

**COUNCIL AUDITOR'S OFFICE
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JEA
Comparison of Budgets
Approved FY 2019/20 to Proposed FY 2020/21
Electric, Water Wastewater and District Energy System (000s)

	<u>Electric</u>		<u>Water & Wastewater</u>		<u>District Energy</u>		<u>Transfers In/Out</u>	<u>Total Budget</u>	<u>City Contribution</u>
	<u>Operating Budget</u>	<u>Capital Budget</u>	<u>Operating Budget</u>	<u>Capital Budget</u>	<u>Operating Budget</u>	<u>Capital Budget</u>			
FY 2019/20 Budget	\$1,249,529	\$261,000	\$494,451	\$260,000	\$9,045	\$3,830	-\$445,409	\$1,832,446	\$118,824
FY 2020/21 Proposed	\$1,247,147	\$290,945	\$512,287	\$327,862	\$9,328	\$3,036	-\$532,281	\$1,858,324	\$120,012
\$ Change	-\$2,382	\$29,945	\$17,836	\$67,862	\$283	-\$794	-\$86,872	\$25,878	\$1,188
% Change	-0.19%	11.47%	3.61%	26.10%	3.13%	-20.73%	-19.50%	1.41%	1.00%

Notes:

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

	<u>Budget FY 2019/20</u>	<u>Proposed FY 2020/21</u>	<u>Change</u>
Electric System	1,527	1,527	0
Water & Wastewater System	625	625	0
District Energy System	6	6	0
Total JEA Employees	2,158	2,158	0

(2) Detail of City Contribution:

	<u>Budget FY 2019/20</u>	<u>Proposed FY 2020/21</u>	<u>Change</u>
Electric System	\$93,870.97	\$93,609.56	-\$261.41
Water & Wastewater	\$24,953.04	\$26,402.69	\$1,449.65
Totals	\$118,824.01	\$120,012.25	\$1,188.24

**CALCULATION OF JEA ELECTRIC CONTRIBUTION
FOR FISCAL YEAR 2020-2021**

	Total	Less Interchange	Net kWh
Month	kWh Sales (1)	kWh Sales (2)	Sales
May 2019	1,007,608,165	6,649,000	1,000,959,165
June	1,195,229,757	9,220,000	1,186,009,757
July	1,259,095,899	6,792,000	1,252,303,899
August	1,194,364,770	3,486,000	1,190,878,770
September	1,229,249,653	3,353,000	1,225,896,653
October	1,129,617,139	9,417,000	1,120,200,139
November	890,866,888	6,395,000	884,471,888
December	920,643,606	5,106,000	915,537,606
January 2020	956,890,783	470,000	956,420,783
February	861,601,895	1,807,000	859,794,895
March	902,046,078	610,000	901,436,078
April	905,742,050	278,000	905,464,050
Totals	12,452,956,683	53,583,000	12,399,373,683
		(3)	0.007468
			\$ 92,598,523

Notes:

- (1) kWh sales information is based on JEA's CMFTR124 monthly reports.
- (2) Interchange, the sale of electricity to other utilities, is not included in the contribution formula.
- (3) The current City contribution formula is based on multiplying 7.468 mills times total electric kWh sales less interchange sales for the twelve months (12) ending April of each year.
- (4) One quarter of a mill or \$3,099,843 has been dedicated to the JPA for port expansion.

**CITY WATER/SEWER CONTRIBUTION FORMULA
FOR FISCAL YEAR 2020-2021**

	Water Consumption	Sewer Consumption	Adjustments Total	Total Net Consumption
MONTH	kGals (1)	kGals (1)	kGals (3)	kGals
May 2019	3,716,907	2,460,284	-249,120	5,928,070
June	4,366,155	2,686,450	-340,624	6,711,981
July	3,954,885	2,502,873	-297,678	6,160,081
August	3,485,639	2,255,109	-239,496	5,501,252
September	3,548,171	2,343,717	-240,937	5,650,950
October	3,706,397	2,449,645	-264,527	5,891,516
November	3,065,586	2,018,254	-234,452	4,849,389
December	3,297,631	2,297,516	-179,126	5,416,021
January 2020	3,162,513	2,318,126	-119,047	5,361,593
February	2,861,570	2,062,078	-131,323	4,792,326
March	3,174,668	2,255,891	-157,285	5,273,275
April	3,632,591	2,375,159	-286,277	5,721,473
Totals	41,972,714	28,025,103	-2,739,891	67,257,926
			(2)	0.3892000
				\$ 26,176,785

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 CITY CONTRIBUTION
Proposed FY 2020/21**

A Millage Calculation

Electric	\$92,598,523	78%
Water	26,176,785	22%
	\$118,775,308	

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

Conclusion

The millage calculation of \$118,775,308 is less than the minimum payment of \$120,012,250 therefore, the minimum payment of \$120,012,250 is the recommended Budget for FY 2020/21 for the Electric and Water/Wastewater Systems

Recommended Budget FY 2020/21

Electric	\$93,609,555	78%
Water	\$26,402,695	22%
Floor	\$120,012,250	

Notes:

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

B = Notwithstanding the contribution calculated, JEA shall pay the City each fiscal year, from 2016/2017 through 2022/2023, an additional amount if necessary, to ensure a minimum annual increase of 1% using the fiscal year 2015-2016 combined assessment of \$114,187,538 as the base year.

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 2020/21 Electric System Operating Budget
FY 2019/20 Budget Compared to FY 2020/21 Proposed Budget
(000s)

	2019/20 Original Budget	8 Months Actual FY 2019/20	12 Months Projected FY 2019/20	2020/21 Proposed Budget	\$ Change 2020/21 Proposed Budget over 2019/20 Original	% Change
Fuel Related Revenue & Expenses						
Revenue						
Fuel Related Revenue	\$410,913	\$219,131	\$363,552	\$410,913	\$0	0.00%
Net Fuel Related Revenues	\$410,913	\$219,131	\$363,552	\$410,913	\$0	0.00%
Expense						
Fuel Related and Purchased Power	\$392,127	\$207,098	\$331,465	\$374,174	-\$17,953	-4.58%
Transfer To/(From) Rate Stabilization	18,169	11,850	31,708	35,506	17,337	95.42%
Uncollectible Accts.	616	183	379	1,233	617	100.16%
Net Fuel Related Expenses	\$410,913	\$219,131	\$363,552	\$410,913	\$0	0.00%
Fuel Fund Surplus (Deficit)	\$0	\$0	\$0	\$0	\$0	
Base Rate Revenue & Expenses						
Revenues						
Base Rate Revenue	\$799,728	\$468,133	\$762,832	\$802,162	\$2,434	0.30%
Investment Income	11,378	5,162	8,955	7,963	-3,415	-30.01%
Other Revenues	27,509	41,363	50,533	26,109	-1,400	-5.09%
Total Operating Revenues	\$838,616	\$514,658	\$822,320	\$836,234	-\$2,381	-0.28%
Expenses						
Operating & Maintenance	\$269,859	\$134,739	\$227,136	\$239,700	-\$30,159	-11.18%
Environmental Charge	7,814	-2,829	-5,582	-7,532	-15,346	-196.39%
Conservation Charge	7,174	3,989	6,649	7,174	0	0.00%
Natural Gas Pass Through Expense	961	507	827	915	-46	-4.79%
Non-Fuel Purchased Power	73,738	51,314	75,893	72,643	-1,095	-1.48%
Emergency Contingency	5,000	0	5,000	5,000	0	0.00%
PSC Fees	200	141	205	200	0	0.00%
Uncollectible Accts.	1,200	413	794	2,406	1,206	100.50%
Total Operating Expenses	\$365,946	\$188,274	\$310,922	\$320,506	-\$45,440	-12.42%
Operating Income	\$472,670	\$326,384	\$511,398	\$515,728	\$43,058	9.11%
Non-Operating Revenues/(Expenses)						
Debt Service	-\$138,050	-\$114,256	-\$158,997	-\$131,173	\$6,877	-4.98%
Operating Capital Outlay	-175,125	-98,000	-179,891	-217,292	-42,167	24.08%
Environmental Capital Outlay	0	-7,383	-13,015	-9,641	-9,641	NA
Renewal & Replacement- Elec. Sys.	-65,624	-43,749	-65,624	-64,012	1,612	-2.46%
Contribution to City's General Fund	-93,871	-62,581	-93,871	-93,610	261	-0.28%
Total Non-Operating Revenues/(Expenses)	-\$472,670	-\$325,969	-\$511,398	-\$515,728	-\$43,058	9.11%
Surplus/(Deficit)	\$0	\$415	\$0	\$0	\$0	
MWH Sales (000s)	12,810	7,431	12,151	12,810	0	0.00%
# of Accounts	482,893	486,725	489,342	491,789	8,896	1.84%

JEA
FY 2019/20 Original Budget Vs. FY 2020/21 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	\$ Change	% Change
	(000s)	
Fuel Related Expenses:		
Fuel Related and Purchased Power	-\$17,953	-4.58%
The decrease is due to the current trend of lower projected fuel prices which is decreasing JEA's cost of generating power and reducing the market price for wholesale power.		
Transfer To(From) Rate Stabilization	\$17,337	95.42%
The increased contribution is due to lower fuel and purchased power expenses.		
Uncollectible Accts	\$617	100.16%
The increase is due to the uncollectible rate increasing from 0.15% in early FY 2019/20 to 0.30% at present. This trend is projected to continue in FY 2020/21 due to the impact of COVID-19.		
Base Related Revenues:		
Base Rate Revenue	\$2,434	0.30%
The increase is due to a slight increase in the energy yield to \$61.95 per kWh for FY 2020/21 vs. \$61.76 for FY 2019/20, even though the MWH sales projection of 12,810,000 is unchanged from FY 2019/20.		
Investment Income	-\$3,415	-30.01%
The decrease is due to lower investment balances caused by the defeasance of \$148 million in debt with cash in FY 2019/20 and overall lower anticipated market rates of return.		
Other Revenues	-\$1,400	-5.09%
The decrease is mainly due to decreases of \$1.4 million in transmission services due to inexpensive generation capacity inside of Florida making power generated by JEA uncompetitive based on price, \$424,360 in late fees and \$98,098 in non-pay reconnect fees both due to customers choosing the JEA MyWay (prepaid) program rather than traditional service offerings (MyWay has no late fees or reconnection fees for electric service). The decrease is partially offset by increases of \$304,641 in cable television attach & fees and \$277,926 in dark fiber revenue.		

JEA
FY 2019/20 Original Budget Vs. FY 2020/21 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	\$ Change	% Change
	(000s)	
Base Related Expenses:		
Operating & Maintenance	-\$30,159	-11.18%
The decrease is primarily based on decreases of \$24.6 million in Other Services & Charges, \$9.2 million in benefits, \$5.5 million in capitalized salaries, and \$1.6 million in capitalized benefits. The decrease is partially offset by increases of \$3.2 million for the Pay for Performance incentive plan and \$2.1 million in supplies. (DETAILED BREAKOUT GIVEN ON PAGES 7-9)		
Environmental Charge	-\$15,346	-196.39%
The decrease is due to using previously collected (saved) environmental charges to fund \$9.6 million in capital projects and \$5.7 million to recover costs that were originally paid via operating capital outlay in 2018 for solar projects. The JEA Board approved the recovery of previously incurred expenditures via the environmental charge in FY 2018/19. The previous expenditures will be recovered from FY 2018/19 to FY 2022/23 and will increase the Operating Capital Outlay budget.		
Uncollectible Accts	\$1,206	100.50%
The increase is due to the uncollectible rate increasing from 0.15% in early FY 2019/20 to 0.30% at present. This trend is projected to continue in FY 2020/21 due to the impact of COVID-19.		
Non-Operating Revenues/Expenses:		
Debt Service	\$6,877	-4.98%
The decrease is due to lower debt principal and interest payments due to early retirement of approximately \$148 million in debt.		
Operating Capital Outlay	-\$42,167	24.08%
The increase is due to \$45.5 million in total Operating & Maintenance expenses which makes more funding available for paygo of capital projects, \$6.9 million in debt service savings due to the defeasment of \$148 million in debt, and \$5.7 million in amortized costs related to the recovery of previous expenses via the environmental charge.		
Environmental Capital Outlay	-\$9,641	NA
As noted above, the increase in environmental capital outlay is due to using \$9.6 million of the existing balance of the environmental fund to fund environmental capital projects.		

JEA
Analysis of Operating and Maintenance Expense
FY 2019/20 Budget Compared to FY 2020/21 Proposed Budget
Electric System (000s)

	<u>2019/20 Original Budget</u>	<u>8 Months Actual FY 2019/20</u>	<u>12 Months Projected FY 2019/20</u>	<u>2020/21 Proposed Budget</u>	<u>\$ Change 2020/21 Proposed Budget over 2019/20 Original</u>	<u>% Change</u>
Salaries	\$135,196	\$89,779	\$134,741	\$141,538	\$6,342	4.69%
Employee Benefits	69,319	39,627	58,739	60,100	-9,219	-13.30%
Incentive Pay	0	0	0	3,200	3,200	NA
Supplies	17,080	12,814	17,640	19,210	2,130	12.47%
City Services	1,208	247	676	619	-589	-48.76%
Other Intercompany Charges	1,259	508	928	1,015	-244	-19.38%
Other Services & Chgs.	140,460	56,791	116,191	115,896	-24,564	-17.49%
Other Contingencies	2,000	4	2,004	2,000	0	0.00%
City Legal Services	1,590	958	1,488	1,600	10	0.63%
Property & Casualty Insurance	11,161	7,820	8,900	11,052	-109	-0.98%
Interest on Customer Deposits	1,550	-363	154	678	-872	-56.26%
Operating Reserve	2,000	0	2,000	2,500	500	25.00%
Expense Credits	-89,369	-54,184	-89,197	-89,011	358	-0.40%
Trf. to WIP- Salaries	-16,800	-13,774	-19,374	-22,257	-5,457	32.48%
Trf. to WIP- Emp. Benefits	-6,795	-5,489	-7,754	-8,440	-1,645	24.21%
O & M Expense	<u><u>\$269,859</u></u>	<u><u>\$134,739</u></u>	<u><u>\$227,136</u></u>	<u><u>\$239,700</u></u>	<u><u>-\$30,159</u></u>	<u><u>-11.18%</u></u>

JEA
FY 2019/20 Original Budget Vs. FY 2020/21 Proposed Budget
Expenditure Variance Overview - Electric System

	\$ Change (000s)	% Change
Operating & Maintenance		
Salaries	\$6,342	4.69%
The increase is due to increases of \$4.2 million in bargaining unit step and general increases, \$1.1 million in overtime, and \$1.0 million estimated general increases for appointed employees.		
Employee Benefits	-\$9,219	-13.30%
The decrease is primarily due to the removal of \$10.3 million in total market compensation strategy funding that was included in the FY 2019/20 budget.		
Incentive Pay	\$3,200	NA
The increase of \$3.2 million is due to the creation of a new pay for performance plan that will pay employees up to 5% of their annual pay if certain criteria are met. A summary of the pay for performance plan is included on page 42 and will be discussed in detail.		
Supplies	\$2,130	12.47%
The increase in supply costs is primarily due to increased purchases of supplies due to COVID and an increase in fleet fuel costs.		
City Services	-\$589	-48.76%
The decrease is due to less usage of COJ-owned pumps for fuel.		
Other Intercompany Charges	-\$244	-19.38%
The decrease is due to using a lower interest rate of 0.87% in FY 2020/21 vs. 1.60% in FY 2019/20 to calculate the interest on inventory carrying value.		

JEA
FY 2019/20 Original Budget Vs. FY 2020/21 Proposed Budget
Expenditure Variance Overview - Electric System

	\$ Change (000s)	% Change
<p>Other Services & Charges</p> <p>The decrease is due to decreases of \$9.3 million in outage costs due to changes in the planned outage strategy and optimization of daily operations, \$8.3 million in legal costs primarily related to the Plant Vogtle litigation which have been reclassified as non-fuel purchase power, \$7.2 million in professional services primarily due to the removal of the McKinsey contract and enterprise asset management fees, \$2.7 million in Operating & Maintenance costs for the new corporate building due to a reduction in the square footage (size) of the building, and \$1 million in travel/training. The decrease is partially offset by increases of \$3.5 million for maintenance agreements/repair services, and \$3.4 million in supplemental workforce to provide additional support for IT related projects.</p>	-\$24,564	-17.49%
<p>Property and Casualty Insurance</p> <p>The net decrease is due to decreases of \$600,000 in general property damage insurance, \$214,399 in workers' compensation insurance, and \$84,556 in general liability insurance. The decrease is partially offset by increases of \$360,000 in excess liability insurance for the SJRPP demolition, \$200,000 in property damage insurance for transmission and distribution systems, and \$123,315 for cyber liability insurance.</p>	-\$109	-0.98%
<p>Interest on Customer Deposits</p> <p>The decrease is due to a reduction in the interest rate used to calculate the interest on customer deposits to 1.6% in the FY 2020/21 Budget.</p>	-\$872	-56.26%
<p>Operating Reserve</p> <p>The increase is to prepare for undetermined costs associated with potential COVID-19 items such as supplies and services.</p>	\$500	25.00%
<p>Transfer to WIP- Salaries</p> <p>The Transfers to WIP - Salaries captures employee salaries charged to capital project work orders, and is a credit to the operating fund.</p>	-\$5,457	32.48%
<p>Transfer to WIP-Emp. Benefits</p> <p>The Transfers to WIP - Emp. Benefits captures employee benefits charged to capital project work orders, and is a credit to the operating fund.</p>	-\$1,645	24.21%

JEA
Analysis of Proposed FY 2020/21 Capital Budget
Electric System
FY 2019/20 Budget Compared to FY 2020/21 Proposed Budget
(000s)

<u>Capital Funds</u>	2019/20 Original Budget	8 Months Actual FY 2019/20	12 Months Projected FY 2019/20	2020/21 Proposed Budget	\$ Change 2020/21 Proposed Budget over 2019/20 Original	% Change
Renewal & Replacement Deposits	\$64,000	\$43,749	\$65,624	\$64,012	\$12	0.02%
Construction Fund Investment Income	0	0	0	0	0	NA
Debt	0	0	0	0	0	NA
Other Proceeds	20,251	0	0	0	-20,251	-100.00%
Environmental Capital Outlay	0	7,383	13,015	9,641	9,641	NA
Operating Capital Outlay	<u>176,749</u>	<u>98,000</u>	<u>179,891</u>	<u>217,292</u>	<u>40,543</u>	<u>22.94%</u>
Total Capital Funds	<u>\$261,000</u>	<u>\$149,132</u>	<u>\$258,530</u>	<u>\$290,945</u>	<u>\$29,945</u>	<u>11.47%</u>
Capital Projects						
Generation Projects	\$68,740	\$43,094	\$54,549	\$30,462	-\$38,278	-55.69%
Transmission & Distribution	140,556	56,907	130,234	129,577	-10,979	-7.81%
Other	<u>51,704</u>	<u>21,653</u>	<u>46,384</u>	<u>57,503</u>	<u>5,799</u>	<u>11.22%</u>
Total Capital Projects Subtotal	261,000	121,654	231,167	217,542	-43,458	
Capital Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>73,403</u>	<u>73,403</u>	<u>NA</u>
Total	<u>\$261,000</u>	<u>\$121,654</u>	<u>\$231,167</u>	<u>\$290,945</u>	<u>\$29,945</u>	<u>11.47%</u>
Surplus (Deficit)	<u>\$0</u>	<u>\$27,478</u>	<u>\$27,363</u>	<u>\$0</u>		

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

JEA
Electric System
FY 2021 Capital Budget
(000s omitted)

Electric Project Title	FY 2020/21 Proposed
GENERATION	
Greenland Energy - CT1 - Hot Gas Path Inspection #1	6,000
Northside Generating - Generation Support Capital Improvements	3,500
Northside Generating - Energy Project Management Capital Improvement Projects	3,000
Northside Generating - CT3 Major Inspection	3,000
Brandy Branch Generating - B52, B53 Transition Duct Liner	2,105
Brandy Branch Generating - General Capital Improvements	2,000
Brandy Branch Generating - B50 Personnel Elevators	1,031
Greenland Energy - MarkVIe Full Migration and Security Software	993
Northside Generating - N00 Chain, Buckets, and Sprocket Replacement	973
Kennedy Generating - Control Room Upgrade	854
Northside Generating - N01, N02, N03 Control System Server Replacement and Software Upgrade	765
Northside Generating - N03 Circulating Water Pump Replacement	744
Kennedy Generating - Fire Loop Piping Replacement	730
Northside Generating - N02 Valve Actuator Overhaul	604
Northside Generating - N33, N34, N35, N36 Control System Upgrade	551
Northside Generating - N03 River Water Booster Pump Replacement	538
Northside Generating - N33, N34, N35, N36 Electrical Equipment Upgrades	464
Northside Generating - N01, N02 Expansion Joints Installation	458
Northside Generating - N01, N02 Fan Silencer Replacement	439
Northside Generating - N01 N02 UPS Replacement	400
Northside Generating - N02 INTREX East Wall Refractory Replacement	348
Northside Generating - N03 Turbine Inspection	327
Kennedy Generating - CT7 - Hot Gas Path Inspection #3	280
Northside Generating - N01 Impulse Cleaning System Installation	221
Northside Generating - N03 Turbine Valve Inspection	70

**JEA
Electric System
FY 2021 Capital Budget
(000s omitted)**

Electric Project Title	FY 2020/21 Proposed
Northside Generating - N03 Turbine Inspection	55
Brandy Branch Generating - Uninterruptible Power System Replacement	11
GENERATION SUBTOTAL	30,462

TRANSMISSION AND DISTRIBUTION	
69kv - 663 line rebuild	13,275
Electric Distribution Maintenance Capital Upgrades	12,500
New Electric Service Additions	11,500
Development Driven Projects	9,250
Eagle LNG 138-13.8 kV Substation	4,500
Dinsmore Solar Feeders 423, 424	4,474
Pole Replacement Program	4,200
SAIDI Improvement Plan (SIP)	4,000
Forest Substation 217 Feeder - Electric Distribution	3,591
Park and King 4kV Substation Rebuild	3,150
CEMI-5 Electric Distribution Betterment	3,000
General Underground Network and Commercial Repair, Replace, and Upgrades	3,000
230kV Circuit 915 Partial Rebuild	2,550
Transmission Circuit 832/835/836/839 Angle Pole Replacement	2,101
Brandy Branch Solar Feeders 356, 357	2,058
Greenland Energy to Bartram 230 kV Circuit 909 Addition	2,025
Joint Participation Electric Relocation Projects	2,000
Underground Network Improvement Plan	1,988
230kV Breaker Replacement	1,823
Electric Meters - Growth	1,760
Electric Distribution System Improvements	1,664

JEA
Electric System
FY 2021 Capital Budget
(000s omitted)

Electric Project Title	FY 2020/21 Proposed
Normandy Substation Protection Improvement	1,569
Cecil Commerce Center North Solar Feeders 371, 372	1,548
Kennedy Substation Control Cable and Protection System Replacement	1,461
Substation Repair and Replace Projects - Transformer Replacements	1,400
Church St Feeders 181-186 13kV Reconductor from Substation to Riverside Ave	1,389
Nocatee 230 - 26 kV Substation	1,231
Pipe-Type Cable Pothead Replacements – Kennedy Circuit 682 and Hunter Rd. Circuit 688	1,187
Circuit 679 Underground Cable Reconductor	1,038
26kV Feeder Circuit Breaker Replacement	1,020
Distribution System - Pole Removal	1,000
Fulton Cut Crossing- Feasibility Study	915
230kV Breaker Replacement - Protection and Controls	878
Northside Substation Improvements	862
Transmission Circuit 838 Structures 5 - 11 Replacement	860
Nocatee 230 kV Circuit 909/917 SS Interconnect	830
General Distribution Improvements	750
Electric Meters - Replacement	740
Transmission Capacitor Bank Controls Replacement	710
Circuit 649 Underground 69kV Reconductor Project	708
General Substation Improvements	700
Westlake Solar Feeders 339, 340	660
Transmission Circuit 677 Structure 45 and 62 Replacement	597
Transmission Circuit 830 Structures 30, 31, 32, 42, 43, and 44 Replacement	588
Transmission and Substation Class Circuit Breaker Replacement Program	552
Transmission Outdoor Potential Device Replacement	541
Underground Cable Replacement Program - Existing Developments	500

JEA
Electric System
FY 2021 Capital Budget
(000s omitted)

Electric Project Title	FY 2020/21 Proposed
230KV-138KV-69kV Insulator Refurbishment	500
4kV Rehabilitation – Distribution Projects	500
230KV-138KV-69kV Pole Refurbishment	500
69kv - 663 line rebuild - Protection and Controls	494
853 Pole Replacement	494
Transmission Line Relay Replacement Project	489
Transmission Circuit 692 Underground Cable Replacement - Part A	480
College St Substation 13kV Protection and Arc Flash Upgrade	468
Bartram 298: Feeder Extension in Transmission Right-Of-Way from Substation to Bartram Park Bv	446
Preliminary Study - Durbin 230-26KV Substation Property	440
Nocatee Substation Distribution Feeders	405
Greenland Energy to Mayo Substation 230kV Transmission Corridor Purchase	396
Nocatee 230 - 26 kV Substation - Protection and Controls	376
Energy Management System - Base Upgrade Project	335
Church Street - Pipe Type Cable Pump Replacement	301
General Transmission Improvements	300
Mill Cove - Pipe Type Cable Pump Replacement	288
Park and King 4kV Distribution Feeder Getaway Rebuild	284
Park and King 4kV Substation Rebuild - Protection and Controls	270
Steelbald Solar Center - Protection and Controls	244
Eagle LNG 138-13.8 kV Substation - Protection and Controls	236
Automatic Recloser Deployment	235
Capital Tools and Equipment - Underground Network and Service Centers	220
Westlake Solar Center - Protection and Controls	220
Cecil Commerce Center North Solar- Protection and Controls	198
Eagle Liquid Natural Gas 138kV Circuit 847 Interconnect	177

**JEA
Electric System
FY 2021 Capital Budget
(000s omitted)**

Electric Project Title	FY 2020/21 Proposed
West Jax Substation Protection Improvement	177
Energy Management System - RTU Upgrade Project	155
General Protection System Improvements Transmission	150
Brandy Branch Sub Solar T2 Addition - Protection and Controls	117
General Transmission Improvements	100
Steelbald Solar Feeders 344, 345	94
Circuit 679 Underground Cable Reconductor - Protection and Controls	88
Bartram 230 kV Bay and Breaker Addition for Circuit 909 - Protection and Controls	84
Capital Tools and Equipment - Transmission and Substation Maintenance	80
Ortega Bv North - Overhead to Underground - Electric Conversion	78
Overhead to Underground Conversion in Neighborhoods	60
Dinsmore 230 - 26 kV Substation - Protection and Controls	57
Electric Customer Service Response Tools and Equipment	55
Southside GIS 69kV Controller Replacement	55
Center Park Substation Protection Improvements	55
GEC 230 kV Bay and Breaker Addition for Circuit 909	37
Bartram 230 kV Circuit 909 Interconnect	37
Bartram 230 kV Bay and Breaker Addition for Circuit 909	33
Hamilton 312 Reconductor	30
Westlake Sub Solar T3 Addition - Substation Project	29
Mayo Clinic 230 - 26kV Substation Property	22
Forest Sub 217 Feeder - Protection and Controls	18
Dinsmore 230 - 26 kV Substation	16
Transmission Circuit 692 Underground Cable Replacement- Part B - Protection and Controls	15
Grid Overhead and Underground Unit Price	1
TRANSMISSION AND DISTRIBUTION SUBTOTAL	129,577

**JEA
Electric System
FY 2021 Capital Budget
(000s omitted)**

Electric Project Title	FY 2020/21 Proposed
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ENERGY OTHER	
Technology Services Projects	16,200
Capital Administrative Overhead	10,500
Facilities - General Administration Office Building	8,781
Fleet - Replacement	7,888
Streetlight Improvements - Phase 3	4,620
Facilities - Southside Service Center Renovations - Phase II	2,572
Facilities - Industrial Training Center	1,294
Fleet - Expansion	880
Facilities - Southside Service Center - Asphalt Pavement Upgrade	819
Security - General improvements	690
Security - Operation and Controls Center - Security Enhancements	569
Facilities - Heating, Ventilation, and Air	452
Facilities - Roof Replacements	450
Facilities - Paving and Site Improvements	435
Facilities - Commonwealth Service Center - Admin Upgrades	315
Security - Fencing	260
Facilities - DCPS Photovoltaic System Removal	250
Facilities - General Building Upgrades	210
Facilities - Plumbing and Fire System Upgrades	100
Facilities - Lighting	100
Facilities - Brandy Branch and Greenland Energy Ops and DC Power Generator Backup Units	65
Utility Locate Group - Capital Equipment	50
Facilities - Generators	1
Laboratory Equipment Upgrades	1

**JEA
 Electric System
 FY 2021 Capital Budget
 (000s omitted)**

Electric Project Title	FY 2020/21 Proposed
Facilities - Elevators	1
Security - Fire System Sprinklers	1
ENERGY OTHER SUBTOTAL	57,503
GRAND TOTAL	217,542

JEA
Analysis of Proposed FY 2020/21 Water & Wastewater System Operating Budget
FY2019/20 Budget Compared to FY 2020/21 Proposed Budget
(000s)

	<u>2019/20 Original Budget</u>	<u>8 Months Actual FY 2019/20</u>	<u>12 Months Projected FY 2019/20</u>	<u>2020/21 Proposed Budget</u>	<u>\$ Change 2020/21 Proposed Budget over 2019/20 Original</u>	<u>% Change 2020/21 Proposed Budget</u>
Operating Revenues						
Water & Sewer Revenues	\$450,737	\$300,428	\$449,224	\$465,324	\$14,587	3.24%
Investment Income	4,308	2,306	3,742	2,975	-1,333	-30.94%
Capacity & Extension Fees	27,600	21,269	31,903	29,388	1,788	6.48%
Contributed Capital	0	60	60	0	0	NA
Other Revenues	11,806	43,467	47,258	14,600	2,794	23.67%
Total Operating Revenues	<u>\$494,451</u>	<u>\$367,530</u>	<u>\$532,187</u>	<u>\$512,287</u>	<u>\$17,836</u>	<u>3.61%</u>
Operating Expenditures						
Operating & Maintenance	\$185,621	\$105,397	\$168,801	\$177,825	-\$7,796	-4.20%
Uncollectibles	541	373	692	1,396	855	158.04%
Emergency Contingency	1,000	0	0	1,000	0	0.00%
Total Operating Expenses	<u>\$187,162</u>	<u>\$105,770</u>	<u>\$169,493</u>	<u>\$180,221</u>	<u>-\$6,941</u>	<u>-3.71%</u>
Operating Income	<u>\$307,289</u>	<u>\$261,760</u>	<u>\$362,694</u>	<u>\$332,066</u>	<u>\$24,777</u>	<u>8.06%</u>
Non-Operating Revenues/(Expenses)						
Debt Service	-\$78,536	-\$83,496	-\$108,008	-\$65,437	\$13,099	-16.68%
Interlocal Payments	0	-537	-537	0	0	NA
Capacity Fee Transfer	-27,600	-21,329	-31,963	-29,388	-1,788	6.48%
Operating Capital Outlay	-150,936	-120,896	-168,345	-184,287	-33,351	22.10%
Renewal & Replacement Fund	-25,264	-16,759	-25,139	-26,551	-1,287	5.10%
Contribution to City's General Fund	-24,953	-16,635	-24,953	-26,403	-1,450	5.81%
Total Non-Operating Revenues/(Expenses)	<u>-\$307,289</u>	<u>-\$259,652</u>	<u>-\$358,945</u>	<u>-\$332,066</u>	<u>-\$24,777</u>	<u>8.06%</u>
Surplus/(Deficit)	<u>\$0</u>	<u>\$2,108</u>	<u>\$3,749</u>	<u>\$0</u>	<u>\$0</u>	
Water Sales (kGals)	39,900,000	25,249,372	38,536,000	40,425,000	525,000	1.32%
Sewer Sales (kGals)	33,180,000	21,519,591	32,476,000	34,650,000	1,470,000	4.43%
Number of Accounts	659,769	668,332	673,626	676,994	17,225	2.61%

JEA
FY 2019/20 Original Budget Vs. FY 2020/21 Proposed Budget
Revenue and Expense Variance Overview - Water & Wastewater System

	\$ Change (000s)	% Change
Revenues:		
Water & Sewer Revenues	\$14,587	3.24%
The increase is due to projected sales in FY 2020/21 exceeding the budgeted sales for FY 2019/20.		
Investment Income	-\$1,333	-30.94%
The decrease is due to lower cash balances and a projected interest rate of 2.33% in FY 2020/21 versus 2.75% for the FY 2019/20 Budget.		
Capacity & Extension Fees	\$1,788	6.48%
The increase reflects the current trend of construction activity excluding any impact from COVID-19.		
Other Revenues	\$2,794	23.67%
The increase reflects the current trend of increases in "other revenues" such as tappings, sewer connection, dumping, and late fees.		
Expenses:		
Operating & Maintenance	-\$7,796	-4.20%
The decrease is primarily due to decreases of \$6.8 million in other services and charges and \$4.2 million for benefits. The decrease is partially offset by increases of \$1.9 million for salaries and \$754,000 in property insurance. (DETAILED BREAKOUT GIVEN ON PAGES 21-22)		
Uncollectibles	\$855	158.04%
The increase is due to the uncollectible rate increasing from 0.12% in early FY 2019/20 to 0.30% at present. This trend is projected to continue in FY 2020/21 due to the impact of COVID-19.		

JEA
FY 2019/20 Original Budget Vs. FY 2020/21 Proposed Budget
Revenue and Expense Variance Overview - Water & Wastewater System

	\$ Change (000s)	% Change
Debt Service	\$13,099	-16.68%
The decrease is due the early retirement of approximately \$140 million of debt in FY 2019/20.		
Capacity Fee Transfer	-\$1,788	6.48%
The increase reflects the current trend of construction activity excluding any impact from COVID-19.		
Operating Capital Outlay	-\$33,351	22.10%
The increase is due to a higher projected operating income for FY 2020/21 providing more available funding for contribution to operating capital outlay.		
Renewal & Replacement Fund	-\$1,287	5.10%
The amount for renewal and replacement is calculated at 5% of the prior years estimated revenue. The contribution has increased from FY 2019/20 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 2019/20 Budget Compared to FY 2020/21 Proposed Budget
(000s)

	2019/20 Original Budget	8 Months Actual FY 2019/20	12 Months Projected FY 2019/20	2020/21 Proposed Budget	\$ Change 2020/21 Proposed Budget over 2019/20 Original	% Change
Salaries	\$54,706	\$38,180	\$59,373	\$56,604	\$1,898	3.47%
Employee Benefits	27,917	17,025	26,587	23,680	-4,237	-15.18%
Incentive Pay	0	0	0	1,000	1,000	NA
Supplies	15,417	8,335	13,000	14,589	-828	-5.37%
Other Services & Charges	102,432	56,651	90,391	95,645	-6,787	-6.63%
Contracts and Contingencies	500	2	500	500	0	0.00%
Purchased Water & Treatment	41	20	34	25	-16	-39.02%
Property Insurance	2,071	1,356	1,699	2,825	754	36.41%
Operating Reserves	1,250	0	1,250	1,500	250	20.00%
Interest on Customer Deposits	137	-358	-312	34	-103	-75.18%
Expense Credits	-7,610	-5,292	-7,939	-7,089	521	-6.85%
Transfers to WIP Salaries	-8,066	-7,523	-11,284	-8,409	-343	4.25%
Transfers to WIP Emp. Benefits	-3,174	-2,999	-4,498	-3,079	95	-2.99%
Total O & M Expense	\$185,621	\$105,397	\$168,801	\$177,825	-\$7,796	-4.20%

JEA
FY 2019/20 Original Budget Vs. FY 2020/21 Proposed Budget
Expenditure Variance Overview - Water & Wastewater

	\$ Change (000s)	% Change
Operating & Maintenance		
Salaries		
The increase is due to collective bargaining and step increases.	\$1,898	3.47%
Employee Benefits		
The decrease is primarily attributed to the decrease of \$4.7 million in total market compensation strategy funding, partially offset by small increases in other benefit lines.	-\$4,237	-15.18%
Incentive Pay		
The increase of \$1.0 million is due to the creation of a new pay for performance plan that will pay employees up to 5% of their annual pay if certain criteria are met in six categories. This increase represents half of the total potential payout. If all six criteria are met, JEA will fund the other half of the payout with the savings generated by reductions in O&M expense necessary to meet the criteria. A summary of the pay for performance plan is included on page 42 and will be discussed in detail.	\$1,000	NA
Other Services and Charges		
The decrease is due to decreases of \$1.2 million due to the completion of engineering for septic tank phase out projects, \$1.2 million due to completion of water/sewer resiliency projects, \$900,000 for the septic tank phase out innovation study, \$900,000 in utilities based on FY 2019/20 trends and efforts to reduce consumption, \$800,000 in industrial services related to site maintenance and cleaning, \$700,000 in supplemental workforce, and \$500,000 in water demand side management programs.	-\$6,787	-6.63%
Property Insurance		
The increase is due to increases of \$381,000 in property insurance, \$274,000 in workers' compensation insurance, \$53,000 in cyber liability insurance and \$44,000 in insurance brokerage fees.	\$754	36.41%
Operating Reserves		
The increase is to prepare for undetermined costs associated with potential COVID-19 items such as supplies and services.	\$250	20.00%
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.	-\$343	4.25%
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.	\$95	-2.99%

JEA
Analysis of FY 2020/21 Proposed Capital Budget
Water & Wastewater System
FY 2019/20 Budget Compared to FY 2020/21 Proposed Budget
(000s)

<u>Capital Funds</u>	2019/20 Original Budget	8 Months Actual FY 2019/20	12 Months Projected FY 2019/20	2020/21 Proposed Budget	\$ Change 2020/21 Proposed Budget over 2019/20 Original	% Change
Debt	\$0	\$0	\$0	\$87,636	\$87,636	NA
Other Proceeds	56,199	0	0	0	-56,199	-100.00%
Renewal & Replacement Deposits	25,264	16,759	25,139	26,551	1,287	5.09%
Operating Capital Outlay	137,326	120,896	168,285	184,287	46,961	34.20%
Environmental Capital Outlay	13,611	0	0	0	-13,611	-100.00%
Contributed Capital	0	60	60	0	0	NA
Capacity Fees	27,600	21,269	31,903	29,388	1,788	6.48%
Total Capital Funds	\$260,000	\$158,984	\$225,387	\$327,862	\$67,862	26.10%
<u>Capital Projects</u>						
Water	\$74,581	\$31,372	\$71,664	\$99,342	\$24,761	33.20%
Sewer	161,716	59,274	127,150	200,440	38,724	23.95%
Other	23,703	14,869	26,557	28,080	4,377	18.47%
Total Capital Projects	\$260,000	\$105,515	\$225,371	\$327,862	\$67,862	26.10%
Surplus/(Deficit)	\$0	\$53,469	\$16	\$0	\$0	

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

**JEA
Water & Wastewater System
FY 2021 Capital Budget
(000s omitted)**

Water/Wastewater Project Title	FY 2020/21 Proposed
WATER	
US1 Booster Pump Station - Old St Augustine Rd to US1 Booster Pump Station - New	8,006
Water Meters - Replacement	6,500
Crossroads Repump and Storage Facility	6,000
RiverTown Water Treatment Plant - New 6.0 MGD Water Treatment Plant	5,871
Main St Water Treatment Plant - 1st St to Franklin St - Transmission - New	5,020
Water Delivery System Repair and Replace	5,000
Pages Dairy Rd - Felmor Rd to Chester Ave - Transmission	4,954
Well Rehabilitation and Replacement Program	4,845
Bartram - US1 - Old St Augustine Rd to US1	4,255
E 1st St Main St to E 4th St - Raw Water - New	4,010
Beverly Hills Water Main Replacement	3,606
Ponte Vedra Blvd 6" Cast Iron Replacement	3,485
Greenland Water Treatment Plant - Expansion from 6.0 to 9.0 MGD	2,727
103rd St (Cecil Field) Water Main Replacement - Cecil Commerce Ctr Pkwy to Aviation Ave	2,568
Water Meters - Growth	2,550
Galvanized Pipe Replacement	2,500
FDOT - Lane Ave S Replacement - Distribution	2,449
SIPS - Greenland - Southside Blvd - Deerwood 3 to Greenland	2,316
Water Meters - Large Water Meter Replacement	2,000
SIPS - Deerwood - Southside Blvd Intertie to Deerwood III Water Treatment Plant - New	1,923
Development Driven Projects - Water	1,800
Jammes Rd - Wilson Blvd to Harlow Blvd	1,784
Nassau Burgess Blvd - US 17 to Miner Rd - New	1,558
Well Rehabilitation and Maintenance - McDuff Wells	1,541
Palm Avenue Water Main Replacement	1,406
Boulevard St Water Main Replacement - 7th St to 11th St	1,193
Owens Rd - Ranch Rd to Max Leggett Pkwy - New	1,014

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

Water/Wastewater Project Title	FY 2020/21 Proposed
Main Extensions and Taps	1,000
Water Treatment Plants - Capital Renewal and Replacement	750
Martin Luther King: Fairfax to Brentwood Water Main Replacement	726
Joint Participation Projects	700
Well Field Repair and Replace	700
Hampton Falls Dr Electrical Easement - San Pablo to Suni Pines Connection - Replacement	551
St Johns Forest Wells	550
New World Av - Waterworks Ave to Chaffee Rd - Transmission - New	507
Harbor Island Drive Water Main Replacement	400
Well Rehabilitation and Maintenance - Fairfax Wells	287
Mandarin Road Loop Connection - Transmission	282
Deerwood Well #7 - Well Rehabilitation Project	265
Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades	250
Royal Lakes Well #2A - Well Rehabilitation Project	244
Lovegrove Well #1 - Well Rehabilitation Project	232
Royal Lakes Well #3B - Well Rehabilitation Project	195
Grid - Cost Participation - New - Water	100
Water Treatment Plant Reservoir Repair and Replace	100
Integrated Water Supply Testing Evaluation and Rehabilitation (iWATER)	78
McDuff Water Treatment Plant - Refurbishment Project	62
Norwood Water Treatment Plant - Rehabilitation	62
JTA - San Pablo Rd - Beach Blvd to Atlantic Blvd	59
FDOT - Chaffee Rd - Westmeadows Dr S to Samaritan Way - Transmission - New	59
Water Transmission Replacement	52
FDOT - 103rd St. (SR134) - Firestone to Wesconnett - Water Main Improvements	44
FDOT - Beaver St Water Main Replacement - Edgewood Ave N to McDuff Ave N	42
FDOT - I95 and MLK Interchange - Replacement	36
FDOT - I10 Widening - I295 to I95 - Water Main Replacement	36

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

Water/Wastewater Project Title	FY 2020/21 Proposed
Advanced Treatment System at Highlands Water Treatment Plant	24
Nassau Regional Water Treatment Plant - Well #3	21
JTA - 5th St - Huron Ave to Melson Ave	20
JTA - 8th St Water Main Replacement - Mt Herman St to Boulevard St	10
JTA - Alta Drive Roadway Improvements	8
King St and Shircliff Way Water Main Replacement	7
Water Pipeline Crossings Resiliency	1
FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3 - Water	1
Pritchard Rd - Old Plank Rd to Cisco Dr W - Transmission - New	1
FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Section 1 - Water	1
Lofton Oaks Water Treatment Plant - Improvements	0
Water Treatment Plants - Large Capital Improvements	0
Water Purification Pilot	0
Lakeshore Water Treatment Plant - Reservoir Rehabilitation	0
Main St Water Treatment Plant - Ozone Generator - Addition	0
Oakridge Water Treatment Plant - High Service Pump Expansion	0
Royal Lakes Water Treatment Plant High Service Pump Expansion	0
Lovegrove Water Treatment Plant - High Service Pump and Building Replacement - Expansion	0
Southeast Water Treatment Plant - Ground Storage Tank	0
Cisco Dr - Westlake Water Treatment Plant to Garden St - Transmission - New	0
Julington Creek Water Treatment Plant - Storage Tank Rehabilitation	0
Beacon Hills Water Treatment Plant - Ground Storage Tank	0
Westlake Water Treatment Plant - Well #4 and Raw Water Main	0
Brierwood Water Treatment Plant - High Service Pump Expansion	0
Westlake Water Treatment Plant - Expansion from 3.0 to 7.0 MGD	0
Blount Island Fire Protection System - Repair and Replace	0
103rd St - Pressure Sustaining Valve - Addition	0
Ft. Caroline Rd - McCormick Rd to Fulton Rd - Distribution - New	0

**JEA
Water & Wastewater System
FY 2021 Capital Budget
(000s omitted)**

Water/Wastewater Project Title	FY 2020/21 Proposed
WATER SUBTOTAL	99,342

SEWER	
Greenland Water Reclamation Facility - 4.0 MGD	15,000
Buckman Water Reclamation Facility - Biosolids Conversion - Process Facility	13,299
US1 - Greenland Water Reclamation Facility to CR 210 - Transmission - New	13,035
Nocatee South - Reclaim Water Storage Tank and Booster Pump Station	10,450
Buckman Water Reclamation Facility - Blower System Improvements	10,068
Nassau Regional Water Reclamation Facility - Expansion to 3 MGD	9,936
5th St W - Imeson Rd to Melson Ave - Transmission - New - Force Main	9,043
Southwest Water Reclamation Facility - Expansion to 16 MGD	8,926
Arlington East Water Reclamation Facility Upgrades - Odor Control	7,644
Southwest - 5104 118th St - Class III/IV - Pump Upgrades	7,402
Twin Creeks - Reclaim Water Storage Tank and Booster Pump Station	7,009
Northwest Wastewater Reclamation Facility - Property Acquisition	6,000
Arlington East Water Reclamation Facility Upgrades - Influent Structure	4,914
Arlington East Water Reclamation Facility - Sludge Line and Appurtenances	4,600
Pumping Stations - Capital Equipment Replacement	4,500
Sewer Collection System Repair and Replace	4,000
Walnut St Trunkline Replacement: 32nd St Pump Station to 16th St E	3,900
Bradley Road Pump Station Improvements	3,760
4511 Spring Park Rd Lift Station	3,628
Sewer Collection System Trenchless Repair and Replace	3,000
Southwest - 4881 Timuquana Rd - Class III/IV - Pump Upgrades	2,979
Nassau - Radio Av - Reclaim Water Storage Tank and Booster Pump Station	2,838
Water Reclamation Facilities - Capital Equipment Replacement	2,500
Holiday Road Master Pump Station Rehabilitation - Phases 1 and 2	2,118
District II - Robena Rd Booster Pump Station	2,105

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

Water/Wastewater Project Title	FY 2020/21 Proposed
Nicholson Rd Cured in Place Piping: Olive St to Utah Ave	2,067
Monterey Water Reclamation Facility Improvements	1,708
Monterey - 3254 Townsend Rd - Class III/IV - Pump Rehabilitation	1,656
Nassau - Radio Ave - Class III/IV - New Pump Station	1,590
SJC - CR210 - South Hampton to Ashford Mills - Transmission	1,575
District II Water Reclamation Facility - South Headwork Rehabilitation	1,536
Manhole Inspection, Prioritization, and Rehabilitation or Replacement	1,500
Buckman - 5307 Buffalo Ave - Class III/IV - Pump Rehabilitation	1,392
Gate Parkway to Burnt Mill Rd - Transmission	1,322
District II - 10800 Key Haven Bv - Class III/IV - Reconstruction to Submersible	1,299
Talleyrand Pump Station - Valves and Screens	1,214
Supervisory Control and Data Acquisition Remote Terminal Units and Control Panel Upgrades	1,200
Boulevard St FM Replacement - Boulevard Pump Station to 16th St	1,139
Resiliency - Pump Stations, Plants, Electrical Reliability	1,000
District II - 11308 Harts Rd - Class III/IV - Rehabilitation	979
Development Driven Projects - Reclaim	959
Buckman Water Reclamation Facility Outfall Improvements - Phase 1	925
Eastport Rd - Emuness Rd to Sara Dr - Distribution - New	881
Buckman Water Reclamation Facility - Primary Clarifier Rehabilitation	842
Mandarin Water Reclamation Facility - Filter Feed Pumps (2) Replacement	833
Force Main Extensions and Taps	820
Buckman Water Reclamation Facility - Biosolids Process Renewal and Replacement	800
Large Diameter - Gravity Sewer Replacement	750
Buckman - Biosolids Conversion - Operations/Maintenance/Warehouse Bldgs	702
SR200 - William Burgess Blvd to Police Lodge Rd - Transmission - Reclaim	587
Davis - Gate Pkwy to RG Skinner - Transmission	576
ARV Inspection, Prioritization, and Rehabilitation or Replacement	500
Buckman Water Reclamation Facility - Fine Screen Replacement	471

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

Water/Wastewater Project Title	FY 2020/21 Proposed
Monterey - 7732 Merrill Rd - Class III/IV - Pump Upgrade	434
Development Driven Projects - Pump Stations	430
Mandarin - 106 Twin Creeks - Class III/IV - Pump Upgrade	425
Joint Participation Projects - Sewer	400
Harbor Island Drive - Force Main Replacement	400
Mandarin Water Reclamation Facility - Sludge Holding Tanks Rehabilitation	315
Development Driven Projects - Sewer	314
Timawatha Ave - Force Main Replacement	268
SJRWMD - Gate Pkwy - Glen Kernan to T-Line - Transmission - New - Reclaim	254
CR210 - Longleaf Pine Pkwy to Ashford Mills Rd - Transmission	250
Wastewater Odor Control - All Plants and Pump Stations	250
Julington Creek and Ponte Vedra Water Reclamation Facilities - Electrical Grounding/Lightning Improvements	243
Monterey - 5838 Pompano - Class III/IV - Pump Upgrade	219
JTA - 5th St - Huron Ave to Melson Ave - Sewer	215
Arlington East - 9247 Baymeadows Rd - Class III/IV - Pump Upgrade	210
Greenland - Burnt Mill Pump Station to Greenland Energy - Transmission	200
Large Diameter Cured in Place Piping	200
Rivertown - Parcel 26 - The Haven - Pump Station	186
Ductile Iron Force Main Replacement	160
COJ - Old Middleburg Rd - Argyle Forest Blvd to Maynard PI - Transmission - New - Force Main	158
Supervisory Control and Data Acquisition - Renewal and Replacement	150
Southwest - 6217 Wilson Bv - Class III/IV - Pump Upgrades	136
Grid - Cost Participation - New - Reclaim	100
Grid - Cost Participation - New - Force Main	100
Diesel-driven Backup Pump Repair and Replace	100
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100
CR210 - Old Dixie Hwy to Twin Creeks - Transmission - Reclaim	85
Southwest Service Area Infiltration and Inflow Analysis and Remediation	84

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

Water/Wastewater Project Title	FY 2020/21 Proposed
Air Relief Valves Repair and Replace	70
Rivertown - Parcel 26 - The Haven - Sewer	65
Southwest - 7703 Blanding Bv - Class III/IV - Rehabilitation	52
Manhole Supervisory Control and Data Acquisition - Repair and Replace	50
Reuse Facility - Capital Equipment Replacement	50
Reuse Delivery Repair and Replace	50
FDOT - 103rd St. (SR134) - Firestone to Wesconnett - Sewer Main Improvements	44
Cedar Bay Backup Power System	40
Large Diameter South Shores Sub-Aqueous Force Main Rehabilitation	36
FDOT - I10 Widening - I295 to I95 - Force Main Replacement	36
Buckman Water Reclamation Facility - Biosolids Conversion - Renewable Natural Gas	33
Buckman - Disinfection System Replacement	33
District II Water Reclamation Facility - Primary Clarifiers #2 and #3 - Rehabilitation	9
JTA - Alta Drive Roadway Improvements - Sewer	8
Large Diameter Sewer Pipeline Crossings Resiliency	1
FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Section 1 - Sewer	1
FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3 - Sewer	1
Wastewater Large Capital Improvements	0
Arlington East Water Reclamation Facility - Secondary MCC Replacement	0
Arlington East Water Reclamation Facility Upgrades - Aeration Basin and Blowers	0
Arlington East - 8331 Princeton Sq - Class III/IV - Pump Upgrade	0
Ponte Vedra Water Reclamation Facility - Ultraviolet Disinfection System Improvements	0
Arlington East - 8751 Bayleaf Dr - Class III/IV - Pump Upgrade	0
Nocatee South Reclaim Water Improvements	0
Southwest - Robitzsch Lane - Class III/IV - New Pump Station	0
Greenbriar Rd - Longleaf Pine Pkwy to Spring Haven Dr - Transmission - Reclaim	0
RiverTown Water Treatment Plant - New Storage and Pumping System - Reclaim	0
Ridenour Water Treatment Plant - Storage and Repump - Reclaim	0

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

Water/Wastewater Project Title	FY 2020/21 Proposed
1638 Talleyrand Av - Class III/IV - Rehabilitation	0
Monterey - 8043 Carlotta Rd - Class III/IV - Pump Upgrade	0
Arlington East - 420 Tresca Rd - Class III/IV - Pump Upgrade	0
Buckman Water Reclamation Facility - Aeration Basin Air Header and Diffuser Replacement	0
District II Water Reclamation Facility - Effluent Outfall Land Acquisition	0
Monument Rd - Arlington East to St Johns Bluff Rd - Transmission - New - Reclaim	0
Veterans Pkwy - Longleaf Pine Pkwy to CR210 - Transmission - Reclaim	0
T-Line - Park Ave to Pulaski Rd Master Pump Station - Easement Acquisitions	0
Nassau Regional - SR200 West of I-95 RW Storage Tank and Booster Pump Station - Reclaim	0
Nocatee North Reclaim Water Storage Tank	0
Arlington East - Reclaim Filter - Increase Capacity from 8 to 12 MGD	0
CR210 - Twin Creeks to Russell Sampson Rd - Transmission - Reclaim	0
Russell Sampson Rd - St. Johns Pkwy to CR210 - Transmission - Reclaim	0
T-Line - Amelia Concourse to Amelia National - Transmission - Reclaim	0
Lenox Ave - Fouraker Rd to Palisades Dr - Distribution - New - Force Main	0
118th St - Kinkaid Rd to Ricker Rd - Transmission - New - Force Main	0
District II - Hypochlorite Feed System Replacement	0
Large Diameter - Busch Dr - Balmoral Dr to Harts Rd - Transmission - Force Main	0
SEWER SUBTOTAL	200,440
WATER OTHER	
Technology Services Projects	11,672
Capital Administrative Overhead	6,600
Fleet - Replacement	5,067
Security - General Improvements	690
Security - Buckman Security Enhancements	679
Facilities - Heating, Ventilation, and Air	520
Facilities - Roof Replacements	435

**JEA
Water & Wastewater System
FY 2021 Capital Budget
(000s omitted)**

Water/Wastewater Project Title	FY 2020/21 Proposed
Facilities - Building Upgrades	400
Facilities - Electric and Lighting Systems	400
Facilities - Paving and Site Improvements	250
Facilities - Plumbing Upgrades	250
Security - Fencing	200
Fleet - Expansion	195
Laboratory Equipment Upgrades	188
Real Estate - Easement Location and Acquisitions	150
Facilities - Blacksford Water Reclamation Facility New Parking and Storage Building	133
Facilities - Elevators	100
Facilities - JEA Tower - Building Renovations	100
Utility Locate Group - Capital Equipment	50
Security - Fire Alarm and Sprinkler Systems	1
Facilities - Generators	0
Facilities - Mandarin Water Reclamation Facility - Facility Parking and Storage Building	0
Facilities - DII Water Reclamation Facility - New Warehouse and Site Upgrades	0
Facilities - Main St Lab Emergency Generator Project	0
Facilities - Buckman - Street Lighting and Paving Upgrades	0
WATER OTHER SUBTOTAL	28,080
WATER/WASTEWATER GRAND TOTAL	327,862

JEA
Analysis of Proposed FY 2020/21 District Energy System Operating Budget
FY 2019/20 Budget Compared to FY 2020/21 Proposed Budget
(000s)

OPERATING BUDGET:	2019/20 Original Budget	8 Months Actual FY 2019/20	12 Months Projected FY 2019/20	2020/21 Proposed Budget	\$ Change 2020/21 Proposed Budget over 2019/20 Original	% Change 2020/21 Proposed Budget over 2019/20 Original
Operating Revenues						
Revenues	\$9,045	\$5,253	\$8,578	\$9,328	\$283	3.13%
Investment Income	0	53	53	0	0	
Total Operating Revenues	\$9,045	\$5,306	\$8,631	\$9,328	\$283	3.13%
Operating Expenditures						
Operating and Maintenance	\$5,165	\$2,736	\$4,479	\$5,194	\$29	0.56%
Total Operating Expenditures	\$5,165	\$2,736	\$4,479	\$5,194	\$29	0.56%
Operating Income	\$3,880	\$2,570	\$4,152	\$4,134	\$254	6.55%
Non-Operating Revenues/(Expenses)						
Debt Service	-\$3,021	-\$2,014	-\$3,021	-\$3,024	-\$3	0.10%
Rate Stabilization - Debt Management	0	0	0	0	NA	NA
Renewal & Replacement	-435	-393	-589	-437	-2	0.46%
Operating Capital Outlay	-424	0	-542	-673	-249	58.73%
Total Non-Operating Revenues/(Expenses)	-\$3,880	-\$2,407	-\$4,152	-\$4,134	-\$254	6.55%
Surplus/(Deficit)	\$0	\$163	\$0	\$0	\$0	

JEA
Analysis of Operating and Maintenance Expense
District Energy System
FY 2019/20 Budget Compared to FY 2020/21 Proposed Budget
(000s)

	<u>2019/20 Original Budget</u>	<u>8 Months Actual FY 2019/20</u>	<u>12 Months Projected FY 2019/20</u>	<u>2020/21 Proposed Budget</u>	<u>\$ Change 2020/21 Proposed Budget over 2019/20 Original</u>	<u>% Change</u>
Salaries	\$543	\$340	\$520	\$575	\$32	5.89%
Employee Benefits	217	159	232	224	7	3.23%
Supplies	128	35	78	99	-29	-22.66%
Other Services & Chgs.	4,047	2,142	3,451	4,042	-5	-0.12%
Intercompany Charges	70	37	61	70	0	0.00%
Property Insurance	60	43	57	92	32	53.33%
Operating Reserve	100	0	100	100	0	0.00%
Expense Credits	0	-20	-20	-8	-8	NA
O & M Expense	<u><u>\$5,165</u></u>	<u><u>\$2,736</u></u>	<u><u>\$4,479</u></u>	<u><u>\$5,194</u></u>	<u><u>\$29</u></u>	<u><u>0.56%</u></u>

JEA
FY 2019/20 Original Budget Vs. FY 2020/21 Proposed Budget
Expenditure Variance Overview - District Energy System

	\$ Change (000s)	% Change
Operating & Maintenance		
Salaries The increase is due to collective bargaining and step increases.	\$32	5.89%
Employee Benefits The increase is due to higher pension costs.	\$7	3.23%
Supplies The decrease is due to a decrease in direct purchases and lower costs for chemicals.	-\$29	-22.66%
Property Insurance The increase is due to increases of \$13,332 for property damage insurance, \$8,183 for general liability insurance, and \$4,418 for workers' compensation insurance.	\$32	53.33%

JEA
Analysis of Proposed FY 2020/21 District Energy System Capital Budget
FY 2019/20 Budget Compared to FY 2020/21 Proposed Budget
(000s)

	2019/20 Original Budget	8 Months Actual Thru May	12 Months FY 2019/20 Projected	2020/21 Proposed Budget	Proposed Budget Over	
					\$ Change 2019/20 Original Budget	% Change 2019/20 Original Budget
Capital Funds						
Debt	\$0	\$0	\$0	\$567	\$567	NA
Other Proceeds*	2,971	1,042	2,724	1,359	-1,612	-54.26%
Renewal & Replacement	435	393	589	437	2	0.46%
Operating Capital Outlay	424	0	542	673	249	58.73%
Total Capital Funds	\$3,830	\$1,435	\$3,855	\$3,036	-\$794	-20.73%
Capital Projects						
District Energy System Projects	\$3,830	\$1,435	\$3,855	\$3,036	-\$794	-20.73%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	

* Funding from prior year remaining balances

Capital Budget:

Description	FY 2020/21
Downtown - Chilled Water Extension - New JEA & Ed Ball Buildings	2,356
Repair and Replace Improvements	530
Security Improvements	150
District Energy Total	\$3,036

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2021

	Electric System	Water & Wastewater System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$410,912,768	\$0	\$0	\$410,912,768
Total Net Revenues	<u>\$410,912,768</u>	<u>\$0</u>	<u>\$0</u>	<u>\$410,912,768</u>
FUEL EXPENSES:				
Fuel & Purchased Power	<u>\$410,912,768</u>	<u>\$0</u>	<u>\$0</u>	<u>\$410,912,768</u>
FUEL SURPLUS/(DEFICIT)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$793,579,491	\$437,545,588	\$9,328,327	\$1,240,453,406
Environmental Charge Revenue	7,814,100	27,777,750	0	35,591,850
Conservation Charge & Demand Side Revenue	768,600	0	0	768,600
Other Revenues	25,141,212	14,600,000	0	39,741,212
Natural Gas Pass Through Revenue	967,784	0	0	967,784
Total Base Related Revenues	<u>\$828,271,187</u>	<u>\$479,923,338</u>	<u>\$9,328,327</u>	<u>\$1,317,522,852</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$236,499,869	\$174,430,345	\$5,193,927	\$416,124,141
Environmental	1,891,598	2,394,238	0	4,285,836
Conservation & Demand-side Management	6,422,909	0	0	6,422,909
Natural Gas Pass Through Expense	915,183	0	0	915,183
Non-Fuel Purchased Power	72,642,571	0	0	72,642,571
Non-Fuel Uncollectibles & PSC Tax	2,606,030	1,395,970	0	4,002,000
Emergency Reserve	5,000,000	1,000,000	0	6,000,000
Total Base Related Expenses	<u>\$325,978,160</u>	<u>\$179,220,553</u>	<u>\$5,193,927</u>	<u>\$510,392,640</u>
BASE OPERATING INCOME:	\$502,293,027	\$300,702,785	\$4,134,400	\$807,130,212
NON-OPERATING REVENUE:				
Investment Income	\$7,962,574	\$2,975,171	\$0	\$10,937,745
Transfer To/From Fuel Recovery	0	0	0	0
Capacity Fees	0	29,388,151	0	29,388,151
Total Non Operating Revenues	<u>\$7,962,574</u>	<u>\$32,363,322</u>	<u>\$0</u>	<u>\$40,325,896</u>
NON-OPERATING EXPENSES:				
Debt Service	\$131,173,417	\$65,436,531	\$3,023,891	\$199,633,839
Demand-side Management - Rate Stabilization	750,691	0	0	750,691
Environmental - Rate Stabilization	-9,423,647	0	0	-9,423,647
Total Non Operating Expenses	<u>\$122,500,461</u>	<u>\$65,436,531</u>	<u>\$3,023,891</u>	<u>\$190,960,883</u>
BASE INCOME BEFORE TRANSFERS	\$387,755,140	\$267,629,576	\$1,110,509	\$656,495,225
City Contribution Expense	\$93,609,555	\$26,402,695	\$0	\$120,012,250
Interlocal Payments	0	0	0	0
Renewal and Replacement Fund	64,012,472	26,551,286	437,313	91,001,071
Operating Capital Outlay	220,492,433	168,503,932	673,196	389,669,561
Environmental Capital Outlay	9,640,680	16,783,512	0	26,424,192
Capacity Fees	0	29,388,151	0	29,388,151
Operating Contingency	0	0	0	0
Total Non-Fuel Expenses	<u>\$387,755,140</u>	<u>\$267,629,576</u>	<u>\$1,110,509</u>	<u>\$656,495,225</u>
SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$1,247,146,529	\$512,286,660	\$9,328,327	\$1,768,761,516
TOTAL APPROPRIATIONS	\$1,247,146,529	\$512,286,660	\$9,328,327	\$1,768,761,516
BUDGETED EMPLOYEE POSITIONS	1,527	625	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

**JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2021**

	Electric System	Water & Wastewater System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$64,012,472	\$26,551,286	\$437,313	\$91,001,071
Operating Capital Outlay	220,492,433	168,503,932	673,196	389,669,561
Environmental Capital Outlay	9,640,680	16,783,512	0	26,424,192
Capacity Fees	0	29,388,151	0	29,388,151
Debt Proceeds	0	87,635,119	566,491	88,201,610
Other Proceeds	-76,603,585	0	1,359,000	-75,244,585
Total Capital Funds	\$217,542,000	\$328,862,000	\$3,036,000	\$549,440,000
CAPITAL PROJECTS:				
Generation Projects	\$30,462,000	\$0	\$0	\$30,462,000
Transmission & Distribution Projects	129,577,000	0	0	129,577,000
District Energy Projects	0	0	3,036,000	3,036,000
Water Projects	0	99,342,000	0	99,342,000
Sewer Projects	0	201,440,000	0	201,440,000
Other Projects	57,503,000	28,080,000	0	85,583,000
Total Capital Projects	\$217,542,000	\$328,862,000	\$3,036,000	\$549,440,000

**Council Auditor's Office
Recommendations
JEA
Proposed FY 2020/21 Electric, Water & Wastewater and District Energy System Budgets**

JEA concurs with these recommendations.

RECOMMENDATIONS:

1. We recommend attaching a Revised Schedule C to reflect adjustments made to Operating and Maintenance Expenses and Operating Capital Outlay requested by JEA after the budget was submitted.
2. We recommend attaching a revised Schedule D to show a Capital Reserve line in the amount of \$73,403,593 instead of a negative amount under Capital Funds for the electric system.

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2021

	Electric System	Water & Wastewater System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$410,912,775	\$0	\$0	\$410,912,775
Total Net Revenues	<u>\$410,912,775</u>	<u>\$0</u>	<u>\$0</u>	<u>\$410,912,775</u>
FUEL EXPENSES:				
Fuel & Purchased Power	<u>\$410,912,775</u>	<u>\$0</u>	<u>\$0</u>	<u>\$410,912,775</u>
FUEL SURPLUS/(DEFICIT)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$793,579,500	\$437,545,588	\$9,328,327	\$1,240,453,415
Environmental Charge Revenue	7,814,100	27,777,750	0	35,591,850
Conservation Charge & Demand Side Revenue	768,600	0	0	768,600
Other Revenues	25,141,212	14,600,000	0	39,741,212
Natural Gas Pass Through Revenue	967,784	0	0	967,784
Total Base Related Revenues	<u>\$828,271,196</u>	<u>\$479,923,338</u>	<u>\$9,328,327</u>	<u>\$1,317,522,861</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$239,699,869	\$175,430,345	\$5,193,927	\$420,324,141
Environmental	1,891,598	2,394,238	0	4,285,836
Conservation & Demand-side Management	6,422,909	0	0	6,422,909
Natural Gas Pass Through Expense	915,183	0	0	915,183
Non-Fuel Purchased Power	72,642,571	0	0	72,642,571
Non-Fuel Uncollectibles & PSC Tax	2,606,030	1,395,970	0	4,002,000
Emergency Reserve	5,000,000	1,000,000	0	6,000,000
Total Base Related Expenses	<u>\$329,178,160</u>	<u>\$180,220,553</u>	<u>\$5,193,927</u>	<u>\$514,592,640</u>
BASE OPERATING INCOME:	\$499,093,036	\$299,702,785	\$4,134,400	\$802,930,221
NON-OPERATING REVENUE:				
Investment Income	\$7,962,574	\$2,975,171	\$0	\$10,937,745
Transfer To/From Fuel Recovery	0	0	0	0
Capacity Fees	0	29,388,151	0	29,388,151
Total Non Operating Revenues	<u>\$7,962,574</u>	<u>\$32,363,322</u>	<u>\$0</u>	<u>\$40,325,896</u>
NON-OPERATING EXPENSES:				
Debt Service	\$131,173,417	\$65,436,531	\$3,023,891	\$199,633,839
Demand-side Management - Rate Stabilization	750,691	0	0	750,691
Environmental - Rate Stabilization	-9,423,646	0	0	-9,423,646
Total Non Operating Expenses	<u>\$122,500,462</u>	<u>\$65,436,531</u>	<u>\$3,023,891</u>	<u>\$190,960,884</u>
BASE INCOME BEFORE TRANSFERS	\$384,555,148	\$266,629,576	\$1,110,509	\$652,295,233
City Contribution Expense	\$93,609,555	\$26,402,695	\$0	\$120,012,250
Interlocal Payments	0	0	0	0
Renewal and Replacement Fund	64,012,472	26,551,286	437,313	91,001,071
Operating Capital Outlay	217,292,441	167,503,932	673,196	385,469,569
Environmental Capital Outlay	9,640,680	16,783,512	0	26,424,192
Capacity Fees	0	29,388,151	0	29,388,151
Operating Contingency	0	0	0	0
Total Non-Fuel Expenses	<u>\$384,555,148</u>	<u>\$266,629,576</u>	<u>\$1,110,509</u>	<u>\$652,295,233</u>
SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$1,247,146,545	\$512,286,660	\$9,328,327	\$1,768,761,532
TOTAL APPROPRIATIONS	\$1,247,146,545	\$512,286,660	\$9,328,327	\$1,768,761,532
BUDGETED EMPLOYEE POSITIONS	1,527	625	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

**JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2021**

	Electric System	Water & Wastewater System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$64,012,472	\$26,551,286	\$437,313	\$91,001,071
Operating Capital Outlay	217,292,441	167,503,932	673,196	385,469,569
Environmental Capital Outlay	9,640,680	16,783,512	0	26,424,192
Capacity Fees	0	29,388,151	0	29,388,151
Debt Proceeds	0	87,635,119	566,491	88,201,610
Other Proceeds	0	0	1,359,000	1,359,000
Total Capital Funds	\$290,945,593	\$327,862,000	\$3,036,000	\$621,843,593
CAPITAL PROJECTS:				
Generation Projects	\$30,462,000	\$0	\$0	\$30,462,000
Transmission & Distribution Projects	129,577,000	0	0	129,577,000
District Energy Projects	0	0	3,036,000	3,036,000
Water Projects	0	99,342,000	0	99,342,000
Sewer Projects	0	200,440,000	0	200,440,000
Other Projects	57,503,000	28,080,000	0	85,583,000
Total Capital Projects Subtotal	217,542,000	327,862,000	3,036,000	548,440,000
Capital Reserve	73,403,593	0	0	73,403,593
Total	\$290,945,593	\$327,862,000	\$3,036,000	\$621,843,593

**COUNCIL AUDITOR’S OFFICE
JEA PAY FOR PERFORMANCE PLAN SUMMARY
PROPOSED BUDGET FY 2020/2021**

PURPOSE

The purpose of the JEA Pay for Performance plan is to drive and reward exceptional performance as measured against pre-established goals. The Pay for Performance plan was approved by the JEA Board of Directors on June 23, 2020. However, the FY 2020/21 goals that were presented to the JEA Board were examples only. The JEA Board of Directors shall review and approve each new fiscal year program.

JEA FY 2020/21 BUDGET

The amount budgeted for the JEA Pay for Performance plan is \$4,200,000, this represents approximately one-half of the maximum potential payout. If necessary, JEA will fund the other half of the payout with the savings generated by reductions in Operating & Maintenance (O&M) expenses achieved by meeting the FY 2020/21 goals. The Pay for Performance amount is listed as “incentive pay” within O&M expense. The total estimated cost for FY 2020/21 may not exceed \$8,344,601.

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 and the Senior Leadership Team. 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 5% of base salary.

PERFORMANCE GOALS

The JEA Pay for Performance plan has six metrics; 1) Safety, 2) Residential customer satisfaction, 3) Commercial customer satisfaction, and O&M expense management which includes 4) units of electricity delivered, 5) units of water delivered, and 6) units of wastewater collected.

The payout may not exceed actual O&M savings; therefore, awards may be adjusted and prorated. The target opportunity for the five areas of focus are 3% for “Meets”, to a maximum of 5% for “Exceeds”. For each category, the “Meets” achievement value is .50% of base salary, and the “Exceeds” achievement value is .83% of base salary. JEA is currently reviewing the performance goals for FY 2020/21 and once those have been calculated, JEA will set the FY 2020/21 goals for each metric.

1. **Safety** – The performance goal will be based on the OSHA recordable incident rate (RIR).
2. **Customer Satisfaction** (Residential and Industrial) – The performance goal will be based on achieving certain quartiles or deciles nationally on the JD Power residential electric and the JD Power commercial electric.
3. **O & M expense Management** (cost control) is as follows:
 - **Cost per unit of Electricity delivered** (Mwh) – The performance goal will be based on the non-fuel cost per Mwh.
 - **Cost per unit of Water delivered** (Kgal) – The performance goal will be based on the cost per Kgal.
 - **Cost per unit of Wastewater collected** (Kgal) – The performance goal will be based on the cost per Kgal.



FY 2021 Performance Program Summary

Summary of Corporate Performance Factors

*Metrics/Goals for 2021 are for example purposes. The below is based on a target opportunity of 3% to a maximum target opportunity of 5%. All employees opportunity is calculated using base salary.

Safety

OSHA Recordable Incident Rate (RIR)
 FY12 Results: 1.48 RIR
 FY13 Results: 1.78 RIR
 FY14 Results: 2.4 RIR
 FY15 Results: 1.56 RIR
 FY16 Results: 1.82 RIR
 FY17 Results: 2.01 RIR
 FY18 Results: 1.48 RIR
 FY19 Results: 1.51 RIR

	Does Not Meet	Meets	Exceeds
Goal	RIR > 1.4	RIR ≤ 1.4 - 1.2	RIR < 1.2
Achievement Value	0.00%	0.50%	0.83%

Customer Satisfaction

JD Power Residential and Commercial/ Business Electric Industry Customer Satisfaction Surveys: National

Customer Satisfaction - Residential Electric

FY12 Results: No Metric for Customer Satisfaction
 FY13 Results: Top of the Third Quartile
 FY14 Results: Top 25% of the Third Quartile
 FY15 Results: First Quartile; Score of 692; Position 30
 FY16 Results: Top 25% of Second Quartile; Score of 703; Position 37
 FY17 Results: 1st Quartile Nationally; Position 21
 FY18 Results: 2nd Quartile Nationally; Score 737; Position 44

	Does Not Meet	Meets	Exceeds
Goal	=< 2nd Quartile	>2nd Quartile - < 50th %tile 1st Quartile	=> 50th %tile 1st Quartile
Achievement Value	0.00%	0.50%	0.83%

Customer Satisfaction - Commercial Electric

FY17 Results: #12
 FY18 Results: #4 Nationally; #1 South Midsize
 FY19 Results: 1st Quartile Nationally; Position 4

	Does Not Meet	Meets	Exceeds
Goal	< Top 10 Nationally	Top 10 Nationally	#1 Nationally
Achievement Value	0.00%	0.50%	0.83%

Cost Control: Electric Mwh

Cost per Mwh
 FY12 Baseline: \$54.73
 FY13 Results: \$53.92
 FY14 Results: \$49.81
 FY15 Results: \$49.44
 FY16 Results: \$48.35
 FY17 Results: \$52.50
 FY18 Results: \$55.34
 FY19 Results: Was not a metric

	Does Not Meet	Meets	Exceeds
Goal	Cost > \$56.88	Cost ≤ 56.88	Cost ≤ %55.60
Achievement Value	0.00%	0.50%	0.83%

Cost Control: Water Kgal

Cost per Kgal
 FY12 Baseline: \$4.47
 FY13 Results: \$4.49
 FY14 Results: \$4.07
 FY15 Results: \$3.98
 FY16 Results: \$4.08
 FY17 Results: \$4.57
 FY18 Results: \$4.65
 FY19 Results: Was not a metric

	Does Not Meet	Meets	Exceeds
Goal	Cost > \$4.40	Cost ≤ \$4.40	Cost < \$4.30
Achievement Value	0.00%	0.50%	0.83%

Cost Control: Wastewater Kgal

Cost per Kgal
 FY12 Baseline: \$7.96
 FY13 Results: \$7.53
 FY14 Results: \$7.34
 FY15 Results: \$7.26
 FY16 Results: \$7.12
 FY17 Results: \$9.20
 FY18 Results: \$10.07
 FY19 Results: Was not a metric

	Does Not Meet	Meets	Exceeds
Goal	Cost > \$9.85	Cost ≤ \$9.85	Cost < \$9.47
Achievement Value	0.00%	0.50%	0.83%

Total Estimated Cost for FY 2021 Pay for Performance Program

Corporate Results	No. Emp.	Total Amount at Meets	Total Amount at Exceeds
Appointed	397	\$1,312,668.86	\$2,187,781.44
Non-Appointed	1,557	\$3,694,091.86	\$6,156,819.76
TOTAL	1954	\$5,006,760.72	\$8,344,601.20

NOTE: All performance payouts are subject to JEA's ability to pay as determined by JEA's Board of Directors with input from JEA's Finance group, and minimum individual employee performance criteria

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2020/21 BUDGET
 PUBLIC WORKS
 STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (S/F 10401)**

PROPOSED BUDGET BOOK – Page # 30

BACKGROUND:

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

REVENUE:

1. State Shared Revenue:
 - The budgeted amount of \$4,969,997 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. (See Recommendations)
2. Investment Pool/Interest Earnings:
 - The decrease of \$197,362 is due to there being no investment pool/interest earnings budgeted for appropriation in this sub-fund for FY 2020/21.
3. 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. (See Recommendations)

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 2020/21 Capital Improvement Projects as noted below. (See Recommendations)

Project Title	FY 2020/21 Proposed
Roadway Resurfacing	\$ 4,969,997

Total \$ 4,969,997

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. (See Recommendations)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
PUBLIC WORKS
STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (S/F 10401)**

PROPOSED BUDGET BOOK – Page # 30

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATIONS:

To align this budget with what was approved during Meeting #1, we recommend reducing State Shared Revenue and Contributions from Local Units by \$652,963 from \$4,969,997 to \$4,317,034. We also recommend reducing Capital Outlay and reducing Grants, Aids & Contributions by \$652,963 from \$4,969,997 to \$4,317,034. This will balance revenues and expenditures. This has no impact to Special Council Contingency.

(We have a recommendation on the Local Option Gas Tax handout to address the reduction in funding for Roadway Resurfacing.)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
PUBLIC WORKS
LOCAL OPTION ½ CENT TRANSPORTATION (S/F 10402)**

PROPOSED BUDGET BOOK – Page # 337-338

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 decrease of \$11,297,597 is due to the anticipated effects of COVID-19.

EXPENDITURES:

1. Grants, Aids & Contributions:

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

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2020/21 BUDGET
 PUBLIC WORKS
 LOCAL OPTION GAS TAX (S/F 10403)**

PROPOSED BUDGET BOOK – Page # 31

BACKGROUND:

The Local Option Gas Tax is the tax of six cents on every gallon of motor fuel sold in Duval County. The gas tax revenue is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement. In FY 2013/14, City Council approved an extension of the Local Option Gas Tax until August 31, 2036 with Ordinance 2013-820-E in which the City receives one cent and JTA receives the remaining five 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. The decrease of \$2,260,442 is mainly due to the anticipated effects of COVID – 19.

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. The \$4,262,319 is not reflective of projected FY 2020/21 collections due to an adjustment for the projected shortfall of Local Option Gas Taxes in FY 2019-20. Note there is an issue with this where the adjustment was based on the shortfall for the full six cents instead of just the City’s one cent. **See recommendation.**

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.

S/F	Dept.	Project Name	Expenditures
143	PW	Roadway Resurfacing	\$3,409,855
143	PW	Sidewalk Construction – New	500,000
143	PW	Roadway Safety Project – Ped Crossings	300,000
143	PW	4 th Avenue Sidewalk	52,464
Total			<u>\$4,262,319</u>

2. Grants Aids & Contributions:

1. 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

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (S/F 10403)**

PROPOSED BUDGET BOOK – Page # 31

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.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATIONS:

We recommend reducing the amount of the "all years" revenue adjustment for the projected shortfall in the City's portion of the Local Option Gas Tax by \$1,665,614 due to the issue noted above and also appropriate available investment pool earnings of \$367,279, which will increase the available revenue to appropriate by \$2,032,893. We then recommend that:

1. \$1,626,315 be utilized to offset the Roadway Resurfacing funding gap of \$652,963 caused by the reduction in revenues for the Constitutional Fuel Tax and the remaining amount of \$973,352 be utilized to reduce the General Fund/GSD contribution to Roadway Resurfacing.
2. \$406,578 be utilized on the Flasher Clocks for School Zones to satisfy the requirement that at least 20% of the City's one cent is used on bicycle and pedestrian improvements on or along roadways and city rights-of-way. This would be offset by a reduction in the transfer from the General Fund/GSD to the project.

This recommendation will keep the project funding at the same level included in the Mayor's Proposed Budget for Roadway Resurfacing and the Flasher Clocks for School Zones and have a positive impact to the Special Council Contingency of \$1,379,930.

**Jacksonville Transportation Authority
Comparison of Budgets
2020/21 to 2019/20
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 FY2020	\$109,670,662	\$13,865,037	\$19,569,058	\$1,684,755	\$7,070,409	\$30,179,646	\$3,038,145	\$4,497,500	\$2,712,516	\$0	-\$21,044,847	\$171,242,881
JTA Board 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
\$ Change	-\$629,766	-\$4,732,401	\$96,429	\$798,745	\$207,618	-\$29,300,000	\$2,639	-\$4,497,500	\$179,738	\$41,100,000	-\$613,440	\$2,612,062
% Change	-0.57%	-34.13%	0.49%	47.41%	2.94%	-97.09%	0.09%	-100.00%	6.63%	N/A	2.91%	1.53%

Employee Headcount			
Budget	Original FY2020 FT	Proposed FY2021 FT	Change
Union			
Bus Operators	386	365	-21
Bus Supervisors/Dispatchers	30	32	2
Bus Maintenance	109	111	2
Skyway Maintenance	26	26	0
Connexion Maintenance	16	15	-1
Ferry Maintenance	0	0	0
Customer Service	8	8	0
Total	575	557	-18
Non-Union			
Engineering (CCP)	11	14	3
Automation	4	6	2
Corporate	117	115	-2
Bus	90	86	-4
Skyway	13	14	1
Connexion	10	10	0
Ferry	0	0	0
Total	245	245	0

Grand Total

820	802	-18
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Amounts flowing through the City of Jacksonville to Jacksonville Transportation	
City Contribution (Connexion)	\$ 1,496,760
Sales Tax (General Fund)	2,032,848
Local Option Gas Tax (Bus) *	18,288,333
Sales Tax (Bus) *	57,935,508
	\$ 79,753,449

* - See Recommendations

JTA Vehicle Fleet Totals (@ year-end)		
Vehicle Type	FY2020	FY2021
Buses*	198	209
Community Shuttle	7	8
Connexion (CTC)	100	105
Non-Revenue Support	84	84
Total	389	406

* Bus Fleet Breakdown		
Bus Type	FY2020	FY2021
Active Fleet	145	141
Contingency	10	10
First Coast Flyers	43	58
Total Buses	198	209

**Jacksonville Transportation Authority
Analysis of FY 2020/21 Operating Budget
Bus Division**

	FY 2019/20 Original Budget	6 Months Actuals FY 2019/20	12 Months Projected FY 2019/20	FY 2020/21 Approved Budget	FY 2020/21 Approved Budget over FY 2019/20 Original \$ Change % Change	
Operating Revenues						
Federal, State & Local Grants	\$6,611,142	\$3,658,327	\$7,516,654	\$21,417,788	\$14,806,646	223.97%
Local Option Gas Tax	19,939,279	9,568,138	19,411,276	18,288,333	-1,650,946	-8.28%
Net Sales Tax - Operating	68,710,615	32,864,070	62,878,140	57,935,508	-10,775,107	-15.68%
Passenger Fares	10,588,584	5,246,623	9,193,246	8,296,692	-2,291,892	-21.64%
Federal Preventative Maintenance	2,818,268	1,410,316	2,818,268	2,500,000	-318,268	-11.29%
Non-Transportation Revenue	1,001,805	461,250	522,500	600,995	-400,810	-40.01%
Interest Earnings	969	0	0	1,580	611	63.05%
Total Operating Revenues	\$109,670,662	\$53,208,724	\$102,340,084	\$109,040,896	-\$629,766	-0.57%
Operating Expenditures						
Salaries and Wages	\$38,003,477	\$18,759,741	\$38,409,482	\$36,655,904	-\$1,347,573	-3.55%
Fringe Benefits	19,525,766	8,852,163	18,704,325	19,172,747	-353,019	-1.81%
Fuel and Lubricants	4,822,814	2,289,601	4,659,203	4,672,344	-150,470	-3.12%
Materials and Supplies	4,855,176	2,637,345	5,174,690	5,157,568	302,392	6.23%
Services	15,690,222	9,431,646	16,443,292	16,511,591	821,369	5.23%
Insurance	585,312	252,078	564,157	584,801	-511	-0.09%
Travel/Training/Dues & Subscriptions	527,707	265,776	351,552	339,333	-188,374	-35.70%
All Other/Miscellaneous	2,181,493	1,390,388	2,321,776	2,405,099	223,606	10.25%
Contingency	2,433,848	0	0	1,883,222	-550,626	-22.62%
Transfer to Connexion	13,054,062	5,601,354	13,196,195	13,310,635	256,573	1.97%
Transfer to Skyway	6,464,409	3,500,613	6,466,226	6,628,157	163,748	2.53%
Transfer to Ferry	1,526,376	771,271	1,837,542	1,719,495	193,119	12.65%
Total Operating Expenditures	\$109,670,662	\$53,751,976	\$108,128,440	\$109,040,896	-\$629,766	-0.57%
Surplus/(Deficit)	\$0	-\$543,252	-\$5,788,356	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2019/20 Original Budget vs. FY 2020/21 Budget
Bus Division - Operating Variance Overview**

Revenues	\$ Change	% Change
Federal, State & Local Grants The increase is primarily due to the CARES Act grant funding to be received in FY 2020/21 of approximately \$13.3 million.	\$14,806,646	223.97%
Local Option Gas Tax The decrease is based on JTA estimates for the Local Option Gas Tax due to the impacts of COVID-19.	-\$1,650,946	-8.28%
Net Sales Tax - Operating The decrease is based on JTA estimates for the 1/2 Cent Sales Tax due to the impacts of COVID-19.	-\$10,775,107	-15.68%
Passenger Fares FY 2020/21 passenger fares are being decreased based on FY 2019/20 actuals and estimated reduced ridership based on CDC health guidelines for COVID-19.	-\$2,291,892	-21.64%
Federal Preventative Maintenance The decrease is due to a larger allocation from operations to the capital budget. These funds are from the Section 5307 Urbanized Area Formula Program Grant and can be used for both operating and capital expenses.	-\$318,268	-11.29%
Non-Transportation Revenue The decrease is due to a reduction in anticipated parking revenues due to a termination of a lease agreement at Kings Avenue parking garage.	-\$400,810	-40.01%
Expenditures	\$ Change	% Change
Salaries and Wages The decrease is due to a reduction in union employees due to an anticipated decrease in transit system operations partially due to the effects of COVID-19.	-\$1,347,573	-3.55%
Fringe Benefits The decrease is due to the reduction of employees.	-\$353,019	-1.81%
Materials and Supplies The increase is primarily due to the need for janitorial & custodial supplies because of CDC health regulations related to COVID-19.	\$302,392	6.23%
Services The increase is primarily due to anticipated costs for additional security personnel (First Coast Security) requirements at the Jacksonville Regional Transportation Center (JRTC).	\$821,369	5.23%
Travel/Training/Dues & Subscriptions The decrease is due to reduced travel to partially offset decreased revenues resulting from COVID-19.	-\$188,374	-35.70%

**Jacksonville Transportation Authority
 FY 2019/20 Original Budget vs. FY 2020/21 Budget
 Bus Division - Operating Variance Overview**

All Other/Miscellaneous	\$223,606	10.25%
The increase is due to anticipated costs of COVID-19 related expenses such as personal protective equipment and cleaning/disinfecting supplies for use by employees.		
Contingency	-\$550,626	-22.62%
The decrease is primarily due to an overall reduction in JTA's contingency calculation entity-wide. This resulted in a lower allocation to the Bus Division for FY 2020/21.		
Transfer to Connexion	\$256,573	1.97%
This funding is necessary to balance the Connexion budget and support expenses in Connexion operations. The increase is due to an expected contract increase with MV Transportation.		
Transfer to Skyway	\$163,748	2.53%
This funding is necessary to balance the Skyway budget and support expenses in Skyway operations. The increase is due to the need for additional JSO officers and security at the Jacksonville Regional Transportation Center at LaVilla.		
Transfer to Ferry	\$193,119	12.65%
This funding is necessary to balance the Ferry budget and support expenses in Ferry operations. The increase represents a contract increase with HMS Ferries to support operations.		

**Jacksonville Transportation Authority
Analysis of FY 2020/21 Operating Budget
Connexion Division**

	FY 2019/20 Original Budget	6 Months Actuals FY 2019/20	12 Months Projected FY 2019/20	FY 2020/21 Approved Budget	FY 2020/21 Approved Budget over FY 2019/20 Original	
					\$ Change	% Change
Operating Revenues						
Federal, State & Local Grants	\$781,186	\$340,754	\$681,509	\$542,036	-\$239,150	-30.61%
Passenger Fares	1,110,608	628,960	957,920	1,222,311	111,703	10.06%
State Transportation Disadvantaged Funds	2,028,458	1,929,972	2,028,458	2,090,616	62,158	3.06%
City of Jacksonville (Paratransit Contribution)	1,462,795	731,398	1,462,795	1,496,760	33,965	2.32%
Clay County (Paratransit Contribution)	48,000	0	48,000	0	-48,000	-100.00%
Federal Preventative Maintenance	1,083,949	541,979	1,083,949	1,000,000	-83,949	-7.74%
Non-Transportation Revenue	0	3	3	3,129	3,129	N/A
Transfer from Bus Operations	13,054,062	5,601,354	13,196,195	13,310,635	256,573	1.97%
Total Operating Revenues	\$19,569,058	\$9,774,420	\$19,458,829	\$19,665,487	\$96,429	0.49%
Operating Expenditures						
Salaries and Wages	\$2,868,699	\$1,419,553	\$2,839,106	\$2,818,512	-\$50,187	-1.75%
Fringe Benefits	1,237,161	612,809	1,225,618	1,184,868	-52,293	-4.23%
Fuel and Lubricants	1,446,660	664,795	1,349,590	1,370,890	-75,770	-5.24%
Materials and Supplies	955,911	341,485	682,970	944,421	-11,490	-1.20%
Services	12,225,241	6,611,337	13,142,674	12,682,596	457,355	3.74%
Insurance	6,029	3,270	6,541	2,847	-3,182	-52.78%
Travel/Training/Dues & Subscriptions	77,874	40,796	51,592	60,288	-17,586	-22.58%
All Other/Miscellaneous	205,483	80,375	160,738	118,065	-87,418	-42.54%
Contingency	546,000	0	0	483,000	-63,000	-11.54%
Total Operating Expenditures	\$19,569,058	\$9,774,420	\$19,458,829	\$19,665,487	\$96,429	0.49%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

Jacksonville Transportation Authority
FY 2019/20 Original Budget vs. FY 2020/21 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
<p>Federal, State & Local Grants The decrease is based on anticipated reduction in funding through the FDOT State Assistance grant due to the grant not being received in FY 2019/20.</p>	-\$239,150	-30.61%
<p>Passenger Fares The increase primarily due to an increase in passenger fares for Connexion Plus trips over 15 miles.</p>	\$111,703	10.06%
<p>State Transportation Disadvantaged Funds The increase is due JTA receiving \$1.6 million for Duval County and \$477,000 for Clay County through the State of Florida Trip & Equipment grant.</p>	\$62,158	3.06%
<p>Clay County (Paratransit Contribution) The decrease is due to the contract with Clay County not yet finalized and no funding history in which to project an estimate.</p>	-\$48,000	-100.00%
<p>Federal Preventative Maintenance The decrease is due to a larger allocation from operations to the capital budget. These funds are from the Section 5307 Urbanized Area Formula Program Grant and can be used for both operating and capital expenses.</p>	-\$83,949	-7.74%
<p>Transfer from Bus Operations This funding is necessary to balance the Connexion budget and support expenses in Connexion operations.</p>	256,573	1.97%
Expenditures	\$ Change	% Change
<p>Services The increase is due to an expected contract rate increase with MV Transportation and projected growth in revenue hours to support projected ridership. Also included in this line, are the costs for operating the Connexion service in Clay County.</p>	\$457,355	3.74%
<p>Insurance The decrease is based on projections received from JTA's insurance broker.</p>	-\$3,182	-52.78%
<p>Travel/Training/Dues & Subscriptions The decrease is due to reduced travel to partially offset decreased revenues resulting from COVID-19.</p>	-\$17,586	-22.58%
<p>All Other/Miscellaneous The decrease is primarily due to a reduction in corporate allocated expenses related to 121 Forsyth Street.</p>	-\$87,418	-42.54%
<p>Contingency The decrease is primarily due to an overall reduction in JTA's contingency calculation entity-wide. This resulted in a lower allocation to the Connexion Division for FY 2020/21.</p>	-\$63,000	-11.54%

**Jacksonville Transportation Authority
Analysis of FY 2020/21 Operating Budget
Skyway Division**

	FY 2019/20 Original Budget	6 Months Actuals FY 2019/20	12 Months Projected FY 2019/20	FY 2020/21 Approved Budget	FY 2020/21 Approved Budget over FY 2019/20 Original	
					\$ Change	% Change
Operating Revenues						
Federal, State & Local Grants	\$70,644	\$159,901	\$269,802	\$136,870	\$66,226	93.75%
Federal Preventative Maintenance	433,580	216,792	433,580	500,000	66,420	15.32%
Non-Transportation Revenue	101,776	6,873	13,746	13,000	-88,776	-87.23%
Transfer from Bus Operations	6,464,409	3,500,613	6,466,226	6,628,157	163,748	2.53%
Total Operating Revenues	\$7,070,409	\$3,884,179	\$7,183,354	\$7,278,027	\$207,618	2.94%
Operating Expenditures						
Salaries and Wages	\$2,409,901	\$1,463,637	\$2,527,275	\$2,469,906	\$60,005	2.49%
Fringe Benefits	1,349,924	693,190	1,386,381	1,337,877	-12,047	-0.89%
Fuel and Lubricants	10,377	1,180	2,361	8,961	-1,416	-13.65%
Materials and Supplies	1,055,767	610,636	1,221,273	1,062,522	6,755	0.64%
Services	1,162,598	633,913	1,217,827	1,339,505	176,907	15.22%
Insurance	413,465	190,728	381,455	497,512	84,047	20.33%
Travel/Training/Dues & Subscriptions	32,867	17,603	20,206	25,535	-7,332	-22.31%
All Other/Miscellaneous	362,510	273,292	426,576	344,209	-18,301	-5.05%
Contingency	273,000	0	0	192,000	-81,000	-29.67%
Total Operating Expenditures	\$7,070,409	\$3,884,179	\$7,183,354	\$7,278,027	\$207,618	2.94%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2019/20 Original Budget vs. FY 2020/21 Budget
Skyway Division - Operating Variance Overview**

Revenues	\$ Change	% Change
<p>Federal, State & Local Grants The increase is based on actuals from the last 3 years.</p>	\$66,226	93.75%
<p>Federal Preventative Maintenance The increase is due to anticipated maintenance needs for Skyway operations.</p>	\$66,420	15.32%
<p>Non-Transportation Revenue The decrease is due to reduced parking facilities revenue due to lot closures.</p>	(\$88,776)	-87.23%
<p>Transfer from Bus Operations This funding is necessary to balance the Skyway budget and support expenses in Skyway operations.</p>	\$163,748	2.53%
Expenditures	\$ Change	% Change
<p>Services The increase is primarily due to the need for JSO officers and security at the Jacksonville Regional Transportation Center at LaVilla.</p>	\$176,907	15.22%
<p>Insurance The increase is based on projections received from JTA's insurance broker.</p>	\$84,047	20.33%
<p>Travel/Training/Dues & Subscriptions The decrease is due to reduced travel to partially offset decreased revenues resulting from COVID-19.</p>	-\$7,332	-22.31%
<p>Contingency The decrease is primarily due to an overall reduction in JTA's contingency calculation entity-wide. This resulted in a lower allocation to the Skyway Division for FY 2020/21.</p>	-\$81,000	-29.67%

**Jacksonville Transportation Authority
Analysis of FY 2020/21 Operating Budget
Ferry Division**

	FY 2019/20 Original Budget	6 Months Actuals FY 2019/20	12 Months Projected FY 2019/20	FY 2020/21 Approved Budget	FY 2020/21 Approved Budget over FY 2019/20 Original	
					\$ Change	% Change
Operating Revenues						
Federal, State & Local Grants	\$0	\$0	\$0	\$0	\$0	N/A
Passenger Fares	1,511,769	731,182	1,162,364	1,321,289	-190,480	-12.60%
Non-Transportation	0	10	10	0	0	N/A
Transfer from Bus Operations	1,526,376	771,271	1,837,542	1,719,495	193,119	12.65%
Total Operating Revenues	\$3,038,145	\$1,502,463	\$2,999,916	\$3,040,784	\$2,639	0.09%
Operating Expenditures						
Salaries and Wages	\$227,902	\$123,304	\$226,609	\$228,413	\$511	0.22%
Fringe Benefits	68,700	37,167	68,334	67,799	-901	-1.31%
Fuel and Lubricants	305,650	166,416	302,831	294,524	-11,126	-3.64%
Materials and Supplies	18,304	7,858	15,715	17,430	-874	-4.77%
Services	2,208,240	1,082,560	2,221,120	2,248,676	40,436	1.83%
Insurance	48,587	24,773	49,546	54,464	5,877	12.10%
Travel/Training/Dues & Subscriptions	10,974	6,763	8,526	7,817	-3,157	-28.77%
All Other/Miscellaneous	52,288	53,622	107,235	46,661	-5,627	-10.76%
Contingency	97,500	0	0	75,000	-22,500	-23.08%
Total Operating Expenditures	\$3,038,145	\$1,502,463	\$2,999,916	\$3,040,784	\$2,639	0.09%
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	N/A

**Jacksonville Transportation Authority
 FY 2019/20 Original Budget vs. FY 2020/21 Budget
 Ferry Division - Operating Variance Overview**

Revenues	\$ Change	% Change
Passenger Fares The decrease is due to reduced estimated ridership related to COVID-19 as more individuals working remotely reducing the need for Ferry transportation.	-\$190,480	-12.60%
Transfer from Bus Operations This funding is necessary to balance the Ferry budget and support expenses in Ferry operations.	\$193,119	12.65%
Expenditures	\$	%
Fuel and Lubricants The decrease is primarily due to lower projected market prices on fuel costs.	-\$11,126	-3.64%
Services The increase is primarily due to a contract increase with HMS Ferries to support operations.	\$40,436	1.83%
Insurance The increase is based on projections received from JTA's insurance broker.	\$5,877	12.10%
All Other/Miscellaneous The decrease is primarily due to a reduction in corporate allocated expenses related to 121 Forsyth Street.	-\$5,627	-10.76%
Contingency The decrease is primarily due to an overall reduction in JTA's contingency calculation entity-wide. This resulted in a lower allocation to the Ferry Division for FY 2020/21.	-\$22,500	-23.08%

**Jacksonville Transportation Authority
Analysis of FY 2020/21 Operating Budget
General Fund**

	FY 2019/20 Original Budget	6 Months Actuals FY 2019/20	12 Months Projected FY 2019/20	FY 2020/21 Approved Budget	FY 2020/21 Approved Budget over FY 2019/20 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	111,004	207,394	414,788	95,706	-15,298	-13.78%
Interest Earnings	568,664	794,121	1,588,242	763,700	195,036	34.30%
Total Operating Revenues	2,712,516	2,017,939	4,035,878	2,892,254	179,738	6.63%
Operating Expenditures						
Salaries & Wages	\$924,240	\$606,989	\$1,213,978	\$1,096,082	\$171,842	18.59%
Fringe Benefits	421,214	217,773	435,546	417,332	-3,882	-0.92%
Materials and Supplies	22,250	9,130	18,260	26,432	4,182	18.80%
Services	1,141,002	846,704	1,693,408	913,407	-227,595	-19.95%
Insurance	363	566	1,133	513	150	41.32%
Training/Travel/Dues & Subscriptions	14,762	17,314	11,628	14,164	-598	-4.05%
All Other/Miscellaneous	130,185	62,814	125,628	57,546	-72,639	-55.80%
Contingency	58,500	0	0	366,778	308,278	526.97%
Total Operating Expenditures	\$2,712,516	\$1,761,290	\$3,499,581	\$2,892,254	\$179,738	6.63%
Surplus/(Deficit)	\$0	\$256,649	\$536,297	\$0	\$0	N/A

**Jacksonville Transportation Authority
FY 2019/20 Original Budget vs. FY 2020/21 Budget
General Fund - Operating Variance Overview**

Revenues	\$ Change	% Change
Non-Transportation Revenue The decrease is based on average actual rental revenues received over the last 3 years.	-\$15,298	-13.78%
Interest Earnings The increase is due to anticipated interest rate increases as projected by JTA's investment advisor.	\$195,036	34.30%
Expenditures	\$ Change	% Change
Salaries & Wages The increase is primarily due to the addition of 3 positions for job duties that were previously performed by outside consultants.	\$171,842	18.59%
Materials and Supplies The increase is due to additional funding needed for materials and supplies based on actuals in FY 2019/20.	\$4,182	18.80%
Services The decrease is primarily due to the reduction in consulting services in favor of bringing these positions in-house.	-\$227,595	-19.95%
Insurance The increase is based on projections received from JTA's insurance broker.	\$150	41.32%
All Other/Miscellaneous The decrease is primarily due the elimination of employee parking expenses at the Forsyth Street parking garage, holiday employee town halls, and group activities in favor of teleconferencing due to COVID-19.	-\$72,639	-55.80%
Contingency The increase is due to a higher allocation to the General Fund based on an anticipated need of construction and capital program costs.	\$308,278	526.97%

**Jacksonville Transportation Authority
Analysis of FY 2020/21 Capital Budget
Capital - All Divisions**

	FY 2019/20 Original Budget	FY 2020/21 Approved Budget	FY 2020/21 Approved Budget over FY 2019/20 Original	
			\$ Change	% Change
Capital Funds				
Federal Contributions	\$30,613,996	\$12,495,782	-\$18,118,214	-59.18%
State Contributions	8,300,000	0	-8,300,000	-100.00%
JTA Local Match	11,312,942	41,100,000	29,787,058	263.30%
Total Capital Funds	\$50,226,938	\$53,595,782	\$3,368,844	6.71%
Capital Projects				
Bus Division	\$13,865,037	\$9,132,636	-\$4,732,401	-34.13%
Connexion Division	1,684,755	2,483,500	798,745	47.41%
Skyway Division	30,179,646	879,646	-29,300,000	-97.09%
Ferry Division	4,497,500	0	-4,497,500	-100.00%
General Fund	0	41,100,000	41,100,000	N/A
Total Capital Projects	\$50,226,938	\$53,595,782	\$3,368,844	6.71%
Surplus/(Deficit)	\$0	\$0	\$0	

**Jacksonville Transportation Authority
Analysis of FY 2020/21 Capital Budget
Capital - All Divisions**

Capital Funds	\$ Change	% Change
<p>Federal Contributions The decrease is mainly due to the uncertainty that JTA will be awarded Federal grants for capital projects. As of August 7, 2020, JTA was awarded a \$5.2 million discretionary Ferry grant and a \$11.9 million discretionary Bus and Bus Facilities grant. Since these grants will require a months-long process before funds are fully available, JTA will need to come back to City Council for a budget amendment in FY 2020/21.</p>	-\$18,118,214	-59.18%
<p>State Contributions The decrease is due to JTA not applying for the BUILD grant in FY2020/21, therefore no state match contribution is needed.</p>	-\$8,300,000	-100.00%
<p>JTA Local Match The increase is primarily due to a bond issuance against local option gas tax revenues to cover the JTA MobilityWorks program, as well as the match percentage for requested grant revenues required.</p>	\$29,787,058	263.30%
Capital Projects	\$ Change	% Change
<p>Bus Division The decrease is primarily due to projects being fully funded in FY 2019/20.</p>	-\$4,732,401	-34.13%
<p>Connexion Division The increase is primarily due to the Section 5307 grant (annual funding for urbanized areas to transit agencies) for the purchase of 35 paratransit vehicles (26 for Duval and 9 for Clay).</p>	\$798,745	47.41%
<p>Skyway Division The decrease is primarily due to JTA not receiving the BUILD Grant for the Bay Street Innovation Corridor (\$29.1 million) and associated capital maintenance parts (\$200,000) in FY 2020/21.</p>	-\$29,300,000	-97.09%
<p>Ferry Division Funding is not needed for the FY 2020/21 budget due to projects being fully funded in FY 2019/20.</p>	-\$4,497,500	-100.00%
<p>General Fund The increase is due to the issuance of revenue bonds against local option gas taxes to bridge the funding gap for the JTA MobilityWorks project program.</p>	\$41,100,000	N/A

**Jacksonville Transportation Authority
FY 2020/21 Capital Budget - Projects**

Capital Projects	Federal Portion	State Cash	JTA Cash	JTA/Other In-Kind	Project Costs
Bus Division					
Access Control Upgrade	247,441	-	-	-	247,441
Bus Stop Amenities/Shelter Site Work/Solar Lighting	375,000	-	-	-	375,000
Church St Gate Guard House Update and Relocation	152,559	-	-	-	152,559
Computer Equipment/Business Continuity	125,000	-	-	-	125,000
ERP- EAM Optimization	250,000	-	-	-	250,000
ERP- Grants Optimization	494,000	-	-	-	494,000
ERP- HR Optimization	370,000	-	-	-	370,000
ERP- Kronos Time-And-Attendance Integration	290,000	-	-	-	290,000
Fall Protection Equipment	25,000	-	-	-	25,000
Fixed Route - Rolling Stock	6,335,000	-	-	-	6,335,000
Oil Water Separator System for IBT Parking Lot Runoff	100,000	-	-	-	100,000
Revenue - GenFare Enhancements and Upgrades	345,000	-	-	-	345,000
Travel/Inspection - Fixed Route	23,636	-	-	-	23,636
Bus Division Total	9,132,636	-	-	-	9,132,636
Connexion Division					
Rolling Stock - Clay County	819,500	-	-	-	819,500
Rolling Stock - Paratransit	1,664,000	-	-	-	1,664,000
Connexion Division Total	2,483,500	-	-	-	2,483,500
Skyway Division					
Kings Ave Station Escalator	879,646	-	-	-	879,646
Skyway Division Total	879,646	-	-	-	879,646
General Fund Division					
JTAMobilityWorks (Various Road Projects)	-	-	41,100,000	-	41,100,000
General Fund Division Total	-	-	41,100,000	-	41,100,000
Total Capital Projects	12,495,782	-	41,100,000	-	53,595,782

**Jacksonville Transportation Authority
Analysis of FY 2020/21 Operating Budget
Administration/Corporate**

	FY 2019/20	6 Months	12 Months	FY 2020/21	FY 2020/21 Approved Budget	
	Original Budget	Actuals FY 2019/20	Projected FY 2019/20	Approved Budget	\$ Change	% Change
Operating Expenditures						
Salaries and Wages	\$9,641,069	\$5,031,388	\$9,762,776	\$9,243,337	-\$397,732	-4.13%
Fringe Benefits	2,906,252	1,517,575	2,935,150	2,743,647	-162,605	-5.60%
Materials and Supplies	774,337	294,220	588,440	705,342	-68,995	-8.91%
Services	7,473,517	4,881,718	8,763,436	8,556,394	1,082,877	14.49%
Insurance	15,821	7,443	14,886	17,710	1,889	11.94%
Travel/Training/Dues & Subscriptions	464,256	213,941	427,882	316,353	-147,903	-31.86%
All Other/Miscellaneous	1,111,977	559,199	1,118,398	574,633	-537,344	-48.32%
Total Operating Expenditures	\$22,387,229	\$12,505,484	\$23,610,968	\$22,157,416	-\$229,813	-1.03%

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 decrease in Salaries and Wages is primarily due to Corporate re-organization, furloughs, and hiring freezes that have been instituted for FY 2020/21 in response to the COVID-19 pandemic.
- 3) Fringe Benefits are budgeted at 30% of Salaries & Wages based on the first six months of actuals for FY 2019/20.
- 4) The increase in Services is based on the expected need for the continued progress in the testing and design phases related to the Ultimate Urban Circulator (U2C) Bay Street Innovation Corridor Project.
- 5) Travel/Training/Dues & Subscriptions decreased due to reduced travel resulting from CDC regulations related to COVID-19 and to partially offset anticipated revenue losses.
- 6) The decrease is primarily due to rental expense not budgeted as the JTA moved its offices to the Jacksonville Regional Transportation Center (JRTC) in FY 2019-20.

JTA Operations Budget	
Total Operating Budget	\$141,917,448
Total Transfers Out	-21,658,287
Operating Contingency	-3,000,000
Total	\$117,259,161

Percentage Dedicated to Corporate Operations

18.90%

Division Allocation		
Bus	15,990,494	72.17%
CTC	3,562,039	16.07%
Skyway	1,415,491	6.39%
Ferry	547,535	2.47%
Engineering	641,858	2.90%
Total	\$22,157,417	100%

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2020/2021**

	<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	\$ 21,417,788	\$ 542,036	\$ 136,870	\$ -	\$ -	\$ 22,096,694
Local Option Gas Tax	18,288,333			-		18,288,333
Net Sales Tax - Operating	57,935,508			-	2,032,848	59,968,356
Passenger Fares	8,296,692	1,222,311		1,321,289		10,840,292
State Transportation Disadvantaged Funds		2,090,616		-		2,090,616
City of Jacksonville (Paratransit Contribution)		1,496,760		-		1,496,760
Federal Preventative Maintenance	2,500,000	1,000,000	500,000	-		4,000,000
Non-Transportation Revenue	600,995	3,129	13,000	-	95,706	712,830
Interest Earnings	1,580	-	-	-	763,700	765,280
Transfer from Bus Operations to Connexion	-	13,310,635			-	13,310,635
Transfer from Bus Operations to Skyway	-		6,628,157		-	6,628,157
Transfer from Bus Operations to Ferry	-			1,719,495	-	1,719,495
Total Estimated Operating Revenues	\$ 109,040,896	\$ 19,665,487	\$ 7,278,027	\$ 3,040,784	\$ 2,892,254	\$ 141,917,448

SCHEDULE O

Operating Expenditures

Salaries and Wages	\$ 36,655,904	\$ 2,818,512	\$ 2,469,906	\$ 228,413	\$ 1,096,082	\$ 43,268,817
Fringe Benefits	19,172,747	1,184,868	1,337,877	67,799	417,332	22,180,623
Fuel and Lubricants	4,672,344	1,370,890	8,961	294,524	-	6,346,718
Materials and Supplies	5,157,568	944,421	1,062,522	17,430	26,432	7,208,373
Services	16,511,591	12,682,596	1,339,505	2,248,676	913,405	33,695,773
Insurance	584,801	2,847	497,512	54,464	513	1,140,138
Travel/Training/Dues & Subscriptions	339,333	60,288	25,535	7,817	14,164	447,137
All Other/Miscellaneous	2,405,099	118,065	344,209	46,661	57,546	2,971,581
Contingency	1,883,222	483,000	192,000	75,000	366,778	3,000,000
Transfer to Connexion	13,310,635					13,310,635
Transfer to Skyway	6,628,157					6,628,157
Transfer to Ferry	1,719,495					1,719,495
Total Operating Expenditures	\$ 109,040,896	\$ 19,665,487	\$ 7,278,027	\$ 3,040,784	\$ 2,892,254	\$ 141,917,448
Full Time Positions	692	45	47	0	18	802
Temporary Employee Hours	59,309	8,493	2,337	0	1,168	71,307

SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2020/2021**

	<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	\$ 9,132,636	\$ 2,483,500	\$ 879,646	\$ -	\$ -	\$ 12,495,782
Grant Match (State)	-	-	-	-	-	-
Local Match (JTA)	-	-	-	-	41,100,000	41,100,000
Total Estimated Revenues	<u>\$ 9,132,636</u>	<u>\$ 2,483,500</u>	<u>\$ 879,646</u>	<u>\$ -</u>	<u>\$ 41,100,000</u>	<u>\$ 53,595,782</u>

SCHEDULE Q

APPROPRIATIONS

Computer Equipment	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000
Computer Software	1,749,000	-	-	-	-	1,749,000
Facilities Improvements	100,000	-	879,646	-	-	979,646
Rolling Stock - Clay County	-	819,500	-	-	-	819,500
Rolling Stock - Fixed Route	6,358,636	-	-	-	-	6,358,636
Rolling Stock - Paratransit	-	1,664,000	-	-	-	1,664,000
Security Equipment	400,000	-	-	-	-	400,000
Shop Equipment	25,000	-	-	-	-	25,000
Transit Satellite Amenities	375,000	-	-	-	-	375,000
JTAMobilityWorks	-	-	-	-	41,100,000	41,100,000
Total Appropriations	<u>\$ 9,132,636</u>	<u>\$ 2,483,500</u>	<u>\$ 879,646</u>	<u>\$ -</u>	<u>\$ 41,100,000</u>	<u>\$ 53,595,782</u>

SCHEDULE R

**COUNCIL AUDITOR’S OFFICE
RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2020/21**

JTA concurs with all recommendations.

Recommendations:

1. We recommend decreasing the “Local Option Gas Tax” revenue under Bus on Schedule O by \$231,506 from \$18,288,333 to \$18,056,828. This will bring JTA’s budget in agreement with the City for this revenue stream.
2. We recommend decreasing the “Net Sales Tax – Operating” revenue under Bus on Schedule O by \$2,998,299 from \$57,935,508 to \$54,937,209. This will bring JTA’s budget in agreement with the City for this revenue stream.
3. We recommend increasing the “Federal, State & Local Grants” revenue line under Bus on Schedule O by \$3,229,805 from \$21,417,788 to \$24,647,593. This will balance JTA’s revenues and expenditures.
4. There are several rounding errors in JTA’s operating and capital schedules. We recommend correcting the rounding errors to balance revenues and expenditures.
5. We recommend removing and replacing Budget Ordinance Schedules O, P, Q, and R with Revised Schedules O, P, Q, and R to reflect the changes listed in the recommendations above.
6. We recommend amending the Budget Ordinance language related to JTA to reflect revised schedules and a revised sales tax revenue budget amount of \$56,970,057.
7. We recommend amending the Budget Ordinance language related to JTA to delete the language regarding senior citizen eligibility and replacing with the following: “The Jacksonville Transportation Authority shall accept as proof of senior citizen eligibility a JTA issued Senior STAR card and shall permit all persons age of 65 and over to obtain a Senior STAR card and ride for free at all times.” The existing language regarding senior citizen eligibility is outdated and should be updated to reflect current practice.

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2020/21**

	<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	\$24,647,593	\$542,036	\$136,870	\$0	\$0	\$25,326,499
Local Option Gas Tax	18,056,827	0	0	0	0	18,056,827
Net Sales Tax - Operating	54,937,209	0	0	0	2,032,848	56,970,057
Passenger Fares	8,296,692	1,222,311	0	1,321,289	0	10,840,292
State Transportation Disadvantaged Funds	0	2,090,616	0	0	0	2,090,616
City of Jacksonville (Paratransit Contribution)	0	1,496,760	0	0	0	1,496,760
Federal Preventative Maintenance	2,500,000	1,000,000	500,000	0	0	4,000,000
Non-Transportation Revenue	600,995	3,129	13,000	0	95,706	712,830
Interest Earnings	1,580	0	0	0	763,700	765,280
Transfer from Bus Operations to Connexion	0	13,310,635	0	0	0	13,310,635
Transfer from Bus Operations to Skyway	0	0	6,628,157	0	0	6,628,157
Transfer from Bus Operations to Ferry	0	0	0	1,719,495	0	1,719,495
Total Estimated Operating Revenues	<u>\$109,040,896</u>	<u>\$19,665,487</u>	<u>\$7,278,027</u>	<u>\$3,040,784</u>	<u>\$2,892,254</u>	<u>\$141,917,448</u>

REVISED SCHEDULE O

<u>Operating Expenditures</u>						
Salaries and Wages	\$36,655,904	\$2,818,512	\$2,469,906	\$228,413	\$1,096,082	\$43,268,817
Fringe Benefits	19,172,747	1,184,868	1,337,877	67,799	417,332	22,180,623
Fuel and Lubricants	4,672,344	1,370,890	8,961	294,524	0	6,346,719
Materials and Supplies	5,157,568	944,421	1,062,522	17,430	26,432	7,208,373
Services	16,511,591	12,682,596	1,339,505	2,248,676	913,407	33,695,775
Insurance	584,801	2,847	497,512	54,464	513	1,140,137
Travel/Training/Dues & Subscriptions	339,333	60,288	25,535	7,817	14,164	447,137
All Other/Miscellaneous	2,405,099	118,065	344,209	46,661	57,546	2,971,580
Contingency	1,883,222	483,000	192,000	75,000	366,778	3,000,000
Transfer to Connexion	13,310,635	0	0	0	0	13,310,635
Transfer to Skyway	6,628,157	0	0	0	0	6,628,157
Transfer to Ferry	1,719,495	0	0	0	0	1,719,495
Total Operating Expenditures	<u>\$109,040,896</u>	<u>\$19,665,487</u>	<u>\$7,278,027</u>	<u>\$3,040,784</u>	<u>\$2,892,254</u>	<u>\$141,917,448</u>
Full Time Positions	<u>692</u>	<u>45</u>	<u>47</u>	<u>0</u>	<u>18</u>	<u>802</u>
Temporary Employee Hours	<u>59,309</u>	<u>8,493</u>	<u>2,337</u>	<u>0</u>	<u>1,168</u>	<u>71,307</u>

REVISED SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2020/21**

	<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	\$9,132,636	\$2,483,500	\$879,646	\$0	\$0	\$12,495,782
Grant Match (State)	0	0	0	0	0	0
Local Match (JTA)	0	0	0	0	41,100,000	41,100,000
Total Estimated Revenues	<u>\$9,132,636</u>	<u>\$2,483,500</u>	<u>\$879,646</u>	<u>\$0</u>	<u>\$41,100,000</u>	<u>\$53,595,782</u>

REVISED SCHEDULE Q

<u>APPROPRIATIONS</u>						
Computer Equipment	\$125,000	\$0	\$0	\$0	\$0	\$125,000
Computer Software	1,749,000	0	0	0	0	1,749,000
Facilities Improvements	100,000	0	879,646	0	0	979,646
Rolling Stock - Clay County	0	819,500	0	0	0	819,500
Rolling Stock - Fixed Route	6,358,636	0	0	0	0	6,358,636
Rolling Stock - Paratransit	0	1,664,000	0	0	0	1,664,000
Security Equipment	400,000	0	0	0	0	400,000
Shop Equipment	25,000	0	0	0	0	25,000
Transit Satellite Amenities	375,000	0	0	0	0	375,000
JTAMobilityWorks	0	0	0	0	41,100,000	41,100,000
Total Appropriations	<u>\$9,132,636</u>	<u>\$2,483,500</u>	<u>\$879,646</u>	<u>\$0</u>	<u>\$41,100,000</u>	<u>\$53,595,782</u>

REVISED SCHEDULE R

**COUNCIL AUDITOR’S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2020/2021**

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.

JTA FY 2020/21 BUDGET

The total payout for FY 2020/21 would be \$123,848 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 85%	Score of 78% to 82%
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 70%	Score of 90%	N/A
Fixed Route Mean Distance Between Vehicle Failures	N/A	N/A	12,800 miles to 13,200 miles
Connexion Mean Distance Between Vehicle Failure	N/A	N/A	27,800 miles to 31,000 miles
Fixed Route Bus Stop Cleanliness	N/A	N/A	Score of 70.23%

**COUNCIL AUDITOR’S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2020/2021**

Performance Goal	ATU (Bus Operator Team)	AFSCME (Supervisors/Dispatchers Team)	IAM (Maintenance Workers)
Connexion Vehicle Cleanliness	N/A	N/A	Score of 88.4%
Fixed Route Vehicle Cleanliness	N/A	N/A	Score of 74.3%
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 97.94%
Tag Count Skyway	N/A	N/A	Score of 98.8%

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. There have been no payouts of incentives as of FY 2019/20 as this is the first year of the union 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 2020/2021**

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 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
 FY18 - FY20

	Perfect Attendance - Employees		Perfect Attendance - Days		Safety - \$			Safety - # *			Performance Incentive**		
	ATU	IAM	ATU	IAM	ATU	IAM	AFSCME***	ATU	IAM	AFSCME***	ATU	IAM	AFSCME
FY18													
1st Qtr	38	108	19.0	108									
2nd Qtr	38	82	19.0	82									
3rd Qtr	39	65	19.5	65									
4th Qtr	47	91	23.5	91									
Totals	162	346	81.0	346	\$20,201.11	\$35,675.15	N/A	933	416	N/A	\$0.00	\$0.00	N/A
FY19													
1st Qtr	46	83	23.0	83									
2nd Qtr	32	67	16.0	67									
3rd Qtr	44	65	22.0	65									
4th Qtr	47	65	23.5	65									
Totals	169	280	84.5	280	\$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									
2nd Qtr	39	73	19.5	73									
Totals	79	139	39.5	139	\$38,928.69	\$21,652.29	\$4,170.65	614	262	42	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 FY18 or FY19.
 *** AFSCME incentives began December, 2019

TRANSIT OPERATIONS

FY19 Annual Union Performance Incentive Tracking

IAM PERFORMANCE		FY 19 Actual	FY 19 GOAL	FY18 Actual	FY18 Goal
	Fixed Route OTP	79.7%	80%	80.3%	79%
	Mean Distance Between Vehicle Failures				
	Fixed Route	16,154	12,400	12,332	12,000
	Connexion	32,267	27,000	39,347	16,800
	Skyway Vehicle Completed On-Time	100%	90%	100%	90%
	Preventive Maintenance Inspections				
	Cleanliness				
	Fixed Route Bus Stops	62.2%	69%	68.9%	67.8%
	Fixed Route Vehicles	71.8%	75%	73.7%	75.3%
Connexion Vehicle Cleanliness	88.4%	88%	87.4%	88%	
Skyway Stations	87.9%	85%	90.8%	80%	
Skyway Vehicles	94.5%	85%	94.2%	80%	
Skyway Track PM Inspections	100%	80%	100%	80%	
Tag Count					
Fixed Route/Connexion	98%	97%	98%	97%	
Skyway	99%	98%	99%	98%	
ATU PERFORMANCE		FY 19 Actual	FY 19 Goal	FY18 Actual	FY 18 Goal
	Fixed Route OTP	79.7%	80%	80.3%	79%
	Mean Distance Between Vehicle Failures				
	Fixed Route	16,154	12,400	12,332	12,000
	Cleanliness				
	Fixed Route Bus Stops	62.2%	71%	68.9%	67.8%
	Fixed Route Vehicles	71.8%	75%	73.7%	75.3%
	Customer Survey Courteousness, Friendliness and Helpfulness	67.0%	71%	68.4%	70%

**JACKSONVILLE AVIATION AUTHORITY
COMPARISON OF BUDGETS
ORIGINAL BUDGET FY 2019/20 VERSUS PROPOSED BUDGET FY 2020/21**

	<u>Operating & Non Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Fund Transfers Out</u>	<u>Total</u>
FY 2019/2020 Original	\$68,864,661	\$7,455,338	\$46,645,974	\$39,967,403	\$162,933,376
FY 2020/2021 Proposed	\$62,380,543	\$7,270,000	\$7,315,000	\$11,140,735	\$88,106,278
\$ Change	-\$6,484,118	-\$185,338	-\$39,330,974	-\$28,826,668	-\$74,827,098
% Change	-9.42%	-2.49%	-84.32%	-72.13%	-45.92%
		<u>FY 2019/20</u>	<u>FY 2020/21</u>	<u>Change</u>	
Full-time Positions		306	255	-51	
Part-time Hours		8,340	5,220	-3,120	

**JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF THE FY 2020/21 PROPOSED BUDGET**

	2019/20 Original Budget	7 Months Actuals FY 2019/20	12 Months Projected FY 2019/20	2020/21 Proposed Budget	2020/21 Proposed Budget over 2019/20 Original	
					\$ Change	% Change
OPERATING REVENUES						
Concessions	\$19,408,714	\$9,578,818	\$12,049,947	\$10,351,723	-\$9,056,991	-46.66%
Fees & Charges	20,175,208	11,779,421	13,237,879	16,547,349	-3,627,859	-17.98%
Space & Facility Rentals	32,942,656	18,682,637	32,283,803	31,102,723	-1,839,933	-5.59%
Parking	25,058,790	11,722,027	13,562,801	10,730,115	-14,328,675	-57.18%
Sale of Utilities	1,579,149	802,901	1,269,341	1,364,883	-214,266	-13.57%
Other Miscellaneous Operating Revenue	213,532	152,592	158,359	153,798	-59,734	-27.97%
TOTAL OPERATING REVENUES	<u>\$99,378,049</u>	<u>\$52,718,396</u>	<u>\$72,562,130</u>	<u>\$70,250,591</u>	<u>-\$29,127,458</u>	<u>-29.31%</u>
OPERATING EXPENDITURES						
Salaries	\$22,505,315	\$14,844,815	\$22,176,323	\$19,190,369	-\$3,314,946	-14.73%
Benefits	8,966,362	5,626,062	8,983,449	7,922,610	-1,043,752	-11.64%
Services & Supplies	20,701,634	11,204,934	20,312,679	18,833,886	-1,867,748	-9.02%
Repairs & Maintenance	5,527,925	1,749,579	5,355,585	4,366,311	-1,161,614	-21.01%
Promotion, Advertising and Dues	952,877	402,174	771,394	658,925	-293,952	-30.85%
Registrations & Travel	583,816	207,697	577,083	367,580	-216,236	-37.04%
Insurance Expense	1,519,450	954,502	1,609,653	1,939,972	420,522	27.68%
Cost of Goods for Sale	613,000	334,194	617,966	660,000	47,000	7.67%
Utilities, Taxes & Gov't Fees	4,846,199	2,662,299	4,482,210	4,714,790	-131,409	-2.71%
Operating Contingency	2,384,323	0	0	3,000,000	615,677	25.82%
TOTAL OPERATING EXPENDITURES	<u>\$68,600,901</u>	<u>\$37,986,256</u>	<u>\$64,886,342</u>	<u>\$61,654,443</u>	<u>-\$6,946,458</u>	<u>-10.13%</u>
INCOME FROM OPERATIONS	<u>\$30,777,148</u>	<u>\$14,732,140</u>	<u>\$7,675,788</u>	<u>\$8,596,148</u>	<u>-\$22,181,000</u>	<u>-72.07%</u>
NON-OPERATING REVENUES/(EXPENSES)						
Passenger Facility Charge Revenue	\$14,012,793	\$6,243,256	\$9,072,357	\$8,558,827	-\$5,453,966	-38.92%
Investment Income	2,308,000	2,071,847	2,473,528	1,209,000	-1,099,000	-47.62%
Other Revenue	588,560	234,780	663,802	772,860	184,300	31.31%
Debt Service	-7,455,338	-7,057,554	-7,455,338	-7,270,000	185,338	-2.49%
Other Expense	-263,760	-77,938	-138,165	-726,100	-462,340	175.29%
OUTLAY, PFC RESERVE AND RETAINED EARNINGS	<u>\$39,967,403</u>	<u>\$16,146,531</u>	<u>\$12,291,972</u>	<u>\$11,140,735</u>	<u>-\$28,826,668</u>	<u>-72.13%</u>
Transfer (to)/from Operating Capital Outlay	-\$22,149,487	-\$2,259,270	-\$2,674,575	-\$4,715,000	\$17,434,487	-78.71%
Transfer (to)/from Passenger Facility Charge Reserve	7,422,385	0	-1,968,626	-3,206,915	-10,629,300	-143.21%
Transfer (to)/from Retained Earnings	-25,240,301	-13,887,261	-7,648,771	-3,218,820	22,021,481	-87.25%
SURPLUS/(DEFICIT)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	N/A
Fulltime Positions	306	240	245	255	-51	-16.67%
Temporary Employee Hours	8,340	1,375	1,554	5,220	-3,120	-37.41%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2019/20 VERSUS PROPOSED BUDGET FY 2020/21**

REVENUE OVERVIEW	\$ Change	% Change
<p>Concessions</p> <p>The decrease is due to the impact of COVID-19 and the anticipated decrease of passenger volume in FY 2020/21. The decrease is comprised of decreases of \$5,115,125 in car rental on airport, \$1,798,453 in food and beverage, \$1,120,126 in terminal retail revenues, \$409,511 in rental cars off airport and off airport parking operations, \$353,929 in advertising revenue, \$97,526 in fuel flowage revenue to JAA, \$97,184 in other terminal concessions revenues, and \$65,139 in hotel revenue.</p>	-\$9,056,991	-46.66%
<p>Fees & Charges</p> <p>The decrease is due to the impact of COVID-19 and the anticipated reduction in the volume of airline operations in FY 2020/21. The decrease is comprised of decreases of \$1,358,998 in landing fees for signatory airlines, \$952,210 ground transportation security fees & pickup fees, \$844,564 in landing fees for non-signatory airlines, \$603,179 in underwing general aviation service provider fees, \$208,679 in landing fees for fixed based operators, \$137,001 in security fees from terminal concessions and ID badges, and \$95,491 in cargo carrier parking fees. The decrease is partially offset by an increase of \$486,100 in cargo landing fees due to an increase in the cargo landing fee and an increase of \$86,164 in Cecil common area maintenance due to a contractual price increase.</p>	-\$3,627,859	-17.98%
<p>Space & Facility Rentals</p> <p>The decrease is due to the impact of COVID-19 and the anticipated reduction of airline traffic in FY 2020/21. The decrease is mainly comprised of decreases of \$830,811 in charges for airline gate use, \$759,308 in signatory/non-signatory and joint use space fees, \$532,690 in rents for general aviation ground space and rental car ready return spaces, and \$165,551 in airline gate parking. The decrease is partially offset by a combined increase of \$448,425 in rents for air cargo buildings, hangar spaces, tie down spaces, and rental car facilities due to contractual increases.</p>	-\$1,839,933	-5.59%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2019/20 VERSUS PROPOSED BUDGET FY 2020/21**

REVENUE OVERVIEW	\$ Change	% Change
<p>Parking</p> <p>The decrease is due to the impact of COVID-19 and the anticipated decrease of passenger volume in FY 2020/21. The decrease is due to decreases of \$4,532,542 for the daily garage, \$3,537,730 for the daily surface lot, \$2,811,781 (in aggregate) for the economy lots, \$2,624,462 for the hourly garage, \$664,293 for valet services due to the service provider indicating that they will not return, and \$113,310 in premier parking. JAA is also closing economy parking lot 3 for planned construction.</p>	-\$14,328,675	-57.18%
<p>Sale of Utilities</p> <p>The decrease is due to the impact of COVID-19 and the anticipated decrease of passenger volume in FY 2020/21. The decrease is primarily due to decreases of \$103,065 in sales of electricity, and \$57,257 in garbage services.</p>	-\$214,266	-13.57%
<p>Other Miscellaneous Operating Revenue</p> <p>The decrease is due to the anticipated reduction in demand for permits related to passenger volume and airport activities at the 4 airports managed by JAA in FY 2020/21.</p>	-\$59,734	-27.97%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2019/20 VERSUS PROPOSED BUDGET FY 2020/21**

EXPENDITURE OVERVIEW	\$ Change	% Change
<p>Salaries</p> <p>The decrease is primarily due to a net decrease of \$2,933,692 in salaries from the elimination of 52 positions. The decrease was partially offset by the conversion of two part-time positions to a full-time position.</p>	-\$3,314,946	-14.73%
<p>Benefits</p> <p>The decrease is mostly due to the elimination of positions which resulted in decreases of \$392,717 in pension related costs, \$322,567 in hospitalization insurance costs, \$308,627 in deferred compensation, and \$221,639 in FICA taxes. The decrease is partially offset by an increase of \$288,270 in vacation accruals to reflect current year actuals.</p>	-\$1,043,752	-11.64%
<p>Services & Supplies</p> <p>The decrease is due to the impact of COVID-19 and the anticipated reduction of airline operations and passenger volume in FY 2020/21. The decrease is comprised of decreases of \$1,170,143 in contractual services (\$654,000 is due to the elimination of the rescue unit that provided services to the airport terminal), \$216,560 in operating supplies, \$187,794 in consulting services, \$147,418 in landscaping services, \$90,000 in audit services, and \$61,200 temporary agency help. The decrease is partially offset by increases of \$80,000 in charges for legal services, and \$41,298 in operating equipment.</p>	-\$1,867,748	-9.02%
<p>Repairs & Maintenance</p> <p>The decrease is due to the impact of COVID-19 and the anticipated reduction of airport operations and passenger volume in FY 2020/21. The decrease is comprised of decreases in maintenance projects of \$425,000 at Jacksonville International Airport, \$311,587 at Cecil Airport, \$169,631 for Jacksonville Executive at Craig Airport (JaxEx), \$116,326 at Herlong Recreational Airport, and \$58,725 at Cecil Spaceport. The decrease is partially offset by an increase of \$97,965 in maintenance on the Baggage Handling System.</p>	-\$1,161,614	-21.01%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2019/20 VERSUS PROPOSED BUDGET FY 2020/21**

EXPENDITURE OVERVIEW	\$ Change	% Change
<p>Promotion, Advertising and Dues The decrease is comprised of decreases of \$157,989 in promotional events, materials & advertising due to cuts in marketing for all the airports, \$60,000 in airline promotional incentives, \$50,500 in sponsorships, and \$25,463 in dues and memberships.</p>	-\$293,952	-30.85%
<p>Registrations & Travel The decrease is comprised of decreases of \$162,237 in training and travel expense and \$54,000 in the organizational development training budget.</p>	-\$216,236	-37.04%
<p>Insurance Expense The increase is due to increases of \$250,000 in property & casualty insurance, \$95,000 in workers compensation insurance, and \$65,000 in liability insurance for the terminal.</p>	\$420,522	27.68%
<p>Utilities, Taxes & Gov't Fees The decrease is comprised of decreases of \$178,166 in electricity and \$86,179 in water based on usage. The decrease is partially offset by an increase of \$130,000 in bad debt expense due to the impact of COVID-19.</p>	-\$131,409	-2.71%
<p>Operating Contingency The increase is due to the impact of COVID-19 in FY 2019/2020 and the anticipated impact in FY 2020/21. JAA expects that the airline industry will continue to see decreasing passenger volumes as compared to prior years. If passenger counts and related revenues increase more than expected, JAA will need to complete maintenance and improvements that have been shelved. The operating contingency is being increased so that JAA will have the flexibility to do so if conditions improve.</p>	\$615,677	25.82%

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2019/20 VERSUS PROPOSED BUDGET FY 2020/21**

NON-OPERATING REVENUE (EXPENSE) OVERVIEW	\$ Change	% Change
<p>Passenger Facility Charge (PFC) Revenue The decrease is due to the impact of COVID-19 on passenger volume in FY 2019/20 and the anticipated reduction of passenger volume in FY 2020/21.</p>	-\$5,453,966	-38.92%
<p>Investment Income The decrease is due to anticipated lower liquidity and near zero interest rates.</p>	-\$1,099,000	-47.62%
<p>Other Revenue The increase is due to increases of \$100,000 in timber sales at Cecil Airport, \$85,000 in funding for Gopher Tortoise programs at Herlong Recreational Airport, and \$20,000 in timber sales at Jacksonville International Airport. The increase is partially offset by a decrease of \$21,000 in operating contributions from the Federal Government.</p>	\$184,300	31.31%
<p>Debt Service The decrease is due to lower interest payments in FY 2020/21.</p>	-\$185,338	-2.49%
<p>Other Expense The increase is due to increases of \$242,000 in timber sales expense at the general aviation airports and \$225,000 in timber sales expense at Jacksonville International Airport for anticipated replanting expenses.</p>	\$462,340	175.29%

**JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF PROPOSED 2020/2021 CAPITAL BUDGET**

	2019/2020 Original Budget	2020/2021 Proposed Budget	2020/21 Proposed Budget over 2019/20 Original \$ Change	% Change
Capital Funds				
Federal Contributions	3,518,487	250,000	-3,268,487	-92.89%
State Contributions	3,728,000	1,000,000	-2,728,000	-73.18%
Tenant/Other Contributions	0	0	0	0%
PFC	17,250,000	1,350,000	-15,900,000	-92.17%
Operating Capital Outlay	22,149,487	4,715,000	-17,434,487	-78.71%
Total Capital Funds	\$46,645,974	\$7,315,000	-\$39,330,974	-84.32%
Capital Projects				
Jacksonville International Airport	41,419,000	3,900,000	-37,519,000	-90.58%
Cecil Airport	967,000	3,325,000	2,358,000	243.85%
Cecil Spaceport	1,145,000	0	-1,145,000	0%
Jax Ex at Craig Airport	2,804,974	0	-2,804,974	-100.00%
Herlong Airport	310,000	90,000	-220,000	-70.97%
Total Capital Projects	\$46,645,974	\$7,315,000	-\$39,330,974	-84.32%
Surplus (Deficit)	0	0	0	

JACKSONVILLE AVIATION AUTHORITY
 JACKSONVILLE, FLORIDA
 FY 2020/2021 BUDGET

OPERATING REVENUES	
Concessions	\$10,351,723
Fees & Charges	16,547,349
Space & Facility Rentals	31,102,723
Parking	10,730,115
Sale of Utilities	1,364,883
Other Miscellaneous Operating Revenue	153,798
TOTAL OPERATING REVENUES	<u>\$70,250,591</u>
OPERATING EXPENDITURES	
Salaries	\$19,190,369
Benefits	7,922,610
Services and Supplies	18,833,886
Repairs & Maintenance	4,366,311
Promotion, Advertising and Dues	658,925
Registrations & Travel	367,580
Insurance Expense	1,939,972
Cost of Goods for Sale	660,000
Utilities, Taxes & Gov't Fees	4,714,790
Operating Contingency	3,000,000
TOTAL OPERATING EXPENDITURES	<u>\$61,654,443</u>
OPERATING INCOME	<u>\$8,596,148</u>
NON-OPERATING REVENUES	
Passenger Facility Charge	\$8,558,827
Investment Income	1,209,000
Other Revenues	772,860
TOTAL NON-OPERATING REVENUES	<u>\$10,540,687</u>
NON-OPERATING EXPENDITURES	
Debt Service	\$7,270,000
Other Expenditures	726,100
TOTAL NON-OPERATING EXPENDITURES	<u>\$7,996,100</u>
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	<u>\$11,140,735</u>
Transfer (to)/from Operating Capital Outlay	-\$4,715,000
Transfer (to)/from Passenger Facility Charge Reserve	-3,206,915
Transfer (to)/from Retained Earnings	-3,218,820
SURPLUS/(DEFICIT)	<u>\$0</u>
TOTAL REVENUES	<u>\$80,791,278</u>
TOTAL APPROPRIATIONS	<u>\$80,791,278</u>
FULLTIME POSITIONS	<u>255</u>
TEMPORARY EMPLOYEE HOURS	<u>5,220</u>

SCHEDULE G

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2020/2021 BUDGET
CAPITAL**

REVENUES

Federal Contributions	\$250,000
State Contributions	1,000,000
Tenant/Other Contributions	0
PFC	1,350,000
Operating Capital Outlay	4,715,000
Total Revenues	<u><u>\$7,315,000</u></u>

APPROPRIATIONS AND RESERVES

CAPITAL PROJECTS

Jacksonville International Airport	\$3,900,000
Cecil Airport	3,325,000
Cecil Spaceport	0
Craig Airport	0
Herlong Airport	90,000
Total Appropriations	<u><u>\$7,315,000</u></u>

TOTAL APPROPRIATIONS AND RESERVES	<u><u>\$7,315,000</u></u>
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SCHEDULE H

**Council Auditor's Office
Recommendations
Jacksonville Aviation Authority
Proposed FY 2020/21 Budget**

JAA concurs with all recommendations

1. We recommend a decrease to the expenditure line "Services and Supplies" of \$59,119 for a revised total of \$18,774,766, and an increase to the expenditure line "Operating Contingency" by the same \$59,119 for a revised total of \$3,059,119. The \$59,119 is the amount that JAA over budgeted for JIA fire/rescue 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/rescue services at JIA. This amendment will result in JAA's budgeted cost for fire/rescue services equaling the City's budgeted revenues for providing the services.
2. Remove and replace Budget Ordinance Schedule G with Revised Schedule G to reflect the recommendation in number 1 and correct errors caused by rounding.
3. Remove and replace Budget Ordinance Schedule H with Revised Schedule H which offers more line item detail of FY 2020/21 capital projects.

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2020/2021 BUDGET**

OPERATING REVENUES	
Concessions	\$10,351,720
Fees & Charges	16,547,348
Space & Facility Rentals	31,102,721
Parking	10,730,115
Sale of Utilities	1,364,883
Other Miscellaneous Operating Revenue	153,798
TOTAL OPERATING REVENUES	\$70,250,585
OPERATING EXPENDITURES	
Salaries	\$19,190,369
Benefits	7,922,610
Services and Supplies	18,774,766
Repairs & Maintenance	4,366,311
Promotion, Advertising and Dues	658,927
Registrations & Travel	367,580
Insurance Expense	1,939,972
Cost of Goods for Sale	660,000
Utilities, Taxes & Gov't Fees	4,714,790
Operating Contingency	3,059,119
TOTAL OPERATING EXPENDITURES	\$61,654,444
OPERATING INCOME	\$8,596,141
NON-OPERATING REVENUES	
Passenger Facility Charge	\$8,558,827
Investment Income	1,209,000
Other Revenues	772,860
TOTAL NON-OPERATING REVENUES	\$10,540,687
NON-OPERATING EXPENDITURES	
Debt Service	\$7,270,000
Other Expenditures	726,100
TOTAL NON-OPERATING EXPENDITURES	\$7,996,100
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$11,140,728
Transfer (to)/from Operating Capital Outlay	-\$4,715,000
Transfer (to)/from Passenger Facility Charge Reserve	-3,206,915
Transfer (to)/from Retained Earnings	-3,218,813
SURPLUS/(DEFICIT)	\$0
TOTAL REVENUES	\$80,791,272
TOTAL APPROPRIATIONS	\$64,799,072
FULLTIME POSITIONS	255
TEMPORARY EMPLOYEE HOURS	5,220

REVISED SCHEDULE G

**JACKSONVILLE AVIATION AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021**

Airport	Description	FUNDING SOURCES					Budget FY2021 Total Capital Commitments
		JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER	
Jacksonville	Air Cargo 1 & 2 Building Rehab	1,500,000					1,500,000
International	FEDEX Roof Replacement	800,000					800,000
Airport	ARFF Roof Replacement		600,000				600,000
	ARFF Vehicle Replacement		750,000	250,000			1,000,000
	JIA Small Cap	0					0
		\$2,300,000	\$1,350,000	\$250,000	\$0	\$0	\$3,900,000
Cecil Airport	Hangar 1820 Fire Suppression Upgrade	475,000					475,000
	Hangar 1845 Roof Rehabilitation	1,600,000					1,600,000
	Runway 18R/36L (Phase 1 of 2)	250,000			1,000,000		1,250,000
	Cecil Airport Small Cap	0					0
		\$2,325,000	\$0	\$0	\$1,000,000	\$0	\$3,325,000
Cecil Spaceport							0
	Cecil Spaceport Small Cap	0					0
		\$0	\$0	\$0	\$0	\$0	\$0
Jacksonville Executive at Craig	JAXEx Small Cap	0					0
		\$0	\$0	\$0	\$0	\$0	\$0
Herlong Recreational Airport	New Restroom at T7	90,000					90,000
	Herlong Recreational Airport Small Cap	0					0
		\$90,000	\$0	\$0	\$0	\$0	\$90,000
	Total Capital	\$4,715,000	\$1,350,000	\$250,000	\$1,000,000	\$0	\$7,315,000

**COUNCIL AUDITOR'S OFFICE
EMPLOYEE INCENTIVE PLAN SUMMARY
JACKSONVILLE AVIATION AUTHORITY
PROPOSED BUDGET FY 2020/2021**

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 2020/21 BUDGET

The amount budgeted for the JAA Employee Incentive Pay Plan is \$106,684 and is included in the salaries line for JAA.

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.

JAA EMPLOYEE INCENTIVE PAY PLAN ("EIPP") HISTORY							
FY	Total	Participant Class		Amount	Operating Margin	Incentive %	Total
	Qualified	Non	Bargaining	\$\$\$			\$\$\$
	Participants	Bargaining	FOP85A & FOP	Per Class			Paid
2009	79				35.0%	1.50	77,695
2010	82				34.3%	1.25	66,831
2011	82				32.7%	1.25	70,119
2012	229	95	134	64,374	28.6%	1.00	79,619
				15,245		0.25	
2013	224	92	132	82,223	33.3%	1.25	101,449
				19,226		0.31	
2014	232	94	138	86,899	33.5%	1.25	107,233
				20,334		0.31	
2015	233	91	142	105,993	36.0%	1.50	131,647
				25,654		0.38	
2016	247	94	153	111,395	36.2%	1.50	140,691
				29,296		0.38	
2017	252	101	151	104,898	34.2%	1.25	129,560
				24,662		0.31	
2018	258	105	153	116,477	31.5%	1.25	142,693
				26,216		0.31	

Source: Provided by JAA

\$1,047,537

**JACKSONVILLE PORT AUTHORITY
COMPARISON OF BUDGETS
ANALYSIS OF FY 2020/2021 PROPOSED BUDGET**

	<u>Operating & Non-Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total</u>
FY 2019/2020 Original	\$51,017,285	\$21,468,393	\$125,731,545	\$198,217,223
FY 2020/2021 Proposed	\$46,108,805	\$22,897,400	\$207,926,226	\$276,932,431
\$ Change	-\$4,908,480	\$1,429,007	\$82,194,681	\$78,715,208
% Change	-9.62%	6.66%	65.37%	39.71%

	<u>FY 2019/20</u>	<u>FY 2020/21</u>	<u>Change</u>
Full-time Positions	171	171	0
Part-time Hours	8,320	5,200	-3,120

Jacksonville Port Authority
Analysis of FY 2020/21 Proposed Budget

	2019/20	8 Months	12 Months	2020/21	2020/21 Proposed Budget	
	Original	Actuals	Projected	Proposed	over 2019/20 Original	
	Budget	FY 2019/20	FY 2019/20	Budget	\$ Change	% Change
Operating Revenues						
Containers	\$37,613,128	\$21,802,944	\$31,064,366	\$31,064,366	-\$6,548,762	-17.41%
Autos	17,220,443	10,559,573	14,985,447	14,985,447	-2,234,996	-12.98%
Military	0	1,113,938	1,542,639	1,270,000	1,270,000	N/A
Break Bulk	4,624,115	2,604,755	4,093,136	4,093,136	-530,979	-11.48%
Cruise	4,734,441	1,896,597	2,119,421	2,000,000	-2,734,441	-57.76%
Liquid Bulk	1,281,946	957,542	1,312,622	1,312,622	30,676	2.39%
Dry Bulk	2,097,777	1,350,791	2,018,956	2,018,956	-78,821	-3.76%
Other Operating Revenues	2,531,477	3,781,064	4,349,531	2,550,480	19,003	0.75%
Total Operating Revenues	\$70,103,327	\$44,067,204	\$61,486,118	\$59,295,007	-\$10,808,320	-15.42%
Operating Expenditures						
Salaries	\$12,858,037	\$8,013,586	\$11,947,074	\$12,229,040	-\$628,997	-4.89%
Employee Benefits	5,668,118	3,381,984	5,107,787	5,356,482	-311,636	-5.50%
Services & Supplies	5,030,072	2,831,760	4,251,813	4,090,702	-939,370	-18.68%
Security Services	5,488,926	3,469,652	4,798,651	5,009,338	-479,588	-8.74%
Business Travel & Training	616,041	262,156	408,910	443,111	-172,930	-28.07%
Promotion, Advertising, Dues	894,373	427,869	673,926	631,897	-262,476	-29.35%
Utility Services	896,084	507,957	753,670	803,875	-92,209	-10.29%
Repairs & Maintenance	2,377,891	1,326,304	1,920,439	1,812,165	-565,726	-23.79%
Crane Maintenance Pass Thru	-600,000	-287,814	-430,484	-450,000	150,000	-25.00%
Berth Maintenance Dredging	6,861,326	4,199,641	5,718,278	5,499,738	-1,361,588	-19.84%
Miscellaneous	233,475	115,497	189,429	234,457	982	0.42%
Total Operating Expenditures	\$40,324,343	\$24,248,592	\$35,339,493	\$35,660,805	-\$4,663,538	-11.57%
Operating Income	\$29,778,984	\$19,818,612	\$26,146,625	\$23,634,202	-\$6,144,782	-20.63%
Non-Operating Revenues/(Expenses)						
Debt Service	-\$21,468,393	-\$9,667,747	-\$20,302,186	-\$22,897,400	-\$1,429,007	6.66%
Investment Income	740,930	222,807	225,000	146,344	-594,586	-80.25%
Shared Revenue from Primary Govt	1,637,561	1,390,180	1,637,561	9,556,354	7,918,793	483.57%
Contributions to Tenant	-1,559,325	-900,539	-1,050,000	0	1,559,325	-100.00%
Other Revenue	3,860	240	2,985	8,500	4,640	120.21%
Other Expenses	-10,000	-7,065	-10,000	-3,360	6,640	-66.40%
Total Non-Operating Revenues/(Expenses)	-\$20,655,367	-\$8,962,124	-\$19,496,640	-\$13,189,562	\$7,465,805	-36.14%
Net Income Before Capital Contribution	\$9,123,617	\$10,856,488	\$6,649,985	\$10,444,640	\$1,321,023	14.48%
Transfer to Operating Capital Outlay	-\$9,123,617	-\$10,856,488	-\$6,649,985	-\$10,444,640	-\$1,321,023	14.48%
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	

Jacksonville Port Authority
FY 2019/20 Original Budget vs. FY 2020/21 Proposed Budget
Variance Overview

Operating Revenues	\$ Change	% Change
<p><u>Containers</u> The decrease is due to reductions in Twenty-foot Equivalent Units (TEUs) from Asia and Puerto Rico due to the economy as impacted by COVID-19.</p>	-\$6,548,762	-17.41%
<p><u>Autos</u> The decrease is due to a reduction in auto units due to the economy as impacted by COVID-19.</p>	-\$2,234,996	-12.98%
<p><u>Military</u> The increase is based on FY 2018-19 and FY 2019-20 military cargo actuals.</p>	\$1,270,000	N/A
<p><u>Break Bulk</u> The decrease is based on FY 2019-20 actuals.</p>	-\$530,979	-11.48%
<p><u>Cruise</u> The decrease is due to a projected reduction in passenger occupancy and turns due to the effects of COVID-19.</p>	-\$2,734,441	-57.76%

Jacksonville Port Authority
FY 2019/20 Original Budget vs. FY 2020/21 Proposed Budget
Variance Overview

Operating Expenditures	\$ Change	% Change
<p><u>Salaries</u> The decrease is primarily due to three positions being unfunded, enacting a hiring freeze, and the reduction of overtime. This is partially offset by a 2% salary increase for both union and non-union employees.</p>	-\$628,997	-4.89%
<p><u>Employee Benefits</u> The decrease is primarily due to the hiring freeze, the unfunding of three positions, and an anticipated health insurance premium increase that did not materialize in FY 2019-20. This is partially offset by an anticipated 9% health insurance increase for FY 2020-21.</p>	-\$311,636	-5.50%
<p><u>Services & Supplies</u> The decrease is primarily due to a reduction in gas, oil and grease, a reduction in the inspection of equipment and facilities as this is done tri-annually due to bond compliance, and a reduction in operating supplies.</p>	-\$939,370	-18.68%
<p><u>Security Services</u> The decrease is due to an anticipated reduction in cargo volumes as a result of the impact of COVID-19.</p>	-\$479,588	-8.74%
<p><u>Business Travel & Training</u> The decrease is due to a JPA imposed ban on all international travel, as well as domestic travel except when needed.</p>	-\$172,930	-28.07%
<p><u>Promotion, Advertising, Dues</u> The decrease is due to the need to reduce costs.</p>	-\$262,476	-29.35%
<p><u>Utility Services</u> The decrease is due to an anticipated reduction in volumes.</p>	-\$92,209	-10.29%
<p><u>Repairs & Maintenance Projects</u> The decrease is due to a reduction in equipment maintenance and maintenance projects, as well as a reduction in facilities maintenance.</p>	-\$565,726	-23.79%
<p><u>Crane Maintenance Pass Thru</u> The decrease is primarily due to the anticipated reduction in cargo volumes.</p>	\$150,000	-25.00%
<p><u>Berth Maintenance Dredging</u> The decrease is primarily due to a reduction in cubic yards dredged for FY 2020-21 when compared to FY 2019-20 actuals.</p>	-\$1,361,588	-19.84%

Jacksonville Port Authority
FY 2019/20 Original Budget vs. FY 2020/21 Proposed Budget
Variance Overview

<u>Non-Operating Revenues/Expenditures</u>	<u>\$ Change</u>	<u>% Change</u>
<p><u>Debt Service</u> The increase is primarily due the additional borrowing on JPA's bank notes and interest due to the City for short term debt related to the City "bridge loan". This is partially offset by the payoff of a 2009 series bank note, savings on a 2012 bond refunding, and savings on JPA's line of credit.</p>	-\$1,429,007	6.66%
<p><u>Investment Income</u> The decrease is due to near zero interest yields on cash balances.</p>	-\$594,586	-80.25%
<p><u>Shared Revenue from Primary Govt</u> Pursuant to the Interlocal Agreement, the City provides a contribution to JPA each year. The increase is due to FY 2019-20 being the final year of the payment of debt issued by the City on behalf of JPA.</p>	\$7,918,793	483.57%
<p><u>Contributions to Tenant</u> The decrease is due to the expiration of the five year tenant agreement in FY 2019-20.</p>	\$1,559,325	-100.00%

Jacksonville Port Authority
Analysis of FY 2020/21 Proposed Capital Budget

Capital Funds	2019/20 Original Budget	2020/21 Proposed Budget	2020/21 Proposed Budget over 2019/20 Original	
			\$ Change	% Change
State Funded	\$89,351,680	\$54,387,522	-\$34,964,158	-39.13%
Federal Funded	13,261,037	39,055,591	25,794,554	194.51%
Local Funded	0	35,000,000	35,000,000	N/A
Customer Contribution	3,000,000	61,000,000	58,000,000	1933.33%
JPA Operating Funds	9,123,617	10,444,640	1,321,023	14.48%
Cash Reserves	5,331,156	4,525,176	-805,980	-15.12%
JPA Financing	5,664,055	3,513,297	-2,150,758	-37.97%
Total Capital Funds	\$125,731,545	\$207,926,226	\$82,194,681	65.37%
Capital Projects				
Blount Island Marine Terminal	\$43,850,000	\$100,675,000	\$56,825,000	129.59%
Dames Point Marine Terminal	3,200,000	4,050,000	850,000	26.56%
Talleyrand Marine Terminal	3,537,000	29,382,000	25,845,000	730.70%
Miscellaneous & Other Capital Projects	75,144,545	73,819,226	-1,325,319	-1.76%
Total Capital Projects	\$125,731,545	\$207,926,226	\$82,194,681	65.37%
Surplus/(Deficit)	\$0	\$0	\$0	

**JACKSONVILLE PORT AUTHORITY
FY 2020/2021 BUDGET**

OPERATING REVENUES	
Containers	\$ 31,064,366
Autos	14,985,447
Military	1,270,000
Break Bulk	4,093,136
Cruise	2,000,000
Liquid Bulk	1,312,622
Dry Bulk	2,018,956
Other Operating Revenues	2,550,480
TOTAL OPERATING REVENUES	\$ 59,295,007
OPERATING EXPENDITURES	
Salaries	\$ 12,229,040
Employee Benefits	5,356,482
Services & Supplies	4,090,702
Security Services	5,009,338
Business Travel & Training	443,111
Promotion, Advertising, Dues	631,897
Utility Services	803,875
Repairs & Maintenance Projects	1,812,165
Crane Maintenance Pass Thru	(450,000)
Berth Maintenance Dredging	5,499,738
Other Operating Expenditures	234,457
TOTAL OPERATING EXPENDITURES	\$ 35,660,805
OPERATING INCOME	\$ 23,634,202
NON-OPERATING REVENUES	
Investment Income	\$ 146,344
Shared Revenue from Primary Govt	9,556,354
Other Revenue	8,500
TOTAL NON-OPERATING REVENUES	\$ 9,711,198
NON-OPERATING EXPENDITURES	
Debt Service	\$ 22,897,400
Other Expenditures	3,360
TOTAL NON-OPERATING EXPENDITURES	\$ 22,900,760
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	\$ 10,444,640
Transfer to Operating Capital Outlay	\$ (10,444,640)
SURPLUS/(DEFICIT)	\$ -
TOTAL REVENUES	\$ 69,006,205
TOTAL APPROPRIATIONS	\$ 69,006,205
Full Time Positions	171
Temporary Employee Hours	5,200

Jacksonville Port Authority

FY 2020/2021 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	LOCAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Blount Island	Container Terminal Upgrades		20,000,000		60,000,000				\$ 80,000,000
	Rehabilitate Berths 33 & 34	14,250,000				2,400,000		2,350,000	\$ 19,000,000
	Construct Container area @ Wash Rack	200,000				200,000			\$ 400,000
	Rehabilitate Railroad Tressel					250,000			\$ 250,000
	Vehicle Parking Area at BIMT/BIC Entrance	125,000				125,000			\$ 250,000
	Intersection Improvements @ Wm Mills/Dave Rawls	125,000				125,000			\$ 250,000
	Pile, Cap and Beam Rehab BIMT	150,000				50,000			\$ 200,000
	Tenant Asphalt Facility Rehab	87,500				87,500			\$ 175,000
	Transit Shed #1 Rehab Design	50,000				50,000			\$ 100,000
	Breasting Dolphin - Berth 22	37,500				12,500			\$ 50,000
Total Blount Island		\$ 15,025,000	\$ 20,000,000	\$ -	\$ 60,000,000	\$ 3,300,000	\$ -	\$ 2,350,000	\$ 100,675,000
Dames Point	August Drive Bridge Sheet Pile Wall Replacement Construction	1,700,000				536,703		1,163,297	\$ 3,400,000
	Asphalt Rehab Tenant					250,000			\$ 250,000
	Environmental Permitting/Auto Processing Facility - Phase 2					400,000			\$ 400,000
Total Dames Point		\$ 1,700,000	\$ -	\$ -	\$ -	\$ 1,186,703	\$ -	\$ 1,163,297	\$ 4,050,000
Talleyrand	Sedimentation Prevention System	3,000,000	18,000,000				3,000,000		\$ 24,000,000
	Tenant Improvements (SE1)	1,237,500			1,000,000	237,500			\$ 2,475,000
	Rehabilitate Under Deck Concrete	937,500				312,500			\$ 1,250,000
	Pile, Cap and Beam Rehab TMT	750,000				250,000			\$ 1,000,000
	Resurface Leased Areas - TMT	100,000				100,000			\$ 200,000
	Fender Replacement & Refurbishment	150,000				50,000			\$ 200,000
	Railroad Track Replacement	92,500				92,500			\$ 185,000
	South Rail Crossing Installation	72,000							\$ 72,000
	Total Talleyrand		\$ 6,339,500	\$ 18,000,000	\$ -	\$ 1,000,000	\$ 1,042,500	\$ 3,000,000	\$ -
Port Related	Harbor Deepening - Contract C Base (see Note)			25,000,000					\$ 25,000,000
	Harbor Deepening - Contract C Option A	3,500,000		10,000,000					\$ 13,500,000
	Harbor Deepening - Contract C Option B	24,706,772							\$ 24,706,772
	Upland Dredge Material Management Area Construction Phase I	3,000,000				474,824	1,525,176		\$ 5,000,000
	Upland Dredge Material Mgmt Area-Bartram Island - "C"-Design/Permitting					1,000,000			\$ 1,000,000
	Heckscher Auto Terminal					750,000			\$ 750,000
	Land Acquisition CEMEX					500,000			\$ 500,000
	Misc Land Acquisition					100,000			\$ 100,000
	Capitalize In-House Engineering Services					400,000			\$ 400,000
	Strategic Master Plan Updating					200,000			\$ 200,000
	FY18 Federal Security Grants		605,591			201,863			\$ 807,454
	FY20 Federal Security Grant Projects		450,000			150,000			\$ 600,000
	FY20 FSTED Security Grant	116,250				38,750			\$ 155,000
Total Port Related		\$ 31,323,022	\$ 1,055,591	\$ 35,000,000	\$ -	\$ 3,815,437	\$ 1,525,176	\$ -	\$ 72,719,226
Other Capital	BLOUNT ISLAND								
	Dock Levelers CFS Warehouse					40,000			\$ 40,000
	Elevator Safety Device #2253					10,000			\$ 10,000
	DAMES POINT								
	Cruise Terminal Bollard Covers					35,000			\$ 35,000
	Cruise Terminal Fenders					22,000			\$ 22,000
	TALLEYRAND								
	Dock Bollard Replacement					120,000			\$ 120,000
	Elevator Safety Device 10486					12,000			\$ 12,000
	Elevator Safety Device 10487					12,000			\$ 12,000
	Gantry Drive Addition 10486					200,000			\$ 200,000
	SECURITY/SECURITY OPERATIONS CENTER								
	HVAC Replacement SOC					45,000			\$ 45,000
	SOC Improvements					5,000			\$ 5,000
	Drone Unit Upgrades					12,000			\$ 12,000
	Parking Lot Upgrades					5,000			\$ 5,000
	PCOB								
	Vehicle Purchases					300,000			\$ 300,000
	IT Hardware/Software Upgrades					50,000			\$ 50,000
	Microsoft Exchange Upgrade					37,000			\$ 37,000
	Server Room UPS Upgrade					35,000			\$ 35,000
	Maximo Upgrades					50,000			\$ 50,000
	Great Plains Upgrade					15,000			\$ 15,000
	SQL Server Version Upgrades					15,000			\$ 15,000
	Air Handlers Units 1&2					75,000			\$ 75,000
	Sealcoat Parking Lot & Restripe					5,000			\$ 5,000
	Total Other Capital		\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -	\$ -
TOTAL CAPITAL PROJECTS		\$ 54,387,522	\$ 39,055,591	\$ 35,000,000	\$ 61,000,000	\$ 10,444,640	\$ 4,525,176	\$ 3,513,297	\$ 207,926,226

Note: This \$25m outlay will actually occur in FY20 (August) / JPA will utilize its line of credit for approximately 2 months as interim financing - until the (FY21) funding is received from Local Government

**COUNCIL AUDITOR’S OFFICE
RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED BUDGET FY 2020/2021**

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 \$31,963 from \$9,556,354 to \$9,588,317. 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 \$31,963 from \$22,897,400 to \$22,929,363. 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 2020/2021 BUDGET**

OPERATING REVENUES	
Containers	\$ 31,064,366
Autos	14,985,447
Military	1,270,000
Break Bulk	4,093,136
Cruise	2,000,000
Liquid Bulk	1,312,622
Dry Bulk	2,018,956
Other Operating Revenues	2,550,480
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TOTAL OPERATING REVENUES	\$ 59,295,007
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OPERATING EXPENDITURES	
Salaries	\$ 12,229,040
Employee Benefits	5,356,482
Services & Supplies	4,090,702
Security Services	5,009,338
Business Travel & Training	443,111
Promotion, Advertising, Dues	631,897
Utility Services	803,875
Repairs & Maintenance Projects	1,812,165
Crane Maintenance Pass Thru	(450,000)
Berth Maintenance Dredging	5,499,738
Other Operating Expenditures	234,457
<hr/>	
TOTAL OPERATING EXPENDITURES	\$ 35,660,805
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OPERATING INCOME	\$ 23,634,202
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NON-OPERATING REVENUES	
Investment Income	\$ 146,344
Shared Revenue from Primary Govt	9,588,317
Other Revenue	8,500
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TOTAL NON-OPERATING REVENUES	\$ 9,743,161
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NON-OPERATING EXPENDITURES	
Debt Service	\$ 22,929,363
Other Expenditures	3,360
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TOTAL NON-OPERATING EXPENDITURES	\$ 22,932,723
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NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	\$ 10,444,640
<hr/>	
Transfer to Operating Capital Outlay	\$ (10,444,640)
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SURPLUS/(DEFICIT)	\$ 0
<hr/> <hr/>	
TOTAL REVENUES	\$ 69,038,168
<hr/> <hr/>	
TOTAL APPROPRIATIONS	\$ 69,038,168
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Full Time Positions	171
<hr/> <hr/>	
Temporary Employee Hours	5,200
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Jacksonville Port Authority

FY 2020/2021 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	LOCAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Blount Island	Container Terminal Upgrades		20,000,000		60,000,000				\$ 80,000,000
	Rehabilitate Berths 33 & 34	14,250,000				2,400,000		2,350,000	\$ 19,000,000
	Construct Container area @ Wash Rack	200,000				200,000			\$ 400,000
	Rehabilitate Railroad Trestle					250,000			\$ 250,000
	Vehicle Parking Area at Blount Island Marine Terminal/BIC Entrance	125,000				125,000			\$ 250,000
	Intersection Improvements @ Wm Mills/Dave Rawls	125,000				125,000			\$ 250,000
	Pile, Cap and Beam Rehab Blount Island Marine Terminal	150,000				50,000			\$ 200,000
	Tenant Asphalt Facility Rehab	87,500				87,500			\$ 175,000
	Transit Shed #1 Rehab Design	50,000				50,000			\$ 100,000
	Breasting Dolphin - Berth 22	37,500				12,500			\$ 50,000
Total Blount Island		\$ 15,025,000	\$ 20,000,000	\$ -	\$ 60,000,000	\$ 3,300,000	\$ -	\$ 2,350,000	\$ 100,675,000
Dames Point	August Drive Bridge Sheet Pile Wall Replacement Construction	1,700,000				536,703		1,163,297	\$ 3,400,000
	Asphalt Rehab Tenant					250,000			\$ 250,000
	Environmental Permitting/Auto Processing Facility - Phase 2					400,000			\$ 400,000
	Total Dames Point	\$ 1,700,000	\$ -	\$ -	\$ -	\$ 1,186,703	\$ -	\$ 1,163,297	\$ 4,050,000
Talleyrand	Sedimentation Prevention System	3,000,000	18,000,000				3,000,000		\$ 24,000,000
	Tenant Improvements	1,237,500			1,000,000	237,500			\$ 2,475,000
	Rehabilitate Under Deck Concrete	937,500				312,500			\$ 1,250,000
	Pile, Cap and Beam Rehab Talleyrand Marine Terminal	750,000				250,000			\$ 1,000,000
	Resurface Leased Areas - Talleyrand Marine Terminal	100,000				100,000			\$ 200,000
	Fender Replacement & Refurbishment	150,000				50,000			\$ 200,000
	Railroad Track Replacement	92,500				92,500			\$ 185,000
	South Rail Crossing Installation	72,000							\$ 72,000
	Total Talleyrand	\$ 6,339,500	\$ 18,000,000	\$ -	\$ 1,000,000	\$ 1,042,500	\$ 3,000,000	\$ -	\$ 29,382,000
Port Related	Harbor Deepening - Contract C Base			25,000,000					\$ 25,000,000
	Harbor Deepening - Contract C Option A	3,500,000		10,000,000					\$ 13,500,000
	Harbor Deepening - Contract C Option B	24,706,772							\$ 24,706,772
	Upland Dredge Material Management Area Construction Phase I	3,000,000				474,824	1,525,176		\$ 5,000,000
	Upland Dredge Material Mgmt Area-Bartram Island - "C"-Design/Permitting					1,000,000			\$ 1,000,000
	Heckscher Auto Terminal					750,000			\$ 750,000
	Land Acquisition CEMEX					500,000			\$ 500,000
	Misc Land Acquisition					100,000			\$ 100,000
	Capitalize In-House Engineering Services					400,000			\$ 400,000
	Strategic Master Plan Updating					200,000			\$ 200,000
	FY18 Federal Security Grants		605,591			201,863			\$ 807,454
	FY20 Federal Security Grant Projects			450,000		150,000			\$ 600,000
	FY20 Florida Seaport Transportation Economic Development Security Grant	116,250				38,750			\$ 155,000
Total Port Related		\$ 31,323,022	\$ 1,055,591	\$ 35,000,000	\$ -	\$ 3,815,437	\$ 1,525,176	\$ -	\$ 72,719,226

Jacksonville Port Authority

FY 2020/2021 CAPITAL BUDGET

Location	Description	STATE	FEDERAL	LOCAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount	
Other Capital	<u>BLOUNT ISLAND</u>									
	Dock Levelers CFS Warehouse					40,000			\$ 40,000	
	Elevator Safety Device #2253					10,000			\$ 10,000	
	<u>DAMES POINT</u>									
	Cruise Terminal Bollard Covers					35,000			\$ 35,000	
	Cruise Terminal Fenders					22,000			\$ 22,000	
	<u>TALLEYRAND</u>									
	Dock Bollard Replacement					120,000			\$ 120,000	
	Elevator Safety Device 10486					12,000			\$ 12,000	
	Elevator Safety Device 10487					12,000			\$ 12,000	
	Gantry Drive Addition 10486					200,000			\$ 200,000	
	<u>SECURITY/SECURITY OPERATIONS CENTER</u>									
	HVAC Replacement SOC					45,000			\$ 45,000	
	SOC Improvements					5,000			\$ 5,000	
	Drone Unit Upgrades					12,000			\$ 12,000	
	Parking Lot Upgrades					5,000			\$ 5,000	
	<u>PCOB</u>									
	Vehicle Purchases					300,000			\$ 300,000	
	IT Hardware/Software Upgrades					50,000			\$ 50,000	
	Microsoft Exchange Upgrade					37,000			\$ 37,000	
	Server Room Uninterrupted Power Source Upgrade					35,000			\$ 35,000	
	Maximo Upgrades					50,000			\$ 50,000	
	Great Plains Upgrade					15,000			\$ 15,000	
	SQL Server Version Upgrades					15,000			\$ 15,000	
	Air Handlers Units 1&2					75,000			\$ 75,000	
	Sealcoat Parking Lot & Restripe					5,000			\$ 5,000	
	Total Other Capital		\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
	TOTAL CAPITAL PROJECTS		\$ 54,387,522	\$ 39,055,591	\$ 35,000,000	\$ 61,000,000	\$ 10,444,640	\$ 4,525,176	\$ 3,513,297	\$ 207,926,226