0	-75,000	-100.00%
Total Operating Expenditures	\$3,040,784	\$1,388,758	\$2,734,516	\$2,859,594	-\$181,190	-5.96%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2020/21 Original Budget vs. FY 2021/22 Budget
Ferry Division - Operating Variance Overview**

Revenues	\$ Change	% Change
Federal, State, & Local Grants The increase is due to receiving the Passenger Ferry Grant for FY 2021/22.	\$127,823	N/A
Passenger Fares The decrease is primarily due to ridership not expected to reach pre-COVID levels.	-\$140,587	-10.64%
Transfer from Bus Operations Funding necessary to balance the Ferry budget and support expenses in Ferry operations.	-\$168,426	-9.80%
Expenditures	\$ Change	% Change
Fuel and Lubricants The decrease is primarily due to JTA's hedging strategy that allows JTA to lock in lower fuel prices in the future, thereby reducing its exposure to volatile fuel costs.	-\$80,931	-27.48%
Services The decrease is primarily due to a reduction in the corporate allocation, professional services, non-vehicle services, and contract work for vehicle maintenance and repairs handled by a third party. This is partially offset by a projected increase with HMS Ferries to support operations.	-\$65,844	-2.93%
All Other/Miscellaneous The increase is primarily due to estimated contractual expenses for ferry office space. The current contract has expired and is out for re-bid. If the current contractor does not win the bid, additional expenses will be required which include teardown, delivery and setup charges, reconnection services, moving expenses, and temporary office space.	\$56,059	120.14%
Contingency The decrease is primarily due to lower revenue estimates for FY 2021/22.	-\$75,000	-100.00%

**Jacksonville Transportation Authority
Analysis of FY 2021/22 Operating Budget
General Fund**

	FY 2020/21 Original Budget	6 Months Actuals FY 2020/21	12 Months Projected FY 2020/21	FY 2021/22 Proposed Budget	FY 2021/22 Proposed Budget over FY 2020/21 Original \$ Change % Change	
Operating Revenues						
Net Sales Tax - Operating	\$2,032,848	\$1,016,424	\$2,032,848	\$2,032,848	\$0	0.00%
Non-Transportation Revenue	95,706	5,527,324	5,527,324	124,098	28,392	29.67%
Interest Earnings	763,700	81,700	163,400	350,615	-413,085	-54.09%
Total Operating Revenues	\$2,892,254	\$6,625,448	\$7,723,572	\$2,507,561	-\$384,693	-13.30%
Operating Expenditures						
Salaries & Wages	\$1,096,082	\$758,787	\$1,517,574	\$1,493,493	\$397,411	36.26%
Fringe Benefits	417,332	409,051	468,102	418,807	1,475	0.35%
Materials and Supplies	26,432	-8,417	18,166	10,721	-15,711	-59.44%
Services	913,407	278,682	957,364	503,738	-409,669	-44.85%
Insurance	513	689	1,378	220	-293	-57.12%
Training/Travel/Dues & Subscriptions	14,164	8,630	15,260	49,787	35,623	251.50%
All Other/Miscellaneous	57,546	49,872	59,744	30,795	-26,751	-46.49%
Contingency	366,778	0	0	0	-366,778	-100.00%
Total Operating Expenditures	\$2,892,254	\$1,497,294	\$3,037,588	\$2,507,561	-\$384,693	-13.30%
Surplus/(Deficit)	\$0	\$5,128,154	\$4,685,984	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2020/21 Original Budget vs. FY 2021/22 Budget
General Fund - Operating Variance Overview**

Revenues	\$ Change	% Change
Non-Transportation Revenue The increase is based on average rental revenues received over the last 3 years.	\$28,392	29.67%
Interest Earnings The decrease is due to anticipated interest rate decreases as projected by JTA's investment advisor.	-\$413,085	-54.09%
Expenditures	\$ Change	% Change
Salaries & Wages The increase is primarily due to the addition of 4 positions, 2 of whose job duties were previously performed by outside consultants, as well as plans for hiring additional individuals to handle the workload associated with the number of grants JTA has received.	\$397,411	36.26%
Services The decrease is primarily due to the projected reduction in the use of consulting services for FY 2021/22.	-\$409,669	-44.85%
Training/Travel/Dues & Subscriptions The increase is due to anticipated travel for staff certifications, licenses, and training.	\$35,623	251.50%
All Other/Miscellaneous The decrease is primarily due to the reduction in employee expenses and town halls/group activities in favor of teleconferencing.	-\$26,751	-46.49%
Contingency The decrease is primarily due to lower revenue estimates for FY 2021/22.	-\$366,778	-100.00%

**Jacksonville Transportation Authority
Analysis of FY 2021/22 Capital Budget
All Divisions**

	FY 2020/21 Original Budget	FY 2021/22 Proposed Budget	FY 2021/22 Proposed Budget over FY 2020/21 Original	
Capital Funds			\$ Change	% Change
Federal Contributions	\$12,495,782	\$45,955,481	\$33,459,699	267.77%
JTA Local Match	41,100,000	22,806,204	-18,293,796	-44.51%
Total Capital Funds	\$53,595,782	\$68,761,685	\$15,165,903	28.30%
Capital Projects				
Bus Division	\$9,132,636	\$45,684,830	\$36,552,194	400.24%
Connexion Division	2,483,500	1,723,414	-760,086	-30.61%
Skyway Division	879,646	5,665,777	4,786,131	544.10%
Ferry Division	0	6,342,916	6,342,916	N/A
General Fund	41,100,000	9,344,748	-31,755,252	-77.26%
Total Capital Projects	\$53,595,782	\$68,761,685	\$15,165,903	28.30%
Surplus/(Deficit)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	

**Jacksonville Transportation Authority
Analysis of FY 2021/22 Capital Budget
Capital - All Divisions**

Capital Funds	\$ Change	% Change
Federal Contributions The increase is primarily due to JTA receiving CARES Act (\$14.4 million), Section 5339b Bus and Bus Facilities Grant (\$13.6 million), and Section 5307h Passenger Ferry Grant (\$5.6 million) for FY 2021/22.	\$33,459,699	267.77%
JTA Local Match The decrease is primarily due to JTA not budgeting the issuance of revenue bonds in FY 2021/22 against Local Option Gas Tax revenues to bridge the funding gap for the JTA MobilityWorks program that was budgeted in FY 2020/21. This is partially offset by the match percentage for requested grant revenues required, which includes JTA's share of the revenue from the new Local Option Gas Taxes (5 cent and 9th cent) that will be received effective January 1, 2022.	-\$18,293,796	-44.51%
Capital Projects	\$ Change	% Change
Bus Division The increase is due to various Myrtle campus improvement projects, bus replacements, and Jacksonville Regional Transportation Center additions.	\$36,552,194	400.24%
Connexion Division The decrease is due to purchase of fewer paratransit vehicles in FY 2021/22.	-\$760,086	-30.61%
Skyway Division The increase is primarily due to the rehabilitation of the Skyway trains (\$4.4 million), replacement of the train control modems (\$0.5 million), and inventory parts needed to keep the Skyway trains running (\$0.7 million).	\$4,786,131	544.10%
Ferry Division The increase is primarily due to construction of the St. Johns River Ferry gantry system that operates the terminal bridges.	\$6,342,916	N/A
General Fund The decrease is due to the issuance of revenue bonds in FY 2020/21 against JTA's share of the Local Option Gas Taxes (six cent) to bridge the funding gap for JTA MobilityWorks project program. This is partially offset by JTA's share of the new Local Option Gas Taxes (5 cent and 9th cent) revenue that will be received effective January 1, 2022. JTA has not identified projects that will be funded with the new Local Option Gas Taxes.	-\$31,755,252	-77.26%

**Jacksonville Transportation Authority
FY 2021/22 Capital Budget - Projects**

Capital Projects	Federal Portion	State Cash	JTA Cash	JTA/Other In-Kind	Project Costs
Bus Division					
35 Foot Bus (Clean Diesel)	1,782,000	-	254,667	-	2,036,667
40 Foot Bus (Clean Diesel)	1,908,000	-	273,333	-	2,181,333
Air Purification Systems	238,182	-	-	-	238,182
AMAG Access control upgrade to all campuses.	228,927	-	-	-	228,927
Armsdale Renovation for Automation	2,694,092	-	-	-	2,694,092
Automatic Door Openers	14,488	-	-	-	14,488
Bay Doors (Overhead Doors)	324,030	-	46,291	-	370,321
Bay St IT Building	1,309,900	-	-	-	1,309,900
Bldg. 6 Exhaust Fans	172,800	-	24,687	-	197,487
Building 4 Service Station	2,685,028	-	383,573	-	3,068,601
Complete Bus Rebuild	2,250,000	-	321,667	-	2,571,667
Connexion Bus (Turtle Top)	90,000	-	12,833	-	102,833
Electrical Panel Upgrades	216,000	-	30,857	-	246,857
Facilities FY21 COVID Projections	1,545,760	-	-	-	1,545,760
Generator Replacements	648,000	-	92,573	-	740,573
HVAC Replacements	199,800	-	28,543	-	228,343
IT Infrastructure & Software	3,129,021	-	-	-	3,129,021
JRTC Bus Bay Canopy and Myrtle Building #3 Refresh	-	-	2,500,000	-	2,500,000
Lifts	513,000	-	73,285	-	586,285
Myrtle Building 11 Renovations	1,674,910	-	-	-	1,674,910
Myrtle Campus Bus Apron	1,265,528	-	-	-	1,265,528
Myrtle Campus Bus Wash	1,835,350	-	-	-	1,835,350
Paint Booth	630,572	-	90,082	-	720,654
Plumbing Upgrades	567,000	-	81,000	-	648,000
PPE FY21 Projections	205,282	-	-	-	205,282
Staff Teleworking	219,900	-	-	-	219,900
Strategic Plan	300,000	-	-	-	300,000
Transit Oriented Development(TOD) Grant	1,819,692	-	454,923	-	2,274,615
Transit Stop ADA Improvements	-	-	2,600,000	-	2,600,000
Fixed Route Vehicle Replacement (CNG)	1,147,498	-	-	-	1,147,498
Fire Alarm System Upgrade	35,000	-	-	-	35,000
AMAG Conversion	46,073	-	-	-	46,073
Bus Related - Shop Equipment	62,000	-	-	-	62,000
CCTV	70,000	-	-	-	70,000
Bus Stop Shelter Site work	100,000	-	-	-	100,000
Backup Storage	195,000	-	-	-	195,000
Bus Stop - Amenities	355,844	-	-	-	355,844
Elevator Cab Replacement	438,857	-	-	-	438,857
Yard Management System	500,000	-	-	-	500,000
Escalator Modernization	952,740	-	-	-	952,740
Fixed Route Vehicle - Rebuilds	5,046,242	-	-	-	5,046,242
Merrill Road Improvements	-	-	1,000,000	-	1,000,000
Bus Division Total	37,416,516	-	8,268,314	-	45,684,830
Connexion Division					
Connection Vehicle Replacement	1,723,414	-	-	-	1,723,414
Connexion Division Total	1,723,414	-	-	-	1,723,414
Skyway Division					
Skyway Rehab - 10 trains		-	4,444,314	-	4,444,314
Skyway Train Control Modem Replacement	472,443	-	-	-	472,443
Inventory Parts	749,020	-	-	-	749,020
Skyway Division Total	1,221,463	-	4,444,314	-	5,665,777
Ferry Division					
Ferry Repairs	5,584,588	-	748,828	-	6,333,416
Rescue boat	9,500	-	-	-	9,500
Ferry Division Total	5,594,088	-	748,828	-	6,342,916
General Fund Division					
Various Construction Projects	-	-	9,344,748	-	9,344,748
General Fund Division Total	-	-	9,344,748	-	9,344,748
Total Capital Projects	45,955,481	-	22,806,204	-	68,761,685

**Jacksonville Transportation Authority
Analysis of FY 2021/22 Operating Budget
Administration/Corporate**

	FY 2020/21 Original Budget	6 Months Actuals FY 2020/21	12 Months Projected FY 2020/21	FY 2021/22 Proposed Budget	FY 2021/22 Proposed Budget over FY 2020/21 Original \$ Change % Change	
Operating Expenditures						
Salaries and Wages	\$9,243,337	\$4,638,471	\$9,276,942	\$11,118,728	\$1,875,391	20.29%
Fringe Benefits	2,743,647	2,319,997	4,639,994	3,168,793	425,146	15.50%
Materials and Supplies	705,342	172,508	345,016	510,500	-194,842	-27.62%
Services	8,556,394	4,225,248	8,450,496	7,153,945	-1,402,449	-16.39%
Insurance	17,710	8,677	17,354	10,486	-7,224	-40.79%
Travel/Training/Dues & Subscriptions	316,353	104,882	209,764	463,919	147,566	46.65%
All Other/Miscellaneous	574,633	220,796	441,592	504,510	-70,123	-12.20%
Total Operating Expenditures	\$22,157,416	\$11,690,579	\$23,381,158	\$22,930,881	\$773,465	3.49%

Corporate Operating Variance Overview

- 1) Contains functional areas such as Finance, Human Resources, Procurement, Grants, Customer Service, Information Technology, Business Intelligence, Marketing, Government Relations, Audit & Compliance, Payroll, etc.
- 2) The increase in Salaries and Wages is primarily due to Corporate re-organizations, job reclassifications, and promotions resulting in an increase in salaries. Also, there is a 3% JTA administration performance-based increase, no wage recovery for projects, and no furloughs were included in FY2021/22.
- 3) Fringe Benefits are budgeted at 29% of Salaries & Wages.
- 4) The decrease in Materials & Supplies are based on a reduced need for office equipment and in-house printing supplies.
- 5) The decrease in Services is primarily due to the Automation department being moved to the Bus Division.
- 6) The increase in Travel/Training/Dues & Subscriptions is primarily due to anticipated travel expense returning to pre-COVID levels.
- 7) The decrease in All Other/Miscellaneous is primarily due to the reduction in telephone contractual expense based on the re-evaluation of the number of phone lines used and needed for JTA.

JTA Operations Budget	
Total Operating Budget	\$147,925,222
Total Transfers Out	-18,960,847
Operating Contingency	-6,432,681
Total	\$122,531,694

Percentage Dedicated to
Corporate Operations

18.71%

Division Allocation		
Bus	18,184,189	79.3%
CTC	2,568,258	11.2%
Skyway	1,238,267	5.4%
Ferry	458,618	2.0%
Engineering	481,549	2.1%
Total	\$22,930,881	100.0%

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2021/2022**

	<u>Bus</u>	<u>Connexion</u>	<u>Skyway</u>	<u>Ferry</u>	<u>General Fund</u>	<u>Total</u>
<u>Estimated Operating Revenues</u>						
Federal, State & Local Grants	\$ 18,783,669	\$ 347,328	\$ 234,611	\$ 127,823	\$ -	\$ 19,493,431
Local Option Gas Tax	16,634,198	-	-	-	-	16,634,198
Net Sales Tax - Operating	72,694,156	-	-	-	2,032,848	74,727,004
Passenger Fares	8,545,927	1,109,380	-	1,180,702	-	10,836,009
State Transportation Disadvantaged Funds	-	1,826,890	-	-	-	1,826,890
City of Jacksonville (Paratransit Contribution)	-	1,525,918	-	-	-	1,525,918
Federal Preventative Maintenance	1,750,000	250,000	2,000,000	-	-	4,000,000
Non-Transportation Revenue	1,040,275	-	-	-	124,098	1,164,373
Interest Earnings	1,987	-	-	-	350,615	352,602
Transfer from Bus Operations to Connexion		12,729,376				12,729,376
Transfer from Bus Operations to Skyway			4,680,402			4,680,402
Transfer from Bus Operations to Ferry				1,551,069		1,551,069
Total Estimated Operating Revenues	\$ 119,450,212	\$ 17,788,892	\$ 6,915,013	\$ 2,859,594	\$ 2,507,561	\$ 149,521,272

SCHEDULE O

Operating Expenditures

Salaries and Wages	\$ 40,464,875	\$ 2,633,342	\$ 2,903,521	\$ 222,375	\$ 1,493,493	\$ 47,717,606
Fringe Benefits	18,175,581	1,082,210	1,398,747	63,376	418,807	21,138,721
Fuel and Lubricants	3,498,523	890,010	7,798	213,593	-	4,609,924
Materials and Supplies	5,035,291	865,676	1,041,018	10,210	10,721	6,962,916
Services	21,501,651	12,061,666	697,860	2,182,832	503,738	36,947,747
Insurance	998,400	1,174	496,947	55,210	220	1,551,951
Travel/Training/Dues & Subscriptions	528,254	67,509	30,378	9,278	49,787	685,206
All Other/Miscellaneous	2,258,059	187,305	338,744	102,720	30,795	2,917,623
Contingency	8,028,731	-	-	-	-	8,028,731
Transfer to Connexion	12,729,376					12,729,376
Transfer to Skyway	4,680,402					4,680,402
Transfer to Ferry	1,551,069					1,551,069
Total Operating Expenditures	\$ 119,450,212	\$ 17,788,892	\$ 6,915,013	\$ 2,859,594	\$ 2,507,561	\$ 149,521,272
Full Time Positions	705	38	51	0	15	808
Temporary Employee Hours	61,653	10,594	2,405	0	1,060	75,712

SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2021/2022**

	<u>Bus</u>	<u>Connexion</u>	<u>Skyway</u>	<u>Ferry</u>	<u>General Fund</u>	<u>Total</u>
<u>ESTIMATED REVENUES</u>						
Federal Grants	\$ 37,416,516	\$ 1,723,414	\$ 1,221,463	\$ 5,594,088	\$ -	\$ 45,955,481
Grant Match (State)	-	-	-	-	-	-
Local Match (JTA)	8,268,314	-	4,444,314	748,828	9,344,748	22,806,204
Total Estimated Revenues	<u>\$ 45,684,830</u>	<u>\$ 1,723,414</u>	<u>\$ 5,665,777</u>	<u>\$ 6,342,916</u>	<u>\$ 9,344,748</u>	<u>\$ 68,761,685</u>

SCHEDULE Q

APPROPRIATIONS

Computer Equipment	\$ 3,543,922	\$ -	\$ -	\$ -	\$ -	\$ 3,543,922
Facilities Improvements	18,211,743	-	-	-	-	18,211,743
Ferry Enhancements and Structural Improvements	-	-	-	6,333,416	-	6,333,416
Other Capital Projects	238,182	-	472,443	-	-	710,625
Rolling Stock - Fixed Route	13,464,407	-	-	-	-	13,464,407
Rolling Stock - Monorail	-	-	4,444,314	-	-	4,444,314
Rolling Stock - Paratransit	102,833	1,723,414	-	-	-	1,826,247
Security Equipment	345,000	-	-	-	-	345,000
Shop Equipment	648,285	-	749,020	-	-	1,397,305
Support Vehicles	-	-	-	9,500	-	9,500
Transit Oriented Development	2,274,615	-	-	-	-	2,274,615
Transit Planning	300,000	-	-	-	-	300,000
Transit Satellite Amenities	5,555,844	-	-	-	-	5,555,844
Construction Projects	1,000,000	-	-	-	9,344,748	10,344,748
Total Appropriations	<u>\$ 45,684,830</u>	<u>\$ 1,723,414</u>	<u>\$ 5,665,777</u>	<u>\$ 6,342,916</u>	<u>\$ 9,344,748</u>	<u>\$ 68,761,685</u>

SCHEDULE R

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2021/22**

JTA concurs with all recommendations.

Recommendations:

1. We recommend attaching Revised Schedules O, P, Q, and R to reflect the following changes:
 - a) We recommend decreasing the "Local Option Gas Tax" revenue under Bus on Schedule O by \$1,975,450 from \$16,634,198 to \$14,658,748. This will bring JTA's budget in agreement with the City for this revenue stream.
 - b) We recommend increasing the "Net Sales Tax – Operating" revenue under Bus on Schedule O by \$379,400 from \$72,694,156 to \$73,073,556. This will bring JTA's budget in agreement with the City for this revenue stream.
 - c) We recommend decreasing the "Contingency" expenditure line under Bus on Schedule P by \$1,596,050 from \$8,028,731 to \$6,432,681. This will balance JTA's revenues and expenditures.
 - d) We recommend increasing the "City of Jacksonville (Paratransit Contribution)" revenue under Connexion on Schedule O by \$1 from \$1,525,918 to \$1,525,919. We also recommend decreasing the "Federal, State, & Local Grants" revenue under Connexion on Schedule O by \$1 from \$347,328 to \$347,327. This will bring JTA's budget in agreement with the City for this revenue stream and will balance JTA's revenues and expenditures.
 - e) We recommend increasing JTA's "Full Time Positions" under Bus on Schedule P by 9 positions from 705 to 714 positions. This will correct the Budget Ordinance Schedule to agree with the supporting schedules.
 - f) We recommend removing the "Grant Match (State)" line on Schedule Q since there is no funding.
 - g) There are several rounding errors in JTA's capital schedules. We recommend correcting the rounding errors to balance revenues and expenditures.
2. We recommend amending the Budget Ordinance language related to JTA to reflect revised schedules and a revised sales tax revenue budget amount of \$75,106,404.

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2021/2022**

	<u>Bus</u>	<u>Connexion</u>	<u>Skyway</u>	<u>Ferry</u>	<u>General Fund</u>	<u>Total</u>
<u>Estimated Operating Revenues</u>						
Federal, State & Local Grants	\$18,783,669	\$347,327	\$234,611	\$127,823	\$0	\$19,493,430
Local Option Gas Tax	14,658,748	0	0	0	0	14,658,748
Net Sales Tax - Operating	73,073,556	0	0	0	2,032,848	75,106,404
Passenger Fares	8,545,927	1,109,380	0	1,180,702	0	10,836,009
State Transportation Disadvantaged Funds	0	1,826,890	0	0	0	1,826,890
City of Jacksonville (Paratransit Contribution)	0	1,525,919	0	0	0	1,525,919
Federal Preventative Maintenance	1,750,000	250,000	2,000,000	0	0	4,000,000
Non-Transportation Revenue	1,040,275	0	0	0	124,098	1,164,373
Interest Earnings	1,987	0	0	0	350,615	352,602
Transfer from Bus Operations to Connexion	0	12,729,376	0	0	0	12,729,376
Transfer from Bus Operations to Skyway	0	0	4,680,402	0	0	4,680,402
Transfer from Bus Operations to Ferry	0	0	0	1,551,069	0	1,551,069
Total Estimated Operating Revenues	\$117,854,162	\$17,788,892	\$6,915,013	\$2,859,594	\$2,507,561	\$147,925,222

REVISED SCHEDULE O

Operating Expenditures

Salaries and Wages	\$40,464,875	\$2,633,342	\$2,903,521	\$222,375	\$1,493,493	\$47,717,606
Fringe Benefits	18,175,581	1,082,210	1,398,747	63,376	418,807	21,138,721
Fuel and Lubricants	3,498,523	890,010	7,798	213,593	0	4,609,924
Materials and Supplies	5,035,291	865,676	1,041,018	10,210	10,721	6,962,916
Services	21,501,651	12,061,666	697,860	2,182,832	503,738	36,947,747
Insurance	998,400	1,174	496,947	55,210	220	1,551,951
Travel/Training/Dues & Subscriptions	528,254	67,509	30,378	9,278	49,787	685,206
All Other/Miscellaneous	2,258,059	187,305	338,744	102,720	30,795	2,917,623
Contingency	6,432,681	0	0	0	0	6,432,681
Transfer to Connexion	12,729,376	0	0	0	0	12,729,376
Transfer to Skyway	4,680,402	0	0	0	0	4,680,402
Transfer to Ferry	1,551,069	0	0	0	0	1,551,069
Total Operating Expenditures	\$117,854,162	\$17,788,892	\$6,915,013	\$2,859,594	\$2,507,561	\$147,925,222
Full Time Positions	714	38	51	0	15	818
Temporary Employee Hours	61,653	10,594	2,405	0	1,060	75,712

REVISED SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2021/2022**

	<u>Bus</u>	<u>Connexion</u>	<u>Skyway</u>	<u>Ferry</u>	<u>General Fund</u>	<u>Total</u>
<u>ESTIMATED REVENUES</u>						
Federal Grants	\$37,416,516	\$1,723,414	\$1,221,463	\$5,594,088	\$0	\$45,955,481
Local Match (JTA)	8,268,314	0	4,444,314	748,828	9,344,748	22,806,204
Total Estimated Revenues	<u>\$45,684,830</u>	<u>\$1,723,414</u>	<u>\$5,665,777</u>	<u>\$6,342,916</u>	<u>\$9,344,748</u>	<u>\$68,761,685</u>

REVISED SCHEDULE Q

APPROPRIATIONS

Computer Equipment	\$3,543,922	\$0	\$0	\$0	\$0	\$3,543,922
Facilities Improvements	18,211,742	0	0	0	0	18,211,742
Ferry Enhancements and Structural Improvements	0	0	0	6,333,416	0	6,333,416
Other Capital Projects	238,182	0	472,443	0	0	710,625
Rolling Stock - Fixed Route	13,464,407	0	0	0	0	13,464,407
Rolling Stock - Monorail	0	0	4,444,314	0	0	4,444,314
Rolling Stock - Paratransit	102,833	1,723,414	0	0	0	1,826,247
Security Equipment	345,000	0	0	0	0	345,000
Shop Equipment	648,285	0	749,020	0	0	1,397,305
Support Vehicles	0	0	0	9,500	0	9,500
Transit Oriented Development	2,274,615	0	0	0	0	2,274,615
Transit Planning	300,000	0	0	0	0	300,000
Transit Satellite Amenities	5,555,844	0	0	0	0	5,555,844
Construction Projects	1,000,000	0	0	0	9,344,748	10,344,748
Total Appropriations	<u>\$45,684,830</u>	<u>\$1,723,414</u>	<u>\$5,665,777</u>	<u>\$6,342,916</u>	<u>\$9,344,748</u>	<u>\$68,761,685</u>

REVISED SCHEDULE R

**COUNCIL AUDITOR'S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2021/2022**

INCENTIVE BACKGROUND

JTA has four unions which have pay for performance incentives. The four unions are the Amalgamated Transit Union (ATU), the American Federation of State, County, and Municipal Employees (AFSCME), the International Association of Machinists (IAM), and the International Association of Machinists – Customer Service (IAM – Customer Service). The four unions each have their own team incentive metrics. In addition, the ATU, AFSCME, and IAM Union members each have individual metrics for Safety and Attendance. The JTA Board approves the IAM – Customer Service and AFSCME contracts as these are state employees. The Jax Transit Management (JTM) Board approves the IAM and ATU contracts as these are private employees. The union contracts were approved as follows: ATU – 10/1/2017, IAM – 11/6/2017, AFSCME – 5/21/2019, and IAM-Customer Service – 12/2/2019. Each contract has a three-year term. The ATU contract is currently in negotiations with JTA for a new contract. Until a new contract is signed the provisions of the old contract will be followed. The IAM contract was to expire in November 2020, however it was extended for an additional year.

JTA FY 2020/21 BUDGET

The total payout for FY 2021/22 would be \$271,592 if all the employees earned the maximum incentive available. JTA budgets these incentives in the Bus, Connexion, and Skyway Divisions' salary line. JTA states that it does not have pay for performance incentive plans for employees company wide.

ELIGIBILITY

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

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

TEAM INCENTIVES for ATU, AFSCME, and IAM

Union members are eligible to receive 0.50% of annual gross wages.

Performance Goal	ATU (Bus Operator Team)	AFSCME (Supervisors/Dispatchers Team)	IAM (Maintenance Workers)
Fixed Route On Time Performance	Score of 80%	Score of 80%	Score of 80%
Fixed Route off the Lot Performance (combined AM/PM)	Score of 90%	Score of 90%	N/A
Customer Survey Courteous, Friendliness and Helpfulness	Score of 90%	Score of 90%	N/A

**COUNCIL AUDITOR'S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2021/2022**

Performance Goal	ATU (Bus Operator Team)	AFSCME (Supervisors/Dispatchers Team)	IAM (Maintenance Workers)
Unscheduled Operator Absences	N/A	Score of 8%	N/A
Fixed Route Mean Distance Between Vehicle Failures	N/A	N/A	12,800 miles
Connexion Mean Distance Between Vehicle Failure	N/A	N/A	27,800 miles
Fixed Route Bus Stop Cleanliness	N/A	N/A	Score of 71%
Connexion Vehicle Cleanliness	N/A	N/A	Score of 85%
Fixed Route Vehicle Cleanliness	N/A	N/A	Score of 85%
Skyway Vehicle Completed On-Time Preventive Maintenance Inspections	N/A	N/A	90% Key Performance Indicator (KPI)
Track Preventive Maintenance Inspections	N/A	N/A	80% (KPI)
Skyway Vehicle Cleanliness	N/A	N/A	80% (KPI)
Skyway Station Cleanliness	N/A	N/A	80% (KPI)
Tag Count Fixed Route/Connexion	N/A	N/A	Score of 98%
Tag Count Skyway	N/A	N/A	Score of 98%

TEAM INCENTIVE FOR IAM – CUSTOMER SERVICE

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

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

Customer Experience Coordinators	Customer Service Representatives	Media Delivery Specialists
Customer Focus	Customer Focus	Customer Focus
Personal Effectiveness	N/A	Personal Effectiveness
N/A	N/A	Adherence
N/A	Training	Training
Attendance	Attendance	Attendance
Quality Monitor	Quality Monitor	N/A

**COUNCIL AUDITOR'S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2021/2022**

INDIVIDUAL INCENTIVES for ATU, AFSCME and IAM

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

Attendance Goal

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

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

Safety Incentive Goal

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

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

Jacksonville Transportation Authority
Union Contractual Incentives
FY19 - FY21

		Perfect Attendance - Employees			Perfect Attendance - Days			Safety - \$			Safety - # *			Performance Incentive**		
		ATU	IAM	AFSCME	ATU	IAM	AFSCME	ATU	IAM	AFSCME***	ATU	IAM	AFSCME***	ATU	IAM	AFSCME
FY19																
	1st Qtr	46	83		23.0	83.0	0.0									
	2nd Qtr	32	67		16.0	67.0	0.0									
	3rd Qtr	44	65		22.0	65.0	0.0									
	4th Qtr	47	65		23.5	65.0	0.0									
Totals		169	280		84.5	280.0	0.0	\$64,193.05	\$40,040.00	N/A	934	527	N/A	\$0.00	\$0.00	N/A
FY20																
	1st Qtr	40	66		20.0	66.0	0.0									
	2nd Qtr	39	73		19.5	73.0	0.0									
	3rd Qtr	0	54	0	0.0	54.0	0.0									
	4th Qtr	84	58	0	42.0	58.0	0.0									
Totals		163	251	0	81.5	251.0	0.0	\$107,830.00	\$54,927.95	\$6,632.20	1,228	528	66	\$0.00	\$0.00	\$0.00
FY21																
	1st Qtr	40	58	0	20.0	58.0	0.0									
	2nd Qtr	33	37	8	16.5	37.0	8.0									
Totals		73	95	8	36.5	95.0	8.0	\$78,946.69	\$52,116.38	\$4,492.25	602	244	43	N/A	N/A	N/A

* # represents cumulative number of individuals awarded over all quarters for the year

** Performance incentives are only paid at year-end. The incentive was not earned in FY19 or FY20.

*** AFSCME incentives began December, 2019

TRANSIT OPERATIONS

FY20 Annual Union Performance Incentive Tracking

IAM PERFORMANCE		FY20 ACTUAL	FY20 GOAL
	Fixed Route OTP	78.0%	82%
	Mean Distance Between Vehicle Failures		
	Fixed Route	18,724	13,200
	Connexion	27,002	31,000
	Skyway Vehicle Completed On-Time Preventive Maintenance Inspections	92%	90%
	Cleanliness		
	Fixed Route Bus Stops	71.3%	80%
	Fixed Route Vehicles	83.8%	80%
	Connexion Vehicle Cleanliness	94.5%	80%
	Skyway Stations	88.0%	80%
	Skyway Vehicles	88.0%	80%
	Skyway Track PM Inspections	92%	80%
	Tag Count		
	Fixed Route/Connexion	98.3%	97%
	Skyway	98.4%	98%
ATU PERFORMANCE		YTD	GOAL
	Fixed Route OTP	78.0%	80%
	Customer Survey Courteousness, Friendliness and Helpfulness	66.2%	70%
	Fixed Route Off the Lot Performance	99.1%	90%
	<i>*Measures below were included in chart but not agreement*</i>		
	Mean Distance Between Vehicle Failures		
	Fixed Route	18,724	13,200
	Cleanliness		
	Fixed Route Bus Stops	71.3%	80%
	Fixed Route Vehicles	83.8%	80%

JACKSONVILLE AVIATION AUTHORITY
COMPARISON OF BUDGETS
ORIGINAL BUDGET FY 2020/2021 VERSUS PROPOSED BUDGET FY 2021/2022

	<u>Operating & Non Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Fund Transfers Out</u>	<u>Total</u>
FY 2020/2021 Original	\$62,380,544	\$7,270,000	\$7,315,000	\$11,140,728	\$88,106,272
FY 2021/2022 Proposed	\$65,908,737	\$6,297,072	\$170,102,500	\$22,090,287	\$264,398,596
\$ Change	\$3,528,193	-\$972,928	\$162,787,500	\$10,949,559	\$176,292,324
% Change	5.66%	-13.38%	2225.39%	98.28%	200.09%
		<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>Change</u>	
Full-time Positions		255	271	16	
Part-time Hours		5,220	5,220	0	

JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF THE FY 2021/2022 PROPOSED BUDGET

	2020/21 Original Budget	7 Months Actuals FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	2021/22 Proposed Budget over 2020/21 Original	
					\$ Change	% Change
OPERATING REVENUES						
Concessions	\$10,351,720	\$6,482,316	\$12,068,223	\$15,626,166	\$5,274,446	50.95%
Fees & Charges	16,547,348	10,126,207	17,376,944	18,052,320	1,504,972	9.09%
Space & Facility Rentals	31,102,721	17,891,026	30,616,864	30,065,211	-1,037,510	-3.34%
Parking	10,730,115	4,852,578	11,015,502	18,967,224	8,237,109	76.77%
Sale of Utilities	1,364,883	708,797	1,306,403	1,368,347	3,464	0.25%
Other Miscellaneous Operating Revenue	153,798	105,870	168,320	247,606	93,808	60.99%
TOTAL OPERATING REVENUES	\$70,250,585	\$40,166,794	\$72,552,256	\$84,326,874	\$14,076,289	20.04%
OPERATING EXPENDITURES						
Salaries	\$19,190,369	\$11,001,214	\$19,039,688	\$20,299,924	\$1,109,555	5.78%
Benefits	7,922,610	4,230,395	7,535,903	8,938,446	1,015,836	12.82%
Services & Supplies	18,774,766	7,230,330	13,241,662	16,205,112	-2,569,654	-13.69%
Repairs & Maintenance	4,366,311	2,816,485	6,893,684	8,585,605	4,219,294	96.63%
Promotion, Advertising and Dues	658,927	322,957	553,855	761,751	102,824	15.60%
Registrations & Travel	367,580	48,384	193,691	436,446	68,866	18.73%
Insurance Expense	1,939,972	983,410	1,481,129	1,829,000	-110,972	-5.72%
Cost of Goods for Sale	660,000	275,071	483,844	695,000	35,000	5.30%
Utilities, Taxes & Gov't Fees	4,714,790	2,185,184	3,687,996	4,671,853	-42,937	-0.91%
Operating Contingency	3,059,119	0	0	2,500,000	-559,119	-18.28%
TOTAL OPERATING EXPENDITURES	\$61,654,444	\$29,093,430	\$53,111,452	\$64,923,137	\$3,268,693	5.30%
INCOME FROM OPERATIONS	\$8,596,141	\$11,073,364	\$19,440,804	\$19,403,737	\$10,807,596	125.73%
NON-OPERATING REVENUES/(EXPENSES)						
Passenger Facility Charge Revenue	\$8,558,827	\$3,549,128	\$5,319,605	\$8,066,219	-\$492,608	-5.76%
Investment Income	1,209,000	448,234	979,769	1,470,343	261,343	21.62%
Other Revenue	772,860	6,728,799	7,279,266	432,660	-340,200	-44.02%
Debt Service	-7,270,000	-7,057,554	-8,128,166	-6,297,072	972,928	-13.38%
Other Expense	-726,100	-719,387	-138,165	-985,600	-259,500	35.74%
NET INCOME (LOSS) BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$11,140,728	\$14,022,584	\$24,753,113	\$22,090,287	\$10,949,559	98.28%
Transfer (to)/from Operating Capital Outlay	-\$4,715,000	-\$475,000	-\$911,293	-\$30,472,500	-\$25,757,500	546.29%
Transfer (to)/from Passenger Facility Charge Reserve	-3,206,915	-537,099	-1,676,048	-5,036,751	-1,829,836	57.06%
Transfer (to)/from Retained Earnings	-3,218,813	-3,218,813	-3,218,813	13,418,964	16,637,777	-516.89%
SURPLUS/(DEFICIT)	\$0	\$9,791,672	\$18,946,959	\$0	\$0	N/A
Fulltime Positions	255	245	255	271	16	6.27%
Temporary Employee Hours	5,220	0	0	5,220	0	0.00%

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2020/2021 VERSUS PROPOSED BUDGET FY 2021/2022

REVENUE OVERVIEW	\$ Change	% Change
<p>Concessions</p> <p>The increase is due to increases of \$3,543,744 in rental car revenue, \$749,856 in retail sales, \$375,067 in food & beverage revenue, \$203,529 in advertising, and \$180,921 in off-airport parking. There is also an increase of \$113,567 in fuel flowage revenue due to a \$0.01 increase per gallon sold and an increase in the forecast for gallons sold. Finally, there is an increase of \$125,373 in other concessions in terminal. Apart from fuel flowage fees, the increases are due to anticipated increases in passenger traffic.</p>	\$5,274,446	50.95%
<p>Fees & Charges</p> <p>The increase is due to increases of \$625,726 in ground transportation security fees & pickup fees, \$357,585 in operating permit revenue related to the "under the wing" vendors at JIA, \$255,301 in signatory airline landing fees, \$250,264 in fixed base operator (FBO) landing fees, \$248,573 in aircraft parking fees, and \$245,112 in non-signatory airline landing fees. The increases are due to anticipated increases in passenger traffic. The increase is partially offset by a decrease of \$599,239 in air cargo landing fees due to a decrease in the projected base rate (cost).</p>	\$1,504,972	9.09%
<p>Space & Facility Rentals</p> <p>The decrease is due to a decrease of \$2,286,217 in signatory/non-signatory and joint use space fees which is based on a reduction in the projected base rate (cost) and a total decrease of \$162,061 in rents for FBO facilities, non-aviation ground rentals, miscellaneous charges, and tie downs. The decrease is partially offset by increases of \$1,239,406 in rents for general aviation ground space, rental car ready return spaces, air cargo buildings, hangar spaces, \$90,551 for aircraft parking, and \$80,811 in airline gate use charges.</p>	-\$1,037,510	-3.34%
<p>Parking</p> <p>The increase is due to increases of \$4,683,244 in garage parking, \$1,821,025 in surface parking, \$1,266,948 in economy parking, and \$465,892 in premier/valet/employee parking. These increases are based on projected increases in passenger traffic and an increase in parking rates in February 2021.</p>	\$8,237,109	76.77%

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2020/2021 VERSUS PROPOSED BUDGET FY 2021/2022

REVENUE OVERVIEW	\$ Change	% Change
Other Miscellaneous Operating Revenue	\$93,808	60.99%
The increase is primarily due to an increase of \$85,000 for launch permits, services, and facility rentals at the Spaceport related to testing that will be conducted in FY 2021/22.		

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2020/2021 VERSUS PROPOSED BUDGET FY 2021/2022

EXPENDITURE OVERVIEW	\$ Change	% Change
<p>Salaries</p> <p>The increase is primarily due to an increase of \$1,236,314 for the addition of 16 new positions and a 2% increase in rates. The increase is partially offset by decrease of \$106,684 due to discontinuing the Employee Incentive Pay Plan (EIPP) in FY 2019/20 (although it was budgeted in FY 2020/21) and a decrease of \$46,212 in holiday bank pay which was overbudgeted in FY 2020/21.</p>	\$1,109,555	5.78%
<p>Benefits</p> <p>The increase is mostly due to the addition of 16 new positions in the FY 2021/22 budget. The increase is also comprised of increases of \$495,390 in hospitalization insurance costs (which are budgeted 14% higher than FY 2020/21), \$451,939 in pension costs due to increases in the Florida Retirement System employer contribution rate and a 2% increase in pay rates, and an increase of \$101,185 in payroll taxes. There are also increases of \$82,365 in sick leave due to a new policy in FY 2020/21 and \$65,226 for deferred compensation which was underbudgeted in FY 2020/21. The increase is partially offset by a decrease of \$209,699 in vacation accrual due to a policy change in FY 2020/21 that ended payouts for accrued vacation.</p>	\$1,015,836	12.82%
<p>Services & Supplies</p> <p>The decrease is primarily due to reclassifying \$2,720,856 in costs from services and supplies for information technology, building maintenance, and field maintenance to repairs and maintenance to more accurately classify the costs. The decrease is partially offset by an increase of \$431,260 in charges for consulting services related to a study of existing facilities to determine if they can be repaired/improved/demolished, a review of marketing, a review of the rates and charges model, and a review of rules and regulations.</p>	-\$2,569,654	-13.69%

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2020/2021 VERSUS PROPOSED BUDGET FY 2021/2022

EXPENDITURE OVERVIEW		\$ Change	% Change
Repairs & Maintenance		\$4,219,294	96.63%
<p>The increase is primarily due an increase of \$3,126,004 in IT repairs/maintenance and building/field maintenance due to reclassifying \$2,720,856 in costs from supplies and services. The remaining amount of the increase is due to increases of \$602,903 in custodial services due to a projected increase in passenger traffic, \$361,750 in planning and engineering costs for an on-call planning consultant and a study of the airport landside properties. There are also increases of \$345,447 in repairs and maintenance for Cecil Airport, JaxEx, Herlong Recreational Airport, and the Spaceport which are due to anticipated increases in activity at the various facilities. The increase is slightly offset by a decrease of \$191,310 in costs for repairs and maintenance on the Hold Baggage Screening system (HBS) at JIA.</p>			
Promotion, Advertising and Dues		\$102,824	15.60%
<p>The increase is almost entirely due to increases of \$65,000 in promotional airline incentives, \$40,102 in promotional events, materials & advertising due to the Farnborough Airshow, groundbreaking for Project Shockwave, and a booth at the Maintenance Repair & Overhaul (MRO) conference.</p>			
Insurance Expense		-\$110,972	-5.72%
<p>The decrease is mostly due to decreases of \$150,000 in workers compensation insurance and \$69,000 in general liability due to reductions in cost. The decreases are partially offset by an increase \$75,000 in property & casualty Insurance and \$25,000 in terminal liability costs.</p>			
Emergency Reserve		-\$559,119	-18.28%
<p>The decrease is due to an anticipated increase in activity in FY 2021/22.</p>			

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2020/2021 VERSUS PROPOSED BUDGET FY 2021/2022

NON-OPERATING REVENUE (EXPENSE) OVERVIEW	\$ Change	% Change
Passenger Facility Charge (PFC) Revenue The net decrease is due to revenue not coming in because of the pandemic in FY 2020/21 which is mostly offset by an anticipated increase in passenger traffic in FY 2021/22.	-\$492,608	-5.76%
Investment Income The increase is due to an anticipated increase in liquidity related to projected increases in airline activity and passenger traffic.	\$261,343	21.62%
Other Revenue The decrease is due to decreases of \$190,000 in timber sales at JIA, \$100,000 in timber sales at Cecil Airport, and \$50,000 in other misc. non-operating revenue.	-\$340,200	-44.02%
Debt Service The decrease is due to reductions in debt service related to the 2021 Revenue Refunding Note that refunded the 2012 Revenue Refunding Note.	-\$972,928	-13.38%
Other Expense The increase is mostly due to an increase of \$700,000 in financing costs for Project Shockwave. This increase is partially offset by a decrease in the timber expense budget of \$423,500 due to less timber sales and \$32,000 in State/Federal forfeiture reimbursements.	\$259,500	35.74%

**JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF PROPOSED 2021/2022 CAPITAL BUDGET**

	2020/2021 Original Budget	2021/2022 Proposed Budget	2021/22 Proposed Budget over 2020/21 Original \$ Change	% Change
Capital Funds				
Federal Contributions	\$250,000	\$630,000	\$380,000	152%
State Contributions	1,000,000	8,000,000	7,000,000	700%
Tenant/Other Contributions	0	131,000,000	131,000,000	0%
PFC	1,350,000	0	-1,350,000	-100%
Operating Capital Outlay	4,715,000	30,472,500	25,757,500	546%
Total Capital Funds	\$7,315,000	\$170,102,500	\$162,787,500	2225%
Capital Projects				
Jacksonville International Airport	\$3,900,000	\$7,687,000	\$3,787,000	97%
Cecil Airport	3,325,000	161,782,500	158,457,500	4766%
Cecil Spaceport	0	375,000	375,000	0%
Jax Ex at Craig Airport	0	215,000	215,000	
Herlong Airport	90,000	43,000	-47,000	-52%
Total Capital Projects	\$7,315,000	\$170,102,500	\$162,787,500	2225%
Surplus (Deficit)	\$0	\$0	\$0	

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2021/2022 BUDGET**

OPERATING REVENUES	
Concessions	\$15,626,166
Fees & Charges	18,052,320
Space & Facility Rentals	30,065,211
Parking	18,967,224
Sale of Utilities	1,368,347
Other Miscellaneous Operating Revenue	247,606
TOTAL OPERATING REVENUES	\$84,326,874
OPERATING EXPENDITURES	
Salaries	\$20,299,924
Benefits	8,938,446
Services and Supplies	16,205,112
Repairs & Maintenance	8,585,605
Promotion, Advertising and Dues	761,751
Registrations & Travel	436,446
Insurance Expense	1,829,000
Cost of Goods for Sale	695,000
Utilities, Taxes & Gov't Fees	4,671,853
Operating Contingency	2,500,000
TOTAL OPERATING EXPENDITURES	\$64,923,137
OPERATING INCOME	\$19,403,737
NON-OPERATING REVENUES	
Passenger Facility Charge	\$8,066,219
Investment Income	1,470,343
Other Revenues	432,660
TOTAL NON-OPERATING REVENUES	\$9,969,222
NON-OPERATING EXPENDITURES	
Debt Service	\$6,297,072
Other Expenditures	985,600
TOTAL NON-OPERATING EXPENDITURES	\$7,282,672
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$22,090,287
Transfer (to)/from Operating Capital Outlay	-28,972,500
Transfer (to)/from Passenger Facility Charge Reserve	-5,036,751
Transfer (to)/from Retained Earnings	11,918,964
SURPLUS/(DEFICIT)	
TOTAL REVENUES	\$94,296,096
TOTAL APPROPRIATIONS	\$94,296,096
FULLTIME POSITIONS	271
TEMPORARY EMPLOYEE HOURS	5,220

SCHEDULE G

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2021/2022 BUDGET
CAPITAL**

REVENUES

Federal Contributions	\$630,000
State Contributions	8,000,000
Tenant/Other Contributions	131,000,000
PFC	0
Operating Capital Outlay	28,972,500
Total Revenues	<u><u>\$168,602,500</u></u>

APPROPRIATIONS AND RESERVES

CAPITAL PROJECTS

Jacksonville International Airport	\$7,687,000
Cecil Airport	161,782,500
Cecil Spaceport	375,000
Craig Airport	215,000
Herlong Airport	43,000
Total Appropriations	<u><u>\$170,102,500</u></u>

TOTAL APPROPRIATIONS AND RESERVES	<u><u>\$170,102,500</u></u>
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SCHEDULE H

**Council Auditor's Office
Recommendations
Jacksonville Aviation Authority
Proposed FY 2021/22 Budget**

JAA concurs with all recommendations

1. We recommend an increase to the expenditure line "Services and Supplies" of \$574,939 for a revised total of \$16,780,051 and a decrease to the expenditure line "Operating Contingency" by the same \$574,939 for a revised total of \$1,925,061. The \$574,939 is the amount that JAA under budgeted for JIA fire services. JAA's budget was approved by its Board of Directors in June before the City budget was finalized; therefore, JAA did not have the final cost used by the City in preparing its budget for fire services at JIA. This amendment will result in JAA's budgeted cost for fire services equaling the City's budgeted revenues for providing the services. There is no funding proposed for rescue services.
2. At the request of JAA, we recommend an increase to the "Transfer (to)/from Operating Capital Outlay" of \$1,500,000 for a revised total of \$30,472,500 and an increase to the "Transfer (to)/from Retained Earnings" of \$1,500,000 for a revised total of \$13,418,964 to reflect the correct amount of JAA funding for capital projects.
3. We recommend increasing the Total Appropriations amount to a revised total of \$107,715,060 to correctly reflect the total amount of appropriations. Also, we recommend adding a line under Total Revenues titled Total Other Sources - Retained Earnings in the amount of \$13,418,964 to show the transfer from retained earnings that is budgeted. Then add a line titled Total Sources with an amount of \$107,715,060 to reflect a balanced budget. This will properly reflect the Total Appropriations of JAA and not increase JAA's planned expenditures.
4. Remove and replace Budget Ordinance Schedule G with Revised Schedule G to reflect recommendations 1, 2, and 3.
5. Remove and replace Budget Ordinance Schedule H with Revised Schedule H which offers more line item detail of FY 2021/22 capital projects.

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2021/2022 BUDGET**

OPERATING REVENUES	
Concessions	\$15,626,166
Fees & Charges	18,052,320
Space & Facility Rentals	30,065,211
Parking	18,967,224
Sale of Utilities	1,368,347
Other Miscellaneous Operating Revenue	247,606
TOTAL OPERATING REVENUES	\$84,326,874
OPERATING EXPENDITURES	
Salaries	\$20,299,924
Benefits	8,938,446
Services and Supplies	16,780,051
Repairs & Maintenance	8,585,605
Promotion, Advertising and Dues	761,751
Registrations & Travel	436,446
Insurance Expense	1,829,000
Cost of Goods for Sale	695,000
Utilities, Taxes & Gov't Fees	4,671,853
Operating Contingency	1,925,061
TOTAL OPERATING EXPENDITURES	\$64,923,137
OPERATING INCOME	\$19,403,737
NON-OPERATING REVENUES	
Passenger Facility Charge	\$8,066,219
Investment Income	1,470,343
Other Revenues	432,660
TOTAL NON-OPERATING REVENUES	\$9,969,222
NON-OPERATING EXPENDITURES	
Debt Service	\$6,297,072
Other Expenditures	985,600
TOTAL NON-OPERATING EXPENDITURES	\$7,282,672
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$22,090,287
Transfer (to)/from Operating Capital Outlay	-30,472,500
Transfer (to)/from Passenger Facility Charge Reserve	-5,036,751
Transfer (to)/from Retained Earnings	13,418,964
SURPLUS/(DEFICIT)	
TOTAL REVENUES	\$94,296,096
TOTAL OTHER SOURCES - RETAINED EARNINGS	\$13,418,964
TOTAL SOURCES	\$107,715,060
TOTAL APPROPRIATIONS	\$107,715,060
FULLTIME POSITIONS	271
TEMPORARY EMPLOYEE HOURS	5,220

**JACKSONVILLE AVIATION AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2022**

Airport	Description	FUNDING SOURCES					Budget FY 2021/22 Total Capital Commitments
		JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER	
Jacksonville	IT Infrastructure Refresh FY22	\$500,000					\$500,000
International Airport	Replace Loading Dock Freight Elevators (2 Units)	400,000					400,000
	Flex Warehouse Roof Refurbishment	250,000					250,000
	Garage Structure Rehab (Ph 4 of 4)	2,000,000					2,000,000
	JAX Canopy and Steel Support Replacement and Refurbishment	3,600,000					3,600,000
	Slope Mower	220,000					220,000
	Elgin Runway Sweeper	250,000					250,000
	JIA Small Cap	467,000					467,000
	Total JIA	\$7,687,000	\$0	\$0	\$0	\$0	\$7,687,000
Cecil Airport	Project Shockwave	\$14,000,000				\$131,000,000	\$145,000,000
	RWY 18R/36L Rehab (Phase 2 of 2)	812,500			3,250,000		4,062,500
	RWY 18L/36R PCN Upgrade	500,000					500,000
	Hangar 975	6,750,000			4,750,000		11,500,000
	Cecil Airport and Spaceport Master Plan	200,000		450,000			650,000
	Cecil Airport Small Cap	70,000					70,000
	Total Cecil Airport	\$22,332,500	\$0	\$450,000	\$8,000,000	\$131,000,000	\$161,782,500
Cecil Spaceport	Mission Ops Center IT Build Out	\$375,000					\$375,000
	Cecil Spaceport Small Cap	0					0
	Total Cecil Spaceport	\$375,000	\$0	\$0	\$0	\$0	\$375,000
Jacksonville Executive at Craig Airport	Airfield Drainage Assessment	\$20,000		\$180,000			\$200,000
	JAXEx Small Cap	15,000					15,000
	Total Jacksonville Executive at Craig Airport	\$35,000	\$0	\$180,000	\$0	\$0	\$215,000
Herlong Recreational Airport							0
	Herlong Recreational Airport Small Cap	\$43,000					\$43,000
	Total Herlong	\$43,000	\$0	\$0	\$0	\$0	\$43,000
	Total Capital	\$30,472,500	\$0	\$630,000	\$8,000,000	\$131,000,000	\$170,102,500

**COUNCIL AUDITOR'S OFFICE
EMPLOYEE INCENTIVE PLAN SUMMARY
JACKSONVILLE AVIATION AUTHORITY
PROPOSED BUDGET FY 2021/2022**

PURPOSE

The objective of the Jacksonville Aviation Authority (JAA) Employee Incentive Pay Plan (EIPP) is to reward employees for their contributions to the Authority's achievement of defined goals and to encourage exceptional performance in administering their duties. The JAA Board of Directors approved the plan on May 24, 2010 for non-bargaining unit employees only. On October 22, 2012 the JAA Board approved the revised plan to include the bargaining unit employees.

JAA FY 2021/22 BUDGET

The EIPP was discontinued, but not eliminated, during FY 2019/20 and no incentives were paid in FY 2020/21. The amount budgeted for the EIPP in FY 2021/22 is \$0 because the plan is still discontinued.

ELIGIBILITY

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

INCENTIVE AWARD METRICS

Incentive payments will be awarded if JAA obtains an operating margin of at least 20% for the fiscal year and JAA achieves a rating of satisfactory or higher in its annual travel and customer tenant surveys. The operating margin and operating margin percentage are based upon the Statement of Revenues, Expenses and Changes in Net Assets as presented in JAA's Comprehensive Annual Financial Report (CAFR).

INCENTIVE AWARD FOR NON-BARGAINING EMPLOYEES:

Maximum pay per qualified employee: \$2,500.

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

- 35% or greater, the award is 1.50% of the employee's base salary.
- 30% or greater, but less than 35% the award is 1.25% of the employee's base salary.
- 25% or greater, but less than 30% the award is 1.00% of the employee's base salary.
- 20% or greater, but less than 25% the award is .75% of the employee's base salary.
- Less than 20% no incentive award is given.

INCENTIVE AWARD FOR BARGAINING UNIT EMPLOYEES

Maximum pay per qualified employee: \$1,250.

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

- 35% or greater the award is .375% of the employee's base salary.
- 30% or greater, but less than 35% the award is .31% of the employee's base salary.
- 25% or greater, but less than 30% the award is .25% of the employee's base salary.
- 20% or greater, but less than 25% the award is .18% of the employee's base salary.
- Less than 20% no incentive award is given.

**JACKSONVILLE PORT AUTHORITY
COMPARISON OF BUDGETS
ANALYSIS OF FY 2021/2022 PROPOSED BUDGET**

	<u>Operating & Non-Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total</u>
FY 2020/2021 Original	\$46,108,805	\$22,929,363	\$207,926,226	\$276,964,394
FY 2021/2022 Proposed	\$50,685,849	\$16,785,534	\$108,879,247	\$176,350,630
\$ Change	\$4,577,044	-\$6,143,829	-\$99,046,979	-\$100,613,764
% Change	9.93%	-26.79%	-47.64%	-36.33%

	<u>FY 2020/21</u>	<u>FY 2021/22</u>	<u>Change</u>
Full-time Positions	171	171	0
Part-time Hours	5,200	5,200	0

Jacksonville Port Authority
Analysis of FY 2021/22 Proposed Budget

	2020/21 Original Budget	8 Months Actuals FY 2020/21	12 Months Projected FY 2020/21	2021/22 Proposed Budget	2021/22 Proposed Budget over 2020/21 Original	
					\$ Change	% Change
Operating Revenues						
Containers	\$31,064,366	\$22,838,899	\$27,957,481	\$29,856,732	-\$1,207,634	-3.89%
Autos	14,985,447	10,412,046	15,361,184	15,220,500	235,053	1.57%
Military	1,270,000	824,781	850,603	998,133	-271,867	-21.41%
Break Bulk	4,093,136	3,502,483	4,665,518	4,133,415	40,279	0.98%
Liquid Bulk	1,312,622	969,567	1,443,414	1,490,922	178,300	13.58%
Dry Bulk	2,018,956	1,427,070	1,989,760	2,078,202	59,246	2.93%
Cruise	2,000,000	0	0	1,224,130	-775,870	-38.79%
Other Operating Revenues	2,550,480	3,670,240	4,142,402	2,778,721	228,241	8.95%
Total Operating Revenues	\$59,295,007	\$43,645,086	\$56,410,362	\$57,780,755	-\$1,514,252	-2.55%
Operating Expenditures						
Salaries	\$12,229,040	\$7,879,489	\$12,063,530	\$13,120,191	\$891,151	7.29%
Employee Benefits	5,356,482	3,567,689	5,319,122	5,913,133	556,651	10.39%
Services & Supplies	4,090,702	2,487,614	3,885,088	4,948,700	857,998	20.97%
Security Services	5,009,338	3,002,317	4,781,209	5,402,169	392,831	7.84%
Business Travel & Training	443,111	83,564	280,388	576,725	133,614	30.15%
Promotion, Advertising, Dues	631,897	366,390	598,087	734,327	102,430	16.21%
Utility Services	803,875	423,448	727,678	781,944	-21,931	-2.73%
Repairs & Maintenance Projects	1,812,165	1,132,447	1,705,161	2,077,416	265,251	14.64%
Crane Maintenance Pass Thru	-450,000	-259,524	-401,140	-450,000	0	0.00%
Berth Maintenance Dredging	5,499,738	3,023,756	5,499,738	5,335,165	-164,573	-2.99%
Miscellaneous	234,457	104,485	195,542	163,115	-71,342	-30.43%
Total Operating Expenditures	\$35,660,805	\$21,811,675	\$34,654,403	\$38,602,885	\$2,942,080	8.25%
Operating Income	\$23,634,202	\$21,833,411	\$21,755,959	\$19,177,870	-\$4,456,332	-18.86%
Non-Operating Revenues/(Expenses)						
Debt Service	-\$22,929,363	-\$14,291,857	-\$16,229,363	-\$16,785,534	\$6,143,829	-26.79%
Investment Income	146,344	6,557	10,000	8,688	-137,656	-94.06%
Shared Revenue from Primary Govt	9,588,317	6,566,533	9,757,089	9,600,000	11,683	0.12%
Crane Relo/Demo	0	-706,429	-706,429	0	0	N/A
Operating Grants	0	0	0	73,440	73,440	N/A
Other Revenue	8,500	240	4,430	8,500	0	0.00%
Other Expenses	-3,360	-6,764	-4,003,704	-3,360	0	0.00%
Total Non-Operating Revenues/(Expenses)	-\$13,189,562	-\$8,431,720	-\$11,167,977	-\$7,098,266	\$6,091,296	-46.18%
Net Income Before Capital Contribution	\$10,444,640	\$13,401,691	\$10,587,982	\$12,079,604	\$1,634,964	15.65%
Transfer to Operating Capital Outlay	-\$10,444,640	-\$13,401,691	-\$10,587,982	-\$12,079,604	-\$1,634,964	15.65%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	

Jacksonville Port Authority
FY 2020/21 Original Budget vs. FY 2021/22 Proposed Budget
Variance Overview

Operating Revenues	\$ Change	% Change
<u>Containers</u> The decrease is due to JPA not budgeting a \$6 million advance rent payment in FY 2021/22 that was budgeted in FY 2020/21 which was the last payment to be received. This is partially offset by a projected increase of \$4.8 million in Twenty-foot Equivalent Units (TEUs) in FY 2021/22.	-\$1,207,634	-3.89%
<u>Autos</u> The increase is due to additional auto units projected to be received in FY 2021/22 due to anticipated demand.	\$235,053	1.57%
<u>Military</u> The decrease is primarily due to some of the military business being moved from one tenant where JPA received revenue from a land lease for "overflow" and tonnage to another tenant where JPA will not receive any revenue for "overflow" and tonnage.	-\$271,867	-21.41%
<u>Liquid Bulk</u> The increase is primarily due to estimated increases in tons provided by tenants.	\$178,300	13.58%
<u>Cruise</u> The decrease is primarily due to JPA projecting 9 months of Cruise operations at 30% occupancy for FY 2021/22.	-\$775,870	-38.79%
<u>Other Operating Revenues</u> The increase is primarily due to an increase in rail revenue due to moving additional containers that were previously moved by trucks, an increase in idle dockage, an increase of Transportation Worker Identification Credential (TWIC) escort fees, and an increase in soil recycling fees due to increased construction in the Jacksonville area. These increases are partially offset by a decrease in dredge spoil fees.	\$228,241	8.95%

Jacksonville Port Authority
FY 2020/21 Original Budget vs. FY 2021/22 Proposed Budget
Variance Overview

Operating Expenditures	\$ Change	% Change
<u>Salaries</u> The increase is primarily due to a 2% salary increase for both union and non-union employees, the funding of three positions that were not funded in FY 2020/21, and unfreezing of positions that were partially unfunded in FY 2020/21 due to the COVID-19 pandemic.	\$891,151	7.29%
<u>Employee Benefits</u> The increase is primarily due to a FRS pension rate increase of 6% and additional contribution amounts due to the salary increases, a 7% increase in health insurance, an increase in FICA and Medicare based on changes in salaries, and an increase of \$20,000 for Wellness Initiatives.	\$556,651	10.39%
<u>Services & Supplies</u> The increase is primarily due to an increase in fuel costs for increased cargo volumes and higher fuel prices, an increase for consultants (environmental studies consultant, a grant consultant, a market consultant, an accounting consultant, an IT systems consultant, and a Port expansion consultant), an increase in operating supplies and equipment in order to return to pre-COVID levels, and an increase in facilities inspections due to normally scheduled inspection cycles.	\$857,998	20.97%
<u>Security Services</u> The increase is primarily due to a 2% Security Contract increase, additional salary increases to bring salaries to a minimum of \$15/hour, and bringing back contract security officers that were affected in the FY 2020/21 budget reductions.	\$392,831	7.84%
<u>Business Travel & Training</u> The increase is primarily due to anticipated travel and training expenses returning to pre-COVID levels.	\$133,614	30.15%
<u>Promotion, Advertising, Dues</u> The increase is primarily due to anticipated promotion, advertising, and dues returning to pre-COVID levels.	\$102,430	16.21%
<u>Repairs & Maintenance Projects</u> The increase is primarily due to repairs and maintenance expenses returning to pre-COVID levels.	\$265,251	14.64%
<u>Berth Maintenance Dredging</u> The decrease is primarily due to a reduction in estimated cubic yards to be dredged in FY 2021/22 from FY 2020/21. This is partially offset by an increase in dredge spoil site maintenance that was not included in the FY 2020/21 budget.	-\$164,573	-2.99%

Jacksonville Port Authority
FY 2020/21 Original Budget vs. FY 2021/22 Proposed Budget
Variance Overview

Non-Operating Revenues/Expenses	\$ Change	% Change
<u>Debt Service</u> The decrease is primarily due to the budgeted paydown of \$6 million in principal for JPA's Line of Credit in FY 2020/21, that is not budgeted for in FY 2021/22 and a decrease of \$680,000 in interest for the City of Jacksonville Bridge Loan. This is partially offset by increases of principal and interest payments for various other debt service instruments.	\$6,143,829	-26.79%
<u>Investment Income</u> The decrease is due to near zero interest yields on cash balances.	-\$137,656	-94.06%

Jacksonville Port Authority
Analysis of FY 2021/22 Proposed Capital Budget

Capital Funds	2020/21 Original Budget	2021/22 Proposed Budget	2021/22 Proposed Budget over 2020/21 Original	
			\$ Change	% Change
State Funded	\$54,387,522	\$10,952,758	-\$43,434,764	-79.86%
Federal Funded	39,055,591	21,356,640	-17,698,951	-45.32%
Local Funded	35,000,000	0	-35,000,000	-100.00%
Customer Contribution	61,000,000	52,000,000	-9,000,000	-14.75%
JPA Operating Funds	10,444,640	12,079,604	1,634,964	15.65%
Cash Reserves	4,525,176	7,945,000	3,419,824	75.57%
JPA Financing	3,513,297	4,545,245	1,031,948	29.37%
Total Capital Funds	\$207,926,226	\$108,879,247	-\$99,046,979	-47.64%
Capital Projects				
Blount Island Marine Terminal	\$100,675,000	\$78,497,000	-\$22,178,000	-22.03%
Dames Point Marine Terminal	4,050,000	1,750,000	-2,300,000	-56.79%
Talleyrand Marine Terminal	29,382,000	6,207,000	-23,175,000	-78.87%
Miscellaneous & Other Capital Projects	73,819,226	22,425,247	-51,393,979	-69.62%
Total Capital Projects	\$207,926,226	\$108,879,247	-\$99,046,979	-47.64%
Surplus/(Deficit)	\$0	\$0	\$0	

**JACKSONVILLE PORT AUTHORITY
FY 2021/2022 BUDGET**

OPERATING REVENUES	
Containers	\$ 29,856,732
Autos	15,220,500
Military	998,133
Break Bulk	4,133,415
Liquid Bulk	1,490,922
Dry Bulk	2,078,202
Cruise	1,224,130
Other Operating Revenues	2,778,721
TOTAL OPERATING REVENUES	\$ 57,780,755
OPERATING EXPENDITURES	
Salaries	\$ 13,120,191
Employee Benefits	5,913,133
Services & Supplies	4,948,700
Security Services	5,402,169
Business Travel & Training	576,725
Promotion, Advertising, Dues	734,327
Utility Services	781,944
Repairs & Maintenance Projects	2,077,416
Crane Maintenance Pass Thru	(450,000)
Berth Maintenance Dredging	5,335,165
Other Operating Expenditures	163,115
TOTAL OPERATING EXPENDITURES	\$ 38,602,885
OPERATING INCOME	\$ 19,177,870
NON-OPERATING REVENUES	
Investment Income	\$ 8,688
Shared Revenue from Primary Govt	9,600,000
Operating Grant	73,440
Other Revenue	8,500
TOTAL NON-OPERATING REVENUES	\$ 9,690,628
NON-OPERATING EXPENDITURES	
Debt Service	\$ 16,785,534
Other Expenditures	3,360
TOTAL NON-OPERATING EXPENDITURES	\$ 16,788,894
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	\$ 12,079,604
Transfer to Operating Capital Outlay	\$ (12,079,604)
SURPLUS/(DEFICIT)	\$ -
TOTAL REVENUES	\$ 67,471,383
TOTAL APPROPRIATIONS	\$ 67,471,383
Full Time Positions	
	171
Temporary Employee Hours	
	5,200

SCHEDULE I

Jacksonville Port Authority

FY 2021/2022 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Blount Island	Container Terminal Upgrades		20,000,000	52,000,000				\$ 72,000,000
	Breasting Dolphin - Berth 22 - Design & Construction	2,062,500				687,500		\$ 2,750,000
	Rehabilitate Berths 33 & 34	1,125,000				375,000		\$ 1,500,000
	Intersection Improvements @ Wm Mills/Dave Rawls (WB rt Turn slip, SSA queue, DR L	375,000			375,000			\$ 750,000
	Tenant Asphalt Facility Rehab				282,000			\$ 282,000
	Install Rail Gates at Crossings (CNST) - 2 Locations (Berth 20 & Dave Rawls)				250,000			\$ 250,000
	Pile, Cap and Beam Rehab BIMT					200,000		\$ 200,000
	RoRo Entrance Design	100,000				100,000		\$ 200,000
	Crane Rail Grout 100 - 200 linear feet per year				150,000			\$ 150,000
	Transit Shed #1 Rehab Design				100,000			\$ 100,000
	Resurface ACC and add parking and curbing				65,000			\$ 65,000
	Roof Replacement Access Control/Operations Bldg					50,000		\$ 50,000
	HVAC Upgrades at Tenant Office Building				50,000			\$ 50,000
	Intersection Impvts at BI Blvd/Intermodal/Berth 20				50,000			\$ 50,000
	Refurbish and Paint Maintenance Shed and Areas					40,000		\$ 40,000
	Terminal Wide Striping (Thermoplastic)				40,000			\$ 40,000
	Stormwater Pond Outfall upgrades for Tenants				20,000			\$ 20,000
	Total Blount Island	\$ 3,662,500	\$ 20,000,000	\$ 52,000,000	\$ 1,382,000	\$ 1,452,500	\$ -	\$ 78,497,000
Dames Point	Slope Protection between Cruise Terminal & Tenant (Design & Construction)	500,000			500,000			\$ 1,000,000
	August Drive Bridge Sheet Pile Wall Replacement Construction	250,000					250,000	\$ 500,000
	Asphalt Rehab Tenant					250,000		\$ 250,000
	Total Dames Point	\$ 750,000	\$ -	\$ -	\$ 500,000	\$ 250,000	\$ 250,000	\$ 1,750,000
Talleyrand	Tenant Warehouse Rehab - ROOF only	1,000,000				1,000,000		\$ 2,000,000
	Rehabilitate Under Deck Concrete	1,425,000				475,000		\$ 1,900,000
	Pile, Cap and Beam Rehab TMT-Berth 5 - (Cleaning, Design, Construction)	712,500				237,500		\$ 950,000
	Tenant Processing Bldg-Upgrade 3 Air Handlers	125,000				125,000		\$ 250,000
	Terminal Facility Maintenance Building					250,000		\$ 250,000
	Dock Curbing upgrade 900 LF (remove and replace from 1420 to 2935)				250,000			\$ 250,000
	Resurface Leased Areas - TMT	100,000			100,000			\$ 200,000
	Westrock Property Development PH 1 (Design & Demo)	75,000				75,000		\$ 150,000
	Crane Rail Grout 100 - 200 linear feet per year				150,000			\$ 150,000
	South Rail Crossing Arms installation on Talleyrand	72,000						\$ 72,000
	Tenant Warehouse 9 roof repairs					35,000		\$ 35,000
	Total Talleyrand	\$ 3,509,500	\$ -	\$ -	\$ 500,000	\$ 2,197,500	\$ -	\$ 6,207,000
Port Related	Upland Dredge Material Mgmt Area-Bartram Island-"C"-Construction				6,704,755		4,295,245	\$ 11,000,000
	Upland Dredge Material Management Area Construction Buck B - Phase 2	2,900,000				2,900,000		\$ 5,800,000
	PSGP Rd 20 Security Grant		981,640		327,213			\$ 1,308,853
	Property Acquisition adjacent to TMT South					1,000,000		\$ 1,000,000
	PSGP Rd 21 Security Grant		375,000			125,000		\$ 500,000
	Capitalize In-House Engineering Services				400,000			\$ 400,000
	PCOB Renovations				350,000			\$ 350,000
	FSTED 20 Security Grant	116,250			38,750			\$ 155,000
	Misc Land Acquisition				100,000			\$ 100,000
	Strategic Master Plan				100,000			\$ 100,000
	Buck Island Access Road Bridge (Concept Development)					20,000		\$ 20,000
	FSTED 19 Security Grant	14,508			4,836			\$ 19,344
	Total Port Related	\$ 3,030,758	\$ 1,356,640	\$ -	\$ 8,025,554	\$ 4,045,000	\$ 4,295,245	\$ 20,753,197
Other Capital	BLOUNT ISLAND							
	Maintenance Shop Roll Up Doors (2 for Back and Side)				60,000			\$ 60,000
	Tractor with Slope Mower (90-120 HP)				60,000			\$ 60,000
	Dock Bollard Materials and Installation				25,000			\$ 25,000
	Upgrade Lights to LED (All Lights Along Dave Rawls & Security Complex)				25,000			\$ 25,000
	Forklift (sidelift) for inventory usage				25,000			\$ 25,000
	Shelving for addtl row of Inventory @ BIMT				20,000			\$ 20,000
	Access Control crew shelter (Handy Hut)				7,000			\$ 7,000
	DAMES POINT							
	Cruise Terminal Fender Maintenance				22,000			\$ 22,000
	Tenant CCTV PoleSafety Upgrades for IT				20,000			\$ 20,000
	Cruise Terminal Dock Lighting upgrade to LED				15,000			\$ 15,000
	Tenant Stormwater Pond Outfall upgrades				10,000			\$ 10,000
	TALLEYRAND							
	Purchase Portable restroom for north gate security area				50,000			\$ 50,000
	Truck Scale Upgrade (ugrade 6 Load Cells on truck scales)				50,000			\$ 50,000
	8k forklift				45,000			\$ 45,000
	ZPMC Gantry Wheel Brakes				45,000			\$ 45,000
	Replace Portable restroom at 11th street gate/security area (in-House)				35,000			\$ 35,000
	Elevator safety devices				20,000			\$ 20,000
	Warehouse #1 Sewer line replacement				15,000			\$ 15,000
	SECURITY/SECURITY OPERATIONS CENTER							
	SOC HVAC replacement				35,000			\$ 35,000
	SOC Parking Lot repair				17,000			\$ 17,000
	SOC Paint / Carpet /Tile				12,000			\$ 12,000
	SOC Well Pump and Water Softner Replacement				6,000			\$ 6,000
	PCOB							
	Vehicle Purchases for all Terminals				600,000			\$ 600,000
	Portwide signage upgrade				100,000			\$ 100,000
	Replace Air Handler units 3 (TMT Tenant Area)				95,000			\$ 95,000
	Storage Upgrade (~68 drives)				60,000			\$ 60,000
	IT Hardware/Software Upgrades				50,000			\$ 50,000
	Upgrade Crane Edge-Switches and relatewd Network Gear.				40,000			\$ 40,000
	UPS Upgrade (PCOB)				35,000			\$ 35,000
	T-7 Access Improvement				30,000			\$ 30,000
	KleinPort PortControl Enhancements				22,050			\$ 22,050
	Maximo Upgrades				10,000			\$ 10,000
	Drone software				6,000			\$ 6,000
	Seal Coat PCOB parking lot/Restripe				5,000			\$ 5,000
	Total Other Capital	\$ -	\$ -	\$ -	\$ 1,672,050	\$ -	\$ -	\$ 1,672,050
TOTAL CAPITAL PROJECTS		\$ 10,952,758	\$ 21,356,640	\$ 52,000,000	\$ 12,079,604	\$ 7,945,000	\$ 4,545,245	\$ 108,879,247

SCHEDULE J

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED BUDGET FY 2021/2022**

JPA concurs with these recommendations.

RECOMMENDATIONS:

1. We recommend attaching Revised Schedule I to increase the "Shared Revenue from Primary Govt" line under "Non-Operating Revenues" by \$42,191 from \$9,600,000 to \$9,642,191. This amount will be in agreement with the amount the City has budgeted to be paid to JPA. We also recommend that JPA increase the "Debt Service" line under "Non-Operating Expenditures" by \$42,191 from \$16,785,534 to \$16,827,725. This will balance the revenues and expenditures for JPA's budget.
2. We recommend attaching Revised Schedule J (Capital) to correct spelling errors and include formatting changes for consistency purposes.

**JACKSONVILLE PORT AUTHORITY
FY 2021/2022 BUDGET**

OPERATING REVENUES	
Containers	\$29,856,732
Autos	15,220,500
Military	998,133
Break Bulk	4,133,415
Liquid Bulk	1,490,922
Dry Bulk	2,078,202
Cruise	1,224,130
Other Operating Revenues	2,778,721
TOTAL OPERATING REVENUES	\$57,780,755
OPERATING EXPENDITURES	
Salaries	\$13,120,191
Employee Benefits	5,913,133
Services & Supplies	4,948,700
Security Services	5,402,169
Business Travel & Training	576,725
Promotion, Advertising, Dues	734,327
Utility Services	781,944
Repairs & Maintenance Projects	2,077,416
Crane Maintenance Pass Thru	-450,000
Berth Maintenance Dredging	5,335,165
Other Operating Expenditures	163,115
TOTAL OPERATING EXPENDITURES	\$38,602,885
OPERATING INCOME	\$19,177,870
NON-OPERATING REVENUES	
Investment Income	\$8,688
Shared Revenue from Primary Govt	9,642,191
Operating Grant	73,440
Other Revenue	8,500
TOTAL NON-OPERATING REVENUES	\$9,732,819
NON-OPERATING EXPENDITURES	
Debt Service	\$16,827,725
Other Expenditures	3,360
TOTAL NON-OPERATING EXPENDITURES	\$16,831,085
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	\$12,079,604
Transfer to Operating Capital Outlay	-\$12,079,604
SURPLUS/(DEFICIT)	\$0
TOTAL REVENUES	\$67,513,574
TOTAL APPROPRIATIONS	\$67,513,574
Full Time Positions	171
Temporary Employee Hours	5,200

Jacksonville Port Authority

FY 2021/2022 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Blount Island	Container Terminal Upgrades		20,000,000	52,000,000				\$72,000,000
	Breasting Dolphin - Berth 22 - Design & Construction	2,062,500				687,500		\$2,750,000
	Rehabilitate Berths 33 & 34	1,125,000				375,000		\$1,500,000
	Intersection Improvements @ Wm Mills/Dave Rawls (WB rt Turn slip, SSA queue, DR Left)	375,000			375,000			\$750,000
	Tenant Asphalt Facility Rehab				282,000			\$282,000
	Install Rail Gates at Crossings (Construction) - 2 Locations (Berth 20 & Dave Rawls)				250,000			\$250,000
	Pile, Cap and Beam Rehab BIMT					200,000		\$200,000
	RoRo Entrance Design	100,000				100,000		\$200,000
	Crane Rail Grout 100 - 200 linear feet per year				150,000			\$150,000
	Transit Shed #1 Rehab Design				100,000			\$100,000
	Resurface ACC and add parking and curbing				65,000			\$65,000
	Roof Replacement Access Control/Operations Bldg					50,000		\$50,000
	HVAC Upgrades at Tenant Office Building				50,000			\$50,000
	Intersection Impvts at Blount Island Blvd/Intermodal/Berth 20				50,000			\$50,000
	Refurbish and Paint Maintenance Shed and Areas					40,000		\$40,000
	Terminal Wide Striping (Thermoplastic)				40,000			\$40,000
	Stormwater Pond Outfall upgrades for Tenants				20,000			\$20,000
	Total Blount Island	\$3,662,500	\$20,000,000	\$52,000,000	\$1,382,000	\$1,452,500	\$0	\$78,497,000
Dames Point	Slope Protection between Cruise Terminal & Tenant (Design & Construction)	500,000			500,000			\$1,000,000
	August Drive Bridge Sheet Pile Wall Replacement Construction	250,000					250,000	\$500,000
	Asphalt Rehab Tenant					250,000		\$250,000
	Total Dames Point	\$750,000	\$0	\$0	\$500,000	\$250,000	\$250,000	\$1,750,000
Talleyrand	Tenant Warehouse Rehab - ROOF only	1,000,000				1,000,000		\$2,000,000
	Rehabilitate Under Deck Concrete	1,425,000				475,000		\$1,900,000
	Pile, Cap and Beam Rehab TMT-Berth 5 - (Cleaning, Design, Construction)	712,500				237,500		\$950,000
	Tenant Processing Bldg-Upgrade 3 Air Handlers	125,000				125,000		\$250,000
	Terminal Facility Maintenance Building					250,000		\$250,000
	Dock Curbing upgrade 900 LF (remove and replace from 1420 to 2935)				250,000			\$250,000
	Resurface Leased Areas - TMT	100,000			100,000			\$200,000
	Westrock Property Development PH 1 (Design & Demo)	75,000				75,000		\$150,000
	Crane Rail Grout 100 - 200 linear feet per year				150,000			\$150,000
	South Rail Crossing Arms installation on Talleyrand	72,000						\$72,000
	Tenant Warehouse 9 roof repairs					35,000		\$35,000
	Total Talleyrand	\$3,509,500	\$0	\$0	\$500,000	\$2,197,500	\$0	\$6,207,000
Port Related	Upland Dredge Material Mgmt Area-Bartram Island-"C"-Construction				6,704,755		4,295,245	\$11,000,000
	Upland Dredge Material Management Area Construction Buck B - Phase 2	2,900,000				2,900,000		\$5,800,000
	Port Security Grant Program Round 20 Security Grant		981,640		327,213			\$1,308,853
	Property Acquisition adjacent to TMT South					1,000,000		\$1,000,000
	Port Security Grant Program Round 21 Security Grant		375,000			125,000		\$500,000
	Capitalize In-House Engineering Services				400,000			\$400,000
	PCOB Renovations				350,000			\$350,000
	FSTED 20 Security Grant	116,250			38,750			\$155,000
	Misc Land Acquisition				100,000			\$100,000
	Strategic Master Plan				100,000			\$100,000
	Buck Island Access Road Bridge (Concept Development)					20,000		\$20,000
	FSTED 19 Security Grant	14,508			4,836			\$19,344
	Total Port Related	\$3,030,758	\$1,356,640	\$0	\$8,025,554	\$4,045,000	\$4,295,245	\$20,753,197

Jacksonville Port Authority

FY 2021/2022 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Other Capital	<u>BLOUNT ISLAND</u>							
	Maintenance Shop Roll Up Doors (2 for Back and Side)				60,000			\$60,000
	Tractor with Slope Mower (90-120 HP)				60,000			\$60,000
	Dock Bollard Materials and Installation				25,000			\$25,000
	Upgrade Lights to LED (All Lights Along Dave Rawls & Security Complex)				25,000			\$25,000
	Forklift (sidelift) for inventory usage				25,000			\$25,000
	Shelving for addtl row of Inventory @ BIMT				20,000			\$20,000
	Access Control crew shelter (Handy Hut)				7,000			\$7,000
	<u>DAMES POINT</u>							
	Cruise Terminal Fender Maintenance				22,000			\$22,000
	Tenant CCTV PoleSafety Upgrades for IT				20,000			\$20,000
	Cruise Terminal Dock Lighting upgrade to LED				15,000			\$15,000
	Tenant Stormwater Pond Outfall upgrades				10,000			\$10,000
	<u>TALLEYRAND</u>							
	Purchase Portable restroom for north gate security area				50,000			\$50,000
	Truck Scale Upgrade (upgrade 6 Load Cells on truck scales)				50,000			\$50,000
	8k forklift				45,000			\$45,000
	ZPMC Gantry Wheel Brakes				45,000			\$45,000
	Replace Portable restroom at 11th street gate/security area (in-House)				35,000			\$35,000
	Elevator safety devices				20,000			\$20,000
	Warehouse #1 Sewer line replacement				15,000			\$15,000
	<u>SECURITY/SECURITY OPERATIONS CENTER</u>							
	SOC HVAC replacement				35,000			\$35,000
	SOC Parking Lot repair				17,000			\$17,000
	SOC Paint / Carpet /Tile				12,000			\$12,000
	SOC Well Pump and Water Softener Replacement				6,000			\$6,000
	<u>PCOB</u>							
	Vehicle Purchases for all Terminals				600,000			\$600,000
	Portwide signage upgrade				100,000			\$100,000
	Replace Air Handler units 3 (TMT Tenant Area)				95,000			\$95,000
	Storage Upgrade (~68 drives)				60,000			\$60,000
	IT Hardware/Software Upgrades				50,000			\$50,000
	Upgrade Crane Edge-Switches and related Network Gear.				40,000			\$40,000
	UPS Upgrade (PCOB)				35,000			\$35,000
	T-7 Access Improvement				30,000			\$30,000
	KleinPort PortControl Enhancements				22,050			\$22,050
	Maximo Upgrades				10,000			\$10,000
	Drone software				6,000			\$6,000
	Seal Coat PCOB parking lot/Restripe				5,000			\$5,000
	Total Other Capital	\$0	\$0	\$0	\$1,672,050	\$0	\$0	\$1,672,050
TOTAL CAPITAL PROJECTS		\$10,952,758	\$21,356,640	\$52,000,000	\$12,079,604	\$7,945,000	\$4,545,245	\$108,879,247