

**The Better Jacksonville Plan
Financial and Project Administration Committee
Draft Meeting Minutes
June 20, 2003**

Meeting Minutes

Present:

JTA:

Michael Blaylock
Matt Dominy
Deirdre Hall
Loyce Ellis
Dan Gulliver
Maria Williams

JEA:

Ed Dendor
Helen Kehrt
Jon Eckenbach

City:

Sam Mousa
Lynn Westbrook
Shari Shuman
Alice Jones
Rex Holmlin
Doug Layton
Bob Scott
Andy Eckert
Lisa Rowe
Jill Johnson
Jim Meyer
Taye Brown
Chris Boruch
Dave Schneider
Richard Wallace

FAC PAC:

Wendell Holmes
Dan Edelman
George Robbins

Other:

David Miller
Michael Harris

I. Welcome and Opening Remarks Sam Mousa

Mr. Mousa welcomed everyone and called the meeting to order.

II. Approval of Previous Meeting Minutes Sam Mousa

The previous meeting minutes were approved and accepted to stand as reported.

III. Finance Administration Committee Shari Shuman

A. Project Report

1. Transportation Program

Sales tax is still slightly lagging model but other gas taxes are ahead of model. Interest earnings continue to increase with available cash. Debt service is above model due to issuing debt in advance of schedule. Expenditures lag models; however, spending is increasing.

2. Infrastructure Program

Projects are on track and there is no budget stress at this time. Individual projects are listed in the green report.

3. Revenue Trends

- The Transportation tax revenue was down due to a glitch with the State's computer system. We anticipate collection of those revenues within the next quarter.
- The Infrastructure tax revenue has increased each month for the most part. Infrastructure tax is up 2.79%. We have had ups and we have had downs along the way. The new sales tax (Better Jax sales tax) has equalized in essence with the existing local options sales tax. The financing, the revenues, the models are still holding true with no major issues, no major problems.

4. BJP Financial Summary Report

We are currently at 3% growth, which is a little under the model, but we will be okay in the long run. We are currently up \$780,000 on the SWAP. The initial expense and principal payment is more than the model. Capital expenditures are ahead of the model at \$125 million but is not a problem because we bonded money that was unanticipated in the model. We have an ending balance of \$214 million that we will have to monitor for arbitrage. Sales tax is projecting at 5-6% still ahead of the model. New debt service is up because we have bonded more than anticipated.

5. JTA

Matt Dominy introduced new management staff:

COO – Deirdre Kyle, CFO Dan Gulliver, Contract Compliance Manager Loyce Ellis, Manager of Market Development Maria Williams

JTA Project Budget Report was presented.

B. Finance Update

1. SWAP Program

As of June 17, 2003, the BMA variable interest rate paid by the City has continued to fall, resulting in positive economic benefit to the BJP. The fixed receiver interest rate is 2.535% over BMA payment rate of 1.06%. Based upon market rates up to 1 year, BMA is expected to remain quite low for at least another year. Even if BMA reverts to its 10-year historical average over the next 12-24 months, the City will still achieve significant debt service savings over the life of the transaction.

A primary objective of the ALM Policy and the swap program is to hedge short-term investments in the BJP program. In that regard, the City would continue to layer on an additional \$50-\$100 million in fixed-to-variable rate swaps without a view to interest rate market conditions. In theory a non-market view for short-term variable rate debt makes sense when hedging short-term investments.

However, long-term interest rates remain near historic lows. In the current market, the City could expect to receive roughly 2.80% on the spot (current) starting BMA fixed-receiver swap. This 10-year fixed rate is approximately 30 basis points below the 10-year average of the BMA index. It is recommended that the City wait until a higher fixed swap rate above the long-term average BJA rate exists before implementing the next fixed-to-variable interest rate swap under the BJP. It was decided on by the committee to accept the recommendation.

2. Refunding of the JTA 92A Bonds
JTA 92A Bonds are callable as of July 1. We achieved a 4.01% rate with the swap back to fixed.
 3. Refunding of the JTA 97A Bonds
Available alternatives were presented for the refunding of the JTA 97A Bonds. The Synthetic Fixed Rate Forward Refunding option was recommended and accepted with anticipated savings of \$8 million.
- C. Excess Calculation
The report was presented for the local Transportation Program Gas Tax.
- D. General Discussion - none

IV. Project Administration Committee

Lynn Westbrook

A. Project Status Reports

1. City of Jacksonville

BJP Staff

Arena

Dave Schneider

- Construction is approximately 65% complete.
- Major work presently occurring is superstructure concrete, elevated slabs & columns, site/road work, electrical, plumbing/HVAC, fire protection exterior masonry, interior masonry, precast concrete erection, structural steel erection, metal studs & drywall, metal pan stair erection, elevators & escalators, steel hand railing, roofing, and the hockey floor ice system.
- Deadline for substantial completion is November 17, 2003.
- Project within budget and on time.
- The dedication of the new Arena and the implosion of the coliseum are scheduled for June 26, 2003.

Baseball Park

- Construction was substantially complete on March 28, 2003
- A punchlist was developed by the architect and the Construction Manager has until June 30 to complete.
- The architect accepted 92% of the punchlist items.
- The closeout process is well under way.

Libraries

Rex Holmlin

- Construction is under way with foundation of the Main Library. Pre-cast for the parking garage is being erected.

- All branch libraries are currently under design.
- All renovation projects are under design with the exception of San Marco, which was completed in April 2003.

Courthouse

Chris Boruch

- City Ordinance to permanently close portions of Clay and Monroe Streets within the project site is before the City Council.
- The Old Federal Courthouse will be deeded to the City from GSA on June 27, 2003.
- Construction work to re-route the utilities from under Clay Street will begin in July 2003.

Roadways – Project Status

Doug Layton

- Construction is complete on 11 projects.
- Construction is under way on 9 projects.
- Construction bidding and contracting is under way on 6 projects.
- Design is under way on 39 projects.
- Design fee and scope negotiations and contracting is under way on 6 projects.
- Recommendations for 5 additional project design consultants are ready for PSEC approval.

Neighborhood Street Resurfacing/Sidewalks

Bob Scott

- Resurfacing is complete on approximately 1,075 miles of street.
- 322 drain lines have been replaced.
- 59 miles of sidewalks have been completed
- 8 sidewalks are under construction.
- Purchase orders have been issued for another forty sidewalks for future construction.

Equestrian Center

Taye Brown

- Utility corridor permit submission to Army Corps of Engineers awaiting approval.
- F.D.O.T. work started on Normandy Boulevard.
- Construction is progressing. Site grading is on going. Site water, sewer and storm sewer installation continues. Excavation of the 20-acre retention pond is completed.
- Structural steel continues on equestrian center and is 80% complete.
- Foundations for the community center continue. Pool building foundations being backfilled. Stainless steel pool gutter installed.
- Substantial completion is on target for Early 2004.

2. JEA

Ed Dendor

- JEA's portion of the Arena/Ballpark project is 99% complete.
- JEA's joint program manager, Rich Fisher, is continuing negotiations with the CM regarding JEA's facility relocation work.
- Currently, JEA has 40 major roadway and infrastructure improvement projects in design and 7 projects under construction.
- The Cecil Commerce Center (CCC) Sanitary Master Pump Station is currently at 90% complete. The Water Transmission Line to the Water Treatment Plant is

50% complete. The designs are now 100% complete for all CCC Roadway Projects.

- Septic Tank Phase Out projects are on-going.
 - Murray Hill B Phase III-Part A construction started in January 2003 and is 50% complete. Part B will start in June 2003.
 - Murray Hill B Phase IV drainage design is 50% complete and the sewer design is 70% complete.
 - Murray Hill B Phase V drainage design is 25% complete and the sewer design is 60% complete.
 - Lake Forest Phase I – an on-site consultant was hired to assist with resolving the drainage pond installation. Current site is a high quality wetland; no pond will be installed. Soil borings are in progress.
 - Scott Mill Phase I – Meetings with homeowners on private streets are on going to grant easements for installation of sewer on their property. The team is working closely with SJRWMD and area residents to permit the drainage portion of the project.
 - Glynlea Phase I – Drainage and sewer designs are complete.
 - Glynlea Phase II – Phase 2A was bid on March 20, 2003, and Phase 2B was bid on April 22, 2003. Construction is scheduled to start in June 2003.
 - Oakwood Villas Phases I-VI – preliminary sewer design for all phases has begun.
 - Telecommunications- Black & Veatch submitted their final report to the Telecommunications Task Force on May 23, 2003. The report recommended that the City create an area network that connects all city facilities for data circuits. They suggest two options: 1.) JEA would perform this work or 2.) develop a new entity that would perform this work. In addition, there is a draft ordinance requiring all new subdivisions to install a “dry” telecommunications conduit. This is currently waiting on Task Force and City Council action. JEA is moving forward with the deployment of a system-wide 802.11b, wireless data system. The bid will be on the street in July with construction completed in time to phase out the CDPD (cellular modem) service in July 2004.

3. JEDC – Cecil Commerce Center

Andy Eckert

- Parkland Road – roadway utilities were completed in April 2003. Road and drainage design and construction will start late next year.
- Fingerlake Street – Construction is anticipated to start in Summer 2003.
- Waterworks Street – 30% design efforts are under way with RDWY-23, 24 New World Avenue Design-Build Project. Construction is anticipated to date in Fall 2003. JEA is constructing a water line from Normandy Avenue to the new Water Treatment Plant site on RDWY-24 and RDWY-22. Line installation to be complete by July 2003.
- New World Avenue – Construction is anticipated to start in Fall 2003.
- SW-2 Stormwater Retention Pond Parcel N-14 construction is anticipated to begin in Fall 2003.

4. Branan Field Chaffee I-10 Interchange

Sam Mousa

- The cost to construct Branan Field Chaffee from 103rd Street to I-10, including the cost to construct an interchange at I-10, is estimated at \$85.5 million. To accommodate the proposed interchange, I-10 will require widening from 4 to 6 lanes from the new interchange to I-295. This widening is totally unfunded at this time and is estimated to cost \$35 million, but FDOT is able to secure a \$18 million State Infrastructure Bank loan leaving a \$17 million shortfall. FDOT can also make \$56.4 million available for the Branan-Chaffee I-10 Interchange project utilizing existing programmed funds and reprogrammed funds. However, a \$29.1 million shortfall still exists at this time.
- The BJP Program provided funding for management by the JTA in the amount of \$14 million for construction of Branan Field Chaffee, in addition to \$8 million for the widening of Forest Street, and \$8 million for the construction of SR 9A (US1 to I-295). The Forest Street project will be completely funded by the FDOT, thus releasing the need for these funds. Further, the FDOT only required \$4.2 million for the SR 9A project, thus releasing the balance of \$3.8 million. These available dollars (\$14 million, \$8 million, \$3.8 million) totaling \$25.8 million are proposed for programming to the \$29.1 million shortfall mentioned earlier. In addition, a \$3.3 million loan from the City is proposed to make up the difference in the remaining shortfall.
- Remaining funding for the I-10 widening project is also proposed for a loan from the City in the amount of \$17 million. Accordingly, the total proposed loan from the City is \$20.3 million (\$3.3 million and \$17 million). The \$20.3 million loan is proposed from the \$750 million Transportation Sales Tax Program. Cash models and other production schedules indicate this loan will not affect the production or cash requirements for any other project within the road program.
- An agreement will be entered into between City and the FDOT allocating funding in the amount of \$25.8 million for the construction of Branan Field Chaffee Interchange Project, in addition to a loan of \$20.3 million. The loan will be paid back to the City during the 2015/16 to 2019/20 FDOT Program time frame.

5. JTA

Matt Dominy

- Monument Road Landscaping construction is under way and scheduled for completion in early July 2003.
- Six projects are in construction.
- Four construction projects went out for bid in May.
- Nine projects are in design.
- Six projects are in the planning stage.
- One design/build project is under development by GEC.
- Six BJP2 Intersection Project proposals are due by June 6.

B. Water/Sewer Expansion Task Force

Sam Mousa

- Proposed legislation is currently being reviewed by City Council Committees and is anticipated for approval.

- C. Total Budgeted Project Costs vs. Total Project Costs Sam Mousa
- The program charts show that we are \$8 million below the total budget for BJP.

- D. Project Specific Contingency Analysis Sam Mousa
- Continuing to show that we are still within the industry standard of percent contingency that is available on our construction jobs.

- E. MBE Shari Shuman
- Report reflects the percentages of Professional Services and Capital Improvement Construction Total expenditure from COJ/JTA and JEA to minority vendors is 21% from October 1, 2000 to May 31, 2003.

V. Other Business: None

VI. Adjourned at 11:00 a.m. **Sam Mousa**

Next meeting in August 15, 2003, 9:00-11:00 a.m., JTA Board Room