

**COUNCIL AUDITOR'S OFFICE
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INDEPENDENT AGENCIES**

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**JEA
COMPARISON OF BUDGETS
ELECTRIC AND WATER & SEWER AND DISTRICT ENERGY SYSTEM
APPROVED FY 2016/17 TO PROPOSED FY 2017/18
(000's)**

	<u>Electric</u>		<u>Water & Sewer</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 2016/17 Budget	\$ 1,285,966	\$ 170,000	\$ 439,378	\$ 225,500	\$ 9,248	\$ 3,071	\$ (318,233)	\$ 1,814,930	\$ 115,823
FY 2017/18 Proposed	\$ 1,268,534	\$ 205,195	\$ 516,797	\$ 236,511	\$ 9,126	\$ 3,241	\$ (421,609)	\$ 1,817,794	\$ 116,620
\$ Increase (Decrease)	\$ (17,432)	\$ 35,195	\$ 77,418	\$ 11,011	\$ (122)	\$ 170	\$ (103,377)	\$ 2,864	\$ 797
% Increase (Decrease)	(1.36%)	20.70%	17.62%	4.88%	(1.32%)	5.54%	(32.48%)	0.16%	0.69%

Notes:

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

	<u>Budget FY 2016/17</u>	<u>Proposed FY 2017/18</u>	<u>Increase (Decrease)</u>
Electric System	1,554	1,553	(1)
Water & Sewer System	599	599	-
District Energy System	5	6	1
Total JEA Employees	2,158	2,158	-
SJRPP Joint Venture	239	230	(9)
Total JEA/SJRPP	2,397	2,388	(9)

(2) Detail of City Contribution:

	<u>Budget FY 2016/17</u>	<u>Proposed FY 2017/18</u>	<u>Increase (Decrease)</u>
Electric System	\$ 92,270.69	\$ 91,471.80	\$ (798.89)
Water & Sewer System	\$ 23,552.26	\$ 25,148.02	\$ 1,595.76
Totals	\$ 115,822.95	\$ 116,619.82	\$ 796.87

**CALCULATION OF JEA ELECTRIC CONTRIBUTION
FOR FISCAL YEAR 2017-2018**

**CITY WATER/SEWER CONTRIBUTION FORMULA
FOR FISCAL YEAR 2017-2018**

	Total	Less Interchange	Net kWh
Month	kWh Sales (1)	kWh Sales (2)	Sales
May 2016	953,860,830	1,014,000	952,846,830
June	1,187,678,293	27,295,000	1,160,383,293
July	1,289,228,317	4,194,000	1,285,034,317
August	1,322,732,224	16,818,000	1,305,914,224
September	1,312,328,044	56,878,000	1,255,450,044
October	1,087,642,427	45,558,000	1,042,084,427
November	878,412,157	26,434,000	851,978,157
December	887,333,577	7,449,000	879,884,577
January 2016	957,813,362	11,339,000	946,474,362
February	815,852,726	5,813,000	810,039,726
March	863,809,753	5,719,000	858,090,753
April	918,433,823	18,115,000	900,318,823
Totals	12,475,125,533	226,626,000	12,248,499,533
		(3)	0.007468
			\$ 91,471,795

	Water Consumption	Sewer Consumption	Adjustments Total	Total Net Consumption
MONTH	kGals (1)	kGals (1)	kGals (2)	kGals
May 2016	3,307,729	2,167,549	(138,060)	5,337,218
June	3,663,119	2,379,591	(148,110)	5,894,600
July	3,696,744	2,371,763	(158,413)	5,910,094
August	3,781,184	2,376,493	(178,795)	5,978,883
September	3,653,920	2,339,033	(171,116)	5,821,838
October	3,131,673	2,095,904	(133,424)	5,094,153
November	3,063,516	2,023,264	(133,927)	4,952,853
December	3,281,733	2,199,082	(159,777)	5,321,038
January 2016	3,059,853	2,155,173	(121,653)	5,093,372
February	2,682,345	1,875,600	(123,646)	4,434,298
March	3,141,915	2,156,949	(143,492)	5,155,371
April	3,510,812	2,297,649	(187,533)	5,620,928
Totals	39,974,542	26,438,050	(1,797,945)	64,614,647
			(3)	0.3892000
				\$ 25,148,020

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 30th of each year.

Pursuant to Ordinance § 106.218, one quarter of a mill or \$3,062,125 has been dedicated to the JPA for port expansion.

Notes:

- (1) Consumption information taken from JEA's CMFTR124 monthly reports.
- (2) Total Adjustments include Summer Discount, Water Large (large industrial customer), Sewer LTD (wholesale sewer rate) and Water Reuse Consumption.
- (3) 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 30th of the prior year.

JEA Contribution Calculation

A Millage Calculation

Electric	\$	91,471,795	78.44%
Water		25,148,020	21.56%
	\$	<u>116,619,815</u>	

B Floor (per Ordinance plus 1%)

FY 2015/16	\$	114,187,538	Base Year
FY 2016/17	\$	115,329,413	
FY 2017/18	\$	116,482,708	

Conclusion

The millage calculation of \$116,619,815 is greater than the minimum payment of \$116,482,708 therefore, the millage in the amount of \$116,619,815 is the JEA contribution for FY17/18.

Recommended Budget FY 17/18

Electric	\$	91,471,795	78.44%
Water		25,148,020	21.56%
	\$	<u><u>116,619,815</u></u>	

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 (1,000 gallons) of potable water and sewer service (excluding reclaimed water sales) provided to consumers during the twelve (12) month period ending April 30th of the previous year.

B = Notwithstanding the contribution cap calculated in Part A above, JEA shall pay the City each fiscal year, from 2016/2017 through 2020/2021, 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
ANALYSIS OF PROPOSED FY 2017/18 ELECTRIC OPERATING SYSTEM BUDGET
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000'S)

	2016/17 Original Budget	Actual Thru May	JEA 2016/17 Projected	2017/18 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2016/17 Original Budget	2016/17 Original Budget
Fuel Related Revenue & Expenses						
Revenue						
Fuel Related Revenue	\$ 472,265	\$ 242,553	\$ 394,592	\$ 417,649	\$ (54,616)	(11.56%)
Net Fuel Related Revenues	\$ 472,265	\$ 242,553	\$ 394,592	\$ 417,649	\$ (54,616)	(11.56%)
Expense						
Fuel Related and Purchased Power	\$ 433,615	\$ 268,599	\$ 443,564	\$ 449,613	\$ 15,998	3.69%
Transfer To/(From) Rate Stabilization	37,705	(26,059)	(49,259)	(32,800)	(70,505)	(186.99%)
Uncollectible Accts.	945	14	286	835	(109)	(11.56%)
Net Fuel Related Expenses	\$ 472,265	\$ 242,553	\$ 394,592	\$ 417,649	\$ (54,616)	(11.56%)
Fuel Fund Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -		
Base Rate Revenue & Expenses						
Revenues						
Base Rate Revenue	\$ 771,914	\$ 458,687	\$ 754,022	\$ 811,235	\$ 39,320	5.09%
Investment Income	4,632	4,582	6,126	6,715	2,083	44.97%
Other Revenues	37,155	83,436	95,821	32,936	(4,219)	(11.36%)
Total Operating Revenues	\$ 813,701	\$ 546,705	\$ 855,968	\$ 850,885	\$ 37,184	4.57%
Expenses						
Operating & Maintenance	\$ 209,105	\$ 120,888	\$ 192,835	\$ 216,334	\$ 7,229	3.46%
Environmental Charge	7,942	4,503	7,394	7,942	-	0.00%
Conservation Charge	7,510	3,866	6,618	7,510	-	0.00%
Natural Gas Pass Through Expense	6,880	409	2,699	2,290	(4,590)	(66.71%)
Non-Fuel Purchased Power	83,394	51,622	79,420	85,372	1,978	2.37%
Emergency Contingency	5,000	-	867	5,000	-	0.00%
PSC Fees	206	146	211	203	(3)	3.45%
Uncollectible Accts.	1,544	28	546	1,008	(536)	0.00%
Total Operating Expenses	\$ 321,582	\$ 181,461	\$ 290,591	\$ 325,660	\$ 4,078	1.27%
Net Income From Operations	\$ 492,119	\$ 365,243	\$ 565,377	\$ 525,225	\$ 33,106	6.73%
Other Deductions						
Debt Service	\$ 229,849	\$ 199,049	\$ 331,107	\$ 228,559	\$ (1,290)	(0.56%)
Operating Contingency	-	-	-	-	-	NA
Operating Capital Outlay	109,740	63,000	79,802	140,658	30,917	28.17%
Renewal & Replacement- Elec. Sys.	60,260	41,466	62,198	64,537	4,278	7.10%
Interlocal Agreement	-	-	-	-	-	NA
Total Other Deductions	\$ 399,849	\$ 303,514	\$ 473,107	\$ 433,754	\$ 33,905	8.48%
Net Income Before City Contribution	\$ 92,271	\$ 61,729	\$ 92,271	\$ 91,472	\$ (799)	(0.87%)
Contribution to City's General Fund	\$ 92,271	\$ 61,514	\$ 92,271	\$ 91,472	\$ (799)	(0.87%)
Base Rate Surplus (Deficit)	\$ -	\$ 215	\$ -	\$ -		
Budget Surplus (Deficit)	\$ -	\$ 215	\$ -	\$ -		
MWH Sales (000's)	13,020	7,344	12,084	13,020	0	0.00%
# of Accounts	453,781	459,830	458,767	461,061	7,280	1.60%

JEA
FY 2016/17 Original Budget Vs. FY 2017/18 Proposed Budget
Revenue and Expense Variance Overview - Electric System

	Increase/(Decrease)	(\$000's)	%
Fuel Related Revenues:			
Fuel Related Revenue	\$	(54,616)	(11.56%)
The decrease of \$54.6 million reflects the variable fuel rate reduction approved by the JEA Board November 15, 2016 reducing the rate per kWh from \$36.75 to \$32.50 which became effective December 1, 2016.			
Fuel Related Expenses:			
Transfer To/(From) Rate Stabilization	\$	(70,505)	(186.99%)
This increased transfer from the fund is due to current projections based on natural gas price forecasts assuming no major market disruptions and mirrors JEA's intent to draw down on the Fuel Rate Stabilization fund which exceeds its target parameters.			
Fuel Uncollectibles	\$	(109)	(11.56%)
The decrease was budgeted to reflect the fuel rate reduction and the associated fuel revenues decreasing.			
Base Related Revenues:			
Base Rate Revenue	\$	39,320	5.09%
The increase is based on flat MWh generation and 12 months of sales at the Board approved December 1, 2016 rate change calculated with a projected 1.60% increase in the number of service agreements.			
Investment Income	\$	2,083	44.97%
The increase is due to a higher investment yield rate changing from 0.80% in FY16/17 Budget to 1.04% for FY17/18 Budget related to an increase in market rates for short-term investments.			
Other Revenues	\$	(4,219)	(11.36%)
The net decrease is related to reduced natural gas commercial services budgeted due to the unsuccessful attempts to enter into an agreement with a major customer at \$4.8 million and reduced transmission revenues due to inexpensive generation inside Florida of \$3.7 million. These are offset by increases from a Joint Dispatch Agreement with Gainesville Regional Utility of \$2.8 million and miscellaneous other revenues of \$1.5 million.			
Base Related Expenses:			
Operating & Maintenance	\$	7,229	3.46%
The net increase is primarily based on increases to other services and charges of \$7.5 million, other contingencies of \$2.5 million, property and casualty insurance of \$2.4 million and transfers to benefits for capital work-in-progress of \$2.1 million. These are offset by reduced net salary and benefit costs of approximately \$7.2 million. (DETAILED BREAKOUT GIVEN ON THE NEXT TWO PAGES)			
Natural Gas Pass Through Expense	\$	(4,590)	(66.71%)
Under the City Charter and JEA's Fuel Management Services Procurement Directive natural gas service began in FY 2014/15 for Commercial and Industrial Customers. The \$4.6 million reduction of natural gas commercial services expenses is due to unsuccessful attempts to enter into an agreement with Eagle LNG as a customer.			
Non-Fuel Purchased Power	\$	1,978	2.37%
The net increase is based on increased Plant Scherer expenses of \$17.5 million, increased other capacity purchases of \$8.8 million due to the planned decommissioning of SJRPP starting in January of 2018 and decreased overall SJRPP expenses of \$24.3 million.			
Operating Capital Outlay	\$	30,917	28.17%
The increase reflects higher capital requirements. The OCO is based on the proposed capital budget of \$205 million minus renewal and replacements deposits.			

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
ELECTRIC SYSTEM
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000's)

	2016/17 Original Budget	Actual Thru May	JEA 2016/17 Projected	2017/18 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2016/17 Original Budget	2016/17 Original Budget
Salaries	\$ 119,123	\$ 81,785	\$ 121,411	\$ 125,627	\$ 6,505	5.46%
Employee Benefits	64,830	37,812	60,960	51,048	(13,782)	(21.26%)
Supplies	15,853	10,074	15,648	16,277	423	2.67%
City Services	1,814	1,160	1,797	1,693	(121)	(6.65%)
Other Intercompany Charges	185	185	247	282	97	52.43%
Other Services & Charges	101,373	52,001	84,249	108,909	7,535	7.43%
Other Contingencies	2,500	60	1,833	5,000	2,500	100.00%
City Legal Services	1,090	669	1,000	1,590	500	45.87%
Property & Casualty Insurance	5,051	7,113	8,797	7,505	2,454	48.58%
Interest on Customer Deposits	200	277	344	400	200	100.00%
Operating Reserve	2,000	-	832	2,000	-	0.00%
Expense Credits	(77,223)	(47,863)	(73,377)	(77,256)	(32)	0.04%
Trf. to WIP- Salaries	(18,129)	(16,454)	(22,032)	(19,299)	(1,171)	6.46%
Trf. to WIP- Emp. Benefits	(9,561)	(5,932)	(8,874)	(7,441)	2,120	(22.17%)
O & M Expense	\$ 209,105	\$ 120,888	\$ 192,835	\$ 216,334	\$ 7,229	3.46%

JEA
FY 2016/17 Original Budget Vs. FY 2017/18 Proposed Budget
Expenditure Variance Overview - Electric System

Operating & Maintenance	Increase/(Decrease)	(\$000's)	%
<p>Salaries The increase for FY 2017/18 of \$6.5 million is the combination of \$6.0 million in contractual increases and appointed employees receiving 3% general increases of \$0.5 million.</p>	\$	6,505	5.46%
<p>Employee Benefits The net decrease is primarily attributed to a decrease in pension contribution rate amount based on the City's April 6, 2017 pension reform presentation compared to last year's contribution based on 37.1% of salaries.</p>	\$	(13,782)	(21.26%)
<p>City Services The decrease is due to the current related costs for fuel. The budgeted amount of gallons used at City fueling sites is estimated at 900,000 total gallons.</p>	\$	(121)	(6.65%)
<p>Other Services & Charges Primarily attributed to increases in planned outage expenses of \$2.8 million and implementing the Enterprise Asset Management initiative (EAM) for \$5.0 million. Goals for EAM are to improve JEA asset utilization, ensure knowledge capture prior to retiring, ensure asset risk management, refine JEA business processes and provide excellent customer service.</p>	\$	7,535	7.43%
<p>Other Contingencies The increase is for anticipated SJRPP decommissioning expenses.</p>	\$	2,500	100.00%
<p>City Legal Services The increase is due to an anticipated increase of legal services to be provided by the City's OGC.</p>	\$	500	45.87%
<p>Property & Casualty Insurance Based on the premium schedule provided by COJ Risk Management to JEA, the increase is due to the added insurance coverage to JEA transmission and distribution equipment in the wake of Hurricane Matthew and required by FEMA.</p>	\$	2,454	48.58%
<p>Interest on Customer Deposits The increase is due to using the 1 year Treasury bill yield of 0.630% to calculate the interest on customer deposits for FY17/18 Budget. The rate of 0.440% was used for FY16/17 Budget.</p>	\$	200	100.00%
<p>Expense Credits Expense credit means an amount set aside as an offset against an appropriation, representing an intrafund or interfund transfer of revenues and/or expenses. For example, water billing credits are recorded as an expense credit against the electric operating fund to properly charge the cost spent by electric system employees working on water and sewer related activities to the water and sewer operating fund or capital fund.</p>	\$	(32)	0.04%
<p>Transfers to WIP Salaries Transfers to WIP Salaries are capitalized salaries captured in the Operating Budget. It represents the salaries charged to capital project work orders and is a credit to the operating fund.</p>	\$	(1,171)	6.46%
<p>Transfers To WIP-Employee Benefits Transfers to WIP Employee Benefits are captured in the operating budget. It represents the benefits charged to capital project work orders and is a credit to the operating fund.</p>	\$	2,120	(22.17%)

JEA
ANALYSIS OF PROPOSED FY 2017/18 CAPITAL BUDGET
ELECTRIC SYSTEM
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000'S)

	2016/17 Original Budget	Actual Thru May	JEA 2016/17 Projected	2017/18 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2016/17 Original Budget	2016/17 Original Budget
Capital Funds						
Renewal & Replacement Deposits	\$ 60,260	\$ 41,466	\$ 62,198	\$ 64,537	\$ 4,278	7.10%
Construction Fund Investment Income	-	-	-	-	-	NA
Debt	-	-	-	-	-	NA
Other Proceeds *	-	-	5,408	-	-	NA
Operating Capital Outlay	109,740	63,000	79,802	140,658	30,917	28.17%
Total Capital Funds	\$ 170,000	\$ 104,466	\$ 147,408	\$ 205,195	\$ 35,195	20.70%
Capital Projects						
Generation Projects	\$ 33,340	\$ 12,430	\$ 22,688	\$ 27,585 (1)	\$ (5,755)	(17.26%)
Transmission & Distribution	82,368	49,089	81,699	102,012 (1)	19,644	23.85%
Other	54,292	20,184	43,021	75,598 (1)	21,306	39.24%
Total Capital Projects	\$ 170,000	\$ 81,704	\$ 147,408	\$ 205,195	\$ 35,195	20.70%
Surplus (Deficit)	\$ -	\$ 22,762	\$ -	\$ -	\$ -	

*funded from prior year remaining balances

NOTE (1) Detail listing of Capital Projects can be seen on the next four pages.

Project Title	FY18
PROPOSED	
ELECTRIC SYSTEM GENERATION	
Greenland Energy Center Diesel Fuel Oil Tanks Installation	\$6,480
Kennedy Center Turbine 7 Hot Gas Path Inspection #3	5,482
Northside Generating Station - N00 Limestone Utilization Improvement PH 1	2,888
Northside Units 1, 2, & 3 Capital Improvement Projects	2,500
Steam Plant General Capital Improvements	2,500
Brandy Branch - Greenland Energy Center General Capital Improvements	1,700
Brandy Branch - B51, 52, 53, 54 - EX2000 DFE Upgrade	1,223
Brandy Branch - B52, B53 SCR Catalyst Replacement	982
Brandy Branch - B51 Exhaust Stack Silencer Replacement	634
Northside Generating Station Fly/Bed Ash Silos 1&2 Slurry Pump and Piping	563
Kennedy - Fire Loop Piping Replacement	450
Northside Generating Station - N00 Groundwater Recovery System Reuse to SDAs	395
Northside Generating Station - N33, N34, N35, N36 Pre-Purchase Major Inspection Parts	330
Brandy Branch Combustion Turbine 2 Hot Gas Path Inspection #5	250
Brandy Branch Combustion Turbine 3 Hot Gas Path Inspection #5	250
Northside Generating Station - N00 Electric Fire Pump Replacement	236
Northside Generating Station - Bed Ash Silo Rail Scales	210
Brandy Branch Low Voltage Ride Through System Installation	192
Northside Generating Station - N01, N02 Fly ash Filter Separator Upgrade	187
Northside 1 & 2 - DCS Power System Replacement	49
Brandy Branch - B52, 53 - Main Steam Manual Gate Valve Replacement	46
Brandy Branch - B51, 52, 53 - LCI Static Starter Digital Front End Upgrade	18
Northside Generating Station - N01, N02 EX2000 Digital Front End Upgrade	14
Northside - N01 & N02 Turbine, BFP, CFB Fans Bentley 3300 Rack	6
ELECTRIC SYSTEM GENERATION SUBTOTAL	\$27,585
ELECTRIC SYSTEM TRANSMISSION AND DISTRIBUTION	
230kV - 42MVAR Capacitor Bank Additions	\$8,278
Customer Order Management - New Electric Service Additions	8,100
Electric Distribution Maintenance Capital Upgrades	8,000
Customer Order Management - Development Driven Projects	7,000
Electric Meter Replacement	5,728
Greenland Energy Center to Bartram 230 kV Circuit 909 Addition	5,650
13kV Electric Distribution Network Improvements Placeholder	5,000

JEA
 Electric System
 FY 2017/18 Capital Budget
 (000's Omitted)

Project Title	FY18
Eagle 138 - 13.8 kV Substation	3,627
Greenland Energy Center to Bartram 230 kV Circuit 909 ROW	3,500
CEMI-5 Electric Distribution Betterment	3,500
Joint Participation Electric Relocation Projects	3,500
Kennedy Substation 13kV Switchgear Replacement	3,160
Distribution Automation and Smart Grid Deployment Project	3,080
500 kV Transmission Line Upgrades	2,800
Electric Meter Growth	2,790
Electric Distribution System Improvements	2,611
Pole Replacement Program	2,000
General Underground Network and Commercial R&R and Upgrades	1,750
Substation R&R Project - Transformer Replacements	1,400
Transmission Circuit 666 Replace Structures 31-37 - Storm Hardening	1,328
Energy Management System - Distribution Management System Integration	1,200
Center Park Substation Protection Improvements	1,074
Eagle 138 - 13.8 kV Substation - System Protection and Controls Project	986
Automatic Recloser Deployment	940
Transmission Lines & Control Updates - System Protection and Controls	922
Dinsmore 230 - 26 kV Substation	860
Southside GIS 69kV Controller Replacement	835
26kV Feeder Circuit Breaker Replacement	754
General Substation Improvements	700
Normandy Substation Protection Improvement	659
Distribution System - Pole Removal	600
230KV_138KV_69 kV Insulator Refurbishment	600
Underground Cable Replacement Program - Existing Developments	500
General Distribution Improvements	500
230 KV_138KV_69 kV Pole Refurbishment	500
Distribution Photovoltaic Project	490
Bartram 230 kV Bay & Breaker addition Circuit 909	458
Real Time Electric Outage Alerts for Critical Sites	450
Northside Substation Improvements	434
Lane Ave T1 Transformer Replacement	427
Bartram 230 kV Bay and Breaker Addition for Circuit 909	410
West Jax Substation Protection Improvement	364
General Transmission Improvements	300

JEA
 Electric System
 FY 2017/18 Capital Budget
 (000's Omitted)

Project Title	FY18
General Protection System Improvements Transmission	300
Capital Tools and Equipment - Electric	295
Kennedy Substation 13kV Switchgear - System Protection & Controls Project	290
Pipe-Type Cable Pothead Replacements – Kennedy Circuit 682 and Hunter Rd. Circuit 688	250
(R) JP - Twin Creeks - SR210 - Electric	234
Greenland Energy Center 230 kV Bay and Breaker Addition for Circuit 909	220
Ft Caroline Substation Protection Improvement	203
Greenland 230 kV Bay & Breaker Addition Circuit 909	198
4kV Conversion - Fairfax and 21st & Hubbard	189
Blair Rd Solar Center Project	188
Kennedy and Dillon HPPF Pipe - Type Cable Pumping Skid Replacements	186
Dinsmore 230 - 26 kV Substation - System Protection & Controls Project	182
Greenland Substation Protection Improvement	130
Ritter Park 429 Reconductor	126
Staratt 365 Extension: Webb Rd from Staratt Rd to Staratt Solar Center	121
(R) - FP&L - Nassau Substation Interconnection	117
Baldwin 23kV to 26 kV Conversion	116
Sutton Lakes URD Tie 219 & 442	101
OM - General Transmission Improvements	100
Energy Management System - Remote Terminal Units Upgrade	100
Capital Tools and Equipment	80
Eagle 138kV Circuit 847 Interconnect	60
Electric Customer Service Response Tools and Equipment	55
26KV Reconductor Circuit 417-418 - Woodley Rd from New Kings to Old Kings	54
Dinsmore 230 kV Circuit 937 Interconnect	54
Dinsmore Distribution Feeders	51
College St Substation 13kV Protection and Arc Flash Upgrade	51
Normandy 361 Extension: Blair Rd to Blair Rd Solar Center Electric and Fiber	50
Inmansolar Starratt Solar Center - Protection	50
Bartram 298: Substation to Bartram Park Bv	40
Bartram 230 kV Circuit 909 Interconnect	32
Greenland Energy Center 230 kV Circuit 909 Interconnect	24
ELECTRIC SYSTEM TRANSMISSION AND DISTRIBUTION SUBTOTAL	\$102,012

JEA
 Electric System
 FY 2017/18 Capital Budget
 (000's Omitted)

Project Title	FY18
ELECTRIC SYSTEM OTHER	
General Administration Office Building	\$25,000
Technology Services - Electric	11,395
Capital Administrative Overhead- Electric	11,300
New Operations Center (South)	7,000
Fleet - Replacement - Electric	6,865
Streetlight Improvements	5,000
WSSC Administrative and Warehouse Space	2,734
Fleet - Expansion - Electric	2,090
Facilities Security - Electric	620
Facilities Improvements - Building Upgrades - Electric	500
CWSC Drainage and Parking Issues – Electric	465
Facilities Roof Replacement - Electric	450
Facilities Heating, Ventilation, & Air - Electric	430
Streetlight Improvements - Jacksonville Downtown Phases 1.1, 1.2, and 2.0	325
Facilities - Paving & Site Improvements – Electric	250
Facilities Improvements - Lighting - Electric	200
Security - Fire System Sprinklers - Electric	200
Facilities Improvements, Plumbing and Fire System Upgrades - Electric	135
Security - Fencing - Electric	130
Energy Management System - Base Upgrade Project	130
Westside Service Center Paving Upgrades - Electric	130
Laboratory Equipment Upgrades - Electric	75
Enabling Technologies	74
Utility Locate Group - Capital Equipment - Electric	50
Facilities Improvements - Elevators - Electric	50
ELECTRIC SYSTEM OTHER SUBTOTAL	\$75,598
ELECTRIC SYSTEM GRAND TOTAL	
	\$205,195

JEA
ANALYSIS OF PROPOSED FY2016/17 WATER & SEWER SYSTEM OPERATING BUDGET
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000's)

	2016/17 Original Budget	Actual Thru May	JEA 2016/17 Projected	2017/18 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2016/17 Original Budget	2016/17 Original Budget
Revenues						
Water & Sewer Revenues	\$ 405,586	\$ 281,165	\$ 417,865	\$ 456,851	\$ 51,264	12.64%
Investment Income	3,153	4,056	5,147	4,854	1,702	53.97%
Capacity & Extension Fees	19,000	15,404	21,737	21,000	2,000	10.53%
Contributed Capital	-	20	20	-	-	NA
Other Revenues	11,639	7,572	11,452	34,091	22,453	192.91%
Total Revenues	<u>\$ 439,378</u>	<u>\$ 308,217</u>	<u>\$ 456,220</u>	<u>\$ 516,797</u>	<u>\$ 77,418</u>	<u>17.62%</u>
Operating Expenses						
Operating & Maintenance	\$ 144,149	\$ 88,915	\$ 138,331	\$ 153,394	\$ 9,246	6.41%
Uncollectibles	844	106	380	685	(159)	(18.84%)
Emergency Contingency	1,000	-	1,000	1,000	-	0.00%
Total Operating Expenses	<u>\$ 145,993</u>	<u>\$ 89,021</u>	<u>\$ 139,711</u>	<u>\$ 155,079</u>	<u>\$ 9,086</u>	<u>6.22%</u>
Other Deductions						
Debt Service	\$ 122,573	\$ 79,478	\$ 120,519	\$ 121,123	\$ (1,450)	(1.18%)
Interlocal Payments	-	287	287	-	-	NA
Operating Contingency	-	-	-	-	-	NA
Capacity Fee Transfer	19,000	15,424	21,757	21,000	2,000	10.53%
Operating Capital Outlay	106,697	91,004	110,785	170,496	63,799	59.79%
Renewal & Replacement Fund	21,563	15,178	22,767	23,951	2,388	11.07%
Total Other Deductions	<u>\$ 269,833</u>	<u>\$ 201,371</u>	<u>\$ 276,115</u>	<u>\$ 336,569</u>	<u>\$ 66,736</u>	<u>24.73%</u>
Contribution to City's General Fund	<u>\$ 23,552</u>	<u>\$ 15,702</u>	<u>\$ 23,552</u>	<u>\$ 25,148</u>	<u>\$ 1,596</u>	<u>6.78%</u>
Budget Surplus (Deficit)	<u>\$ -</u>	<u>\$ 2,124</u>	<u>\$ 16,842</u>	<u>\$ -</u>	<u>\$ -</u>	
Water Sales (kGals)	36,750,000	24,892,128	37,608,000	42,000,000	5,250,000	14.29%
Sewer Sales (kGals)	27,867,000	19,983,365	29,364,000	34,650,000	6,783,000	24.34%
Number of Accounts	600,420	617,162	613,991	617,061	16,641	2.77%

JEA
FY 2016/17 Original Budget Vs. FY 2017/18 Proposed Budget
Revenue and Expense Variance Overview - Water and Sewer System

	Increase/(Decrease)	(\$000's)	%
Revenues:			
Water & Sewer Revenues	\$	51,264	12.64%
Reflects increased kGal sales due to current and projected growth of customer accounts and trends in customer increased usage. The major change has been growth in reclaimed sales, which were vastly under budgeted in FY16/17.			
Investment Income	\$	1,702	53.97%
The increase is due to the higher investment yield rate changing from 0.71% in FY16/17 Budget to 1.39% for FY17/18 budget.			
Capacity & Extension Fees	\$	2,000	10.53%
Reflects current construction activity and trend.			
Other Revenues	\$	22,453	192.91%
The net increase mainly reflects the addition of FY15/16 surplus revenues in the amount of \$21.5 million to be utilized for higher capital requirements in FY17/18.			
Expenses:			
Operating & Maintenance	\$	9,246	6.41%
The increase is primarily due to net increases for salary and benefit costs of \$1.1 million, other services and charges of \$5.2 million and transfers to salaries and benefits for capital work-in-progress of \$2.8 million. (DETAILED BREAKOUT GIVEN ON THE NEXT TWO PAGES)			
Debt Service	\$	(1,450)	(1.18%)
Reflects lower interest payments in FY 2017/18.			
Capacity Fee Transfer	\$	2,000	10.53%
Reflects current construction activity and trend.			
Operating Capital Outlay	\$	63,799	59.79%
Reflects increased capital requirements. The OCO is based on the proposed capital budget of \$237 million minus renewal and replacements deposits.			

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
WATER & SEWER SYSTEM
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000's)

	<u>2016/17 Original Budget</u>	<u>Actual Thru May</u>	<u>JEA 2016/17 Projected</u>	<u>2017/18 Proposed Budget</u>	<u>\$ and % Increase (Decrease) Proposed Budget Over</u>	
					<u>2016/17 Original Budget</u>	<u>2016/17 Original Budget</u>
Salaries	44,265	\$ 30,483	\$ 45,187	\$ 49,494	\$ 5,229	11.81%
Employee Benefits	23,839	13,991	22,570	19,733	(4,106)	(17.23%)
Supplies	13,535	8,077	12,299	13,808	273	2.02%
Other Services & Charges	76,154	48,305	74,758	81,391	5,237	6.88%
Contracts and Contingencies	500	30	249	500	-	0.00%
Purchased Water & Treatment	50	23	40	41	(9)	(18.00%)
Property Insurance	1,485	845	1,340	1,482	(3)	(0.20%)
Operating Reserves	1,250	0	0	1,250	-	0.00%
Interest on Customer Deposits	50	32	32	50	-	0.00%
Expense Credits	(5,749)	(4,146)	(5,963)	(5,964)	(216)	3.75%
Transfers to WIP Salaries	(7,299)	(6,153)	(8,399)	(6,273)	1,025	(14.05%)
Transfers to WIP Emp. Benefits	(3,932)	(2,573)	(3,783)	(2,118)	1,814	(46.13%)
Total O & M Expense	<u>\$ 144,149</u>	<u>\$ 88,915</u>	<u>\$ 138,331</u>	<u>\$ 153,394</u>	<u>\$ 9,245</u>	<u>6.41%</u>

JEA
FY 2016/17 Original Budget Vs. FY 2017/18 Proposed Budget
Expenditure Variance Overview - Water and Sewer System

	Increase/(Decrease)	
	(\$000's)	%
Operating & Maintenance		
Salaries	\$ 5,229	11.81%
The increase includes contractual increases of \$3.5 million, appointed market adjustments of \$0.2 million, an increase to overtime of \$0.9 million, and \$0.6 million for funding eight (8) previously unfunded allocated professional positions.		
Employee Benefits	\$ (4,106)	(17.23%)
The decrease is primarily attributed to a decrease in the pension contribution rate amount based on the City's April 6, 2017 pension reform presentation compared to last years contribution based on 37.1% of salaries.		
Supplies	\$ 273	2.02%
Reflects an increase to chemical supplies due to adding pumps to an existing station at County Road 210. Development in the CR210 area necessitated the additional lift/pumps to move the wastewater and control odor.		
Other Services and Charges	\$ 5,237	6.88%
The net increase is primarily due to increases for (1) intercompany charges of \$2.5 million which includes costs related to the Enterprise Asset Management (EAM) initiative of \$2.0 million and (2) professional services of \$2.7 million.		
Expense Credits	\$ (216)	3.75%
Expense credit means an amount set aside as an offset against an appropriation, representing an intrafund or interfund transfer of revenues and/or expenses. For example, electric billing credits are recorded as an expense credit against the water and sewer operating fund to properly charge the cost spent by Water & Sewer employees working on electric system related activities to the electric system operating fund or capital fund.		
Transfers to WIP Salaries	\$ 1,025	(14.05%)
Transfers to WIP Salaries are capitalized salaries captured in the Operating Budget. It represents the direct salaries charged to capital project work orders and is a credit to the operating fund.		
Transfers to WIP Emp. Benefits	\$ 1,814	(46.13%)
Primarily due to decreased pension contributions. Transfers to WIP Employee Benefits are capitalized benefits captured in the Operating Budget. It represents the benefits charged to capital project work orders and is a credit to the operating fund and is decreasing primarily due to lower pension contributions.		

JEA
ANALYSIS OF PROPOSED FY 2017/18 CAPITAL BUDGET
WATER & SEWER SYSTEM
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000's)

	2016/17 Original Budget	Actual Thru May	2016/17 Projected	2017/18 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2016/17 Original Budget	2016/17 Original Budget
Capital Funds						
Debt	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Other Proceeds *	78,240	-	54,189	21,064	(57,175)	(73.08%)
Renewal & Replacement Deposits	21,563	15,178	22,767	23,951	2,387	11.07%
Operating Capital Outlay	106,697	91,004	110,765	170,496	63,799	59.79%
Contributed Capital	-	20	20	-	NA	NA
Capacity Fees	19,000	15,404	21,737	21,000	2,000	10.53%
Total Capital Funds	\$ 225,500	\$ 121,606	\$ 209,478	\$ 236,511	\$ 11,011	4.88%
Capital Projects						
Water	\$ 60,238	\$ 26,053	\$ 59,395	\$ 56,551 (1)	\$ (3,687)	(6.12%)
Sewer	140,790	52,664	128,206	153,488 (1)	12,698	9.02%
Other	24,472	9,281	21,897	26,472 (1)	2,000	8.17%
Total Capital Projects	\$ 225,500	\$ 87,998	\$ 209,498	\$ 236,511	\$ 11,011	4.88%
Surplus (Deficit)	\$ -	\$ 33,607	\$ -	\$ -	\$ -	

*funded from prior year remaining balances

NOTE (1) Detail listing of Capital Projects can be seen on the next seven pages.

JEA
 Water Sewer System
 FY 2017/18 Capital Budget
 (000's Omitted)

Project Title	FY18
PROPOSED	
WATER	
OM - Water Delivery System R&R	\$4,400
West Nassau Regional WTP - Expansion from 1.0 to 5.0 MGD	4,376
Water Meter Replacement	3,600
Northwest Regional WTP - New 6.0 MGD WTP	2,874
Nassau Regional WTP - Well No. 3	2,580
Water Meter Growth	2,403
Residential Network Meter Reading Meter and Module Replacement Project	2,100
Otter Run Water Treatment Plant R&R	1,965
Yellow Bluff Rd - Marshland Dr to Tisons Bluff Rd - Transmission - Water	1,911
Large Water Meter Replacement	1,900
Well Rehabilitation & Maintenance - McDuff Wells	1,783
Integrated Water Supply Testing Evaluation and Rehabilitation	1,660
Arlington WTP - High Service Pump Replacement	1,421
JP - JTA - Alta Drive Roadway Improvements - Water	1,356
Woodmere WTP - Well No 3 and Storage Tank Replacement	1,302
Main St WTP - Well No 15 - New Lower FL Aquifer Well	1,288
Baptist Hospital Water Main Replacement	1,285
Main St WTP - 1st St to Franklin St - Transmission - Water	1,095
RiverTown WTP - New 6.0 MGD WTP	1,050
Joint Participation Projects - Water	1,050
Water Transmission Replacement - Program	1,050
Water Plant Capital Renewal & Replacement	1,050
South Grid Water Quality - Well Improvement	825
Main Extensions and Taps – Water	750
Well Rehabilitation & Maintenance - Fairfax Wells	744
Riverview Watermain Phase 1	714
US1 South Water Repump Facility	700
Marietta WTP - High Service Pump Upgrade	672
JP - COJ - Lower Eastside Drainage (First St - APR Blvd to Van Buren) - Water	625
William Burgess - Harts Rd to Nevada Ave - Transmission - Water	613
Cecil TP Ground Storage Tank and High Service Pump	545
E 1st St Main St to E 4th St - Raw Water	532

JEA
Water Sewer System
FY 2017/18 Capital Budget
(000's Omitted)

Project Title	FY18
Rivertown - SR13 - Estate Lots - Water Main	521
Main St WTP - Ozone Generator - Addition	519
Lakeshore WTP - Reservoir Rehabilitation	457
Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades	440
Pepsi Water Main Replacement	420
Well Field R&R	400
Greenland WTP - Expansion from 6.0 to 12.0 MGD	396
JP - JTA - Collins Rd - Water	360
Ponce De Leon WTP - Well No 2 Replacement	345
McDuff WTP - High Service Pump Replacement	328
Westlake WTP - Well No 4 and Raw Water Main	315
Grid - Cost Participation - Water	250
Beaver St - Lane Ave to Carnegie St - Transmission - Water	245
Lofton Oaks WTP Improvements	200
JP - FDOT - (SR13) San Jose Blvd - Cornell Rd to San Marco Blvd - Water	179
Nocatee - Landing Trail - Water	136
Development Driven Projects - Water	100
WTP Reservoir R&R	100
JP - SJC - Race Track Rd - Water Main Relocation	100
Rivertown - 2A - Orange Branch Rd - Water	91
JP - COJ - 11th and 12th Street Connector - Boulevard to Davis - Water	87
Rivertown - SR13 - Landings to Parcel 46 - Water	69
JP - FDOT - Pecan Park Rd - I-95 - Water	61
Norwood WTP High Service Pump	50
JP - FDOT - Kings Rd -Cleveland St to Darrow Rd - Water	44
JP - FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3 - Water	36
JP - FDOT - (SR111) Cassat Ave - Lenox Ave to Blanding Blvd - Water	20
Main ST WTP - Well 13 - Water	20
JP - FDOT - SR 9A (I-295) - Managed Lanes - JTB - 9B Extension - Water	18
JP - FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Sect 1 - Water	9
Owens Rd - Ranch Rd to Max Leggett Pkwy - Water	8
JP - FDOT Beaver Street Water Improvements - Stockton to Ocean - Water	5
JP - FDOT - SR 9B - Duval - St Johns County Line to CR2209 - Water	3
WATER SUBTOTAL	\$56,551

JEA
 Water Sewer System
 FY 2017/18 Capital Budget
 (000's Omitted)

Project Title	FY18
SEWER	
Greenland WW Treatment Plant - 6.0 MGD	\$24,320
Blacks Ford WRF - Expansion from 3.0 to 6.0 MGD	18,031
DII - T-Line to Busch Dr - Transmission - Force Main	10,317
Pump Station Electrical Reliability - Generators, Switches, Controls, etc.	8,000
Bradley Road Pump Station Improvements	6,971
Argyle Forest Booster Station & Related Stations Upgrades	3,683
Arlington East Secondary Clarifier Addition	3,594
Ductile Iron Force Main Replacement - Program	3,400
OM - Sewer Collection System R&R	3,150
Pumping Stations - Capital Equipment Replacement	2,600
DII - Main St to Pulaski Rd- Transmission - Force Main	2,428
Huffman Bv - Tulip Cir N to St Johns Bluff Rd - Force Main - Sewer	2,419
OM - Sewer Collection System Trenchless R&R	2,400
2304 McMillan - Class III/IV	2,322
4511 Spring Park Rd Lift Station	2,307
Mandarin - Old St Augustine Booster WW Pump Station	2,250
Gravity Sewer Replacement - Program	2,016
DII - Robena Rd Booster WW Pump Station	2,004
Wastewater Treatment Facilities - Capital Equipment Replacement	2,000
Pumping Stations - Class I_II Station Rehabilitation	2,000
Nassau RW Main - Radio Av to Harts Rd - Transmission - Reclaim	1,967
William Burgess Rd - SR200 to Harts Rd - Transmission - Reclaim	1,759
William Burgess Rd - SR200 to Harts Rd - Transmission - Force Main	1,752
Ponce De Leon WWTP - Package Treatment Plant	1,703
Herschel St Pump Station Force Main Replacement: Herschel St to Challen Ave	1,595
Buckman WRF - Aeration Basin Air Header and Diffuser Replacement	1,500
Julington Creek WWTF - Influent Structure Rehabilitation	1,393
Arlington East WRF - Influent Channel Rehabilitation	1,378
Nassau WWTF Expansion to 4 MGD	1,227
SCADA RTU and Control Panel Upgrades	1,200
Biosolids Process R&R	1,100
Southwest WRF - Screening Conveyance & Grit Removal Replacement	1,096
T - Line - JTB to Town Center Pkwy - Transmission - Force Main	1,064
Buckman WRF - Blower System Improvements	1,000

JEA
Water Sewer System
FY 2017/18 Capital Budget
(000's Omitted)

Project Title	FY18
Galvanized Pipe Replacement - Program	1,000
Joint Participation Projects - Sewer	1,000
Gate Pkwy - Glen Kernan to T-Line - Transmission - Reclaim	942
Buckman - 5307 Buffalo Ave - Class III/IV	942
DII - Pulaski Rd Booster WW Pump Station	858
West Grid - Lenox to Timuquana - Force Main and Pump Station Improvements	795
Walnut St Trunkline Replacement: 32nd St PS to 16th St E	750
CR210 - Old Dixie Hwy to Twin Creeks - Transmission - Reclaim	750
Southwest - 5104 118th St - Class III/IV	665
Arlington East WRF - Site Lighting Upgrade	651
Buckman Disinfection System Replacement	648
Tredinick Pkwy - Millcoie Rd to Mill Creek Rd - Transmission - Reclaim	612
SW Service Area Infiltration and Inflow Analysis and Remediation	607
Arlington East WRF - Biotrickling Filter Rehabilitation	604
District II - 10800 Key Haven Bv - Class III/IV	591
Southwest WRF - Upgrade Aeration Blowers	591
Greenland - GEC to US-1 - Transmission - Force Main	558
Buckman WRF - Gallery Pipe Support Replacement	520
Buckman Biosolids Conversion - Process Facility	500
South Shores Sub-Aqueous FM Rehabilitation	500
Main Extensions and Taps – Sewer	500
St Johns Pkwy - Racetrack Rd to Espada Ln - Transmission - Reclaim	491
Monument Rd - Cancun Dr to Hidden Hills Ln - Transmission - Reclaim	475
Southwest - 4881 Timuquana Rd - Class III/IV	461
Buckman Biosolids Conveyor System Replacement	435
JP - JTA - Alta Drive Roadway Improvements - Sewer	423
Arlington East WRF - Replace Auto-Transfer Switch	400
JP - COJ - Lower Eastside Drainage (First St - APR Blvd to Van Buren) - Sewer	395
District II WRF Primary Clarifier No. 2 and 3 Rehabilitation	389
Buckman - 1636 Talleyrand Ave - Sluice Gate Replacement	318
Gate Pkwy - Shiloh Mill Blvd to Town Ctr Pkwy - Reclaim	316
Twin Creeks Reclaim Water Storage Tank and Booster Pump Station	300
Nocatee South Reclaim Water Storage Tank and Booster Pump Station	300
RG Skinner - North Rd - Transmission - Reclaim	300
District II WWTP Reclaim Water Storage Tank and Offsite Booster Station	300

JEA
 Water Sewer System
 FY 2017/18 Capital Budget
 (000's Omitted)

Project Title	FY18
Diesel-driven Backup Pumps	300
OM - Turberculated Iron Gravity Pipe R&R	300
Arlington East - 201 Ponte Vedra Blvd Pump Station Replacement - Class I	293
Southwest WRF - Replace Main Breakers	291
Southwest - 6217 Wilson Bv - Class III/IV	290
5th St W - Imeson Rd to Melson Ave - Transmission - Force Main	290
Buckman WRF - Secondary MCC 9A and 9B Replacement	269
JP - JTA - Alta Drive Roadway Improvements - Reclaim	255
Bernita St FM Replacement: Macy Ave to Monterey WWTP	251
Grid - Cost Participation - Reclaim	250
Grid - Cost Participation - Force Main	250
Wastewater Odor Control - All Plants and Pump Stations	250
DII - Main St - Sara Dr to Noah Rd - Force Main	241
Rivertown - SR13 - Estate Lots - Force Main - Sewer	238
Ponte Vedra WRF Access Platform Addition and Handrail Replacement	222
7703 Blanding Bv - Class III/IV	203
Arlington East WRF - Parallel Sludge Transfer Line	200
RG Skinner - 9B to Parcels 10A - 11 - Reclaim	200
RG Skinner - 9B to T-Line - Reclaim	200
Baymeadows Rd -Point Meadows Rd to Old Still PUD- Transmission - Reclaim	200
Buckman WRF Turbo Blower Improvements	200
Southwest WWTP - Bio-filter Bed Replacement	180
SCADA R&R	150
Development Driven Projects - Pump Stations	134
Nocatee - Landing Trail - Reclaim	122
Julington Creek WWTF - Clarifier Replacement and Access Platform Addition	116
CR210 - South Hampton to Ashford Mills - Transmission - Reclaim	106
Development Driven Projects - Reclaim	100
Development Driven Projects - Sewer	100
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100
OM - Air Relief Valves R&R	100
JP - JTA - Girvin Rd - Atlantic Bv to Wonderwood Dr - Sewer	100
Southwest WWTF Expansion from 14 to 18 MGD	89
Southwest WRF - Replace RAS Valves	86
District II Effluent Outfall Land Acquisition	85

JEA
Water Sewer System
FY 2017/18 Capital Budget
(000's Omitted)

Project Title	FY18
Rivertown - 2A - Orange Branch Rd - Reclaim	83
DII - 11308 Harts Rd - Class III/IV	70
Alachua 24 inch Transmission Force Main - Alachua MPS to Wilson Blvd	70
Rivertown - 2A - Orange Branch Rd - Sewer	69
JP - JTA - Collins Rd - Sewer	69
OM - Reuse Delivery R&R	50
Diesel-driven Backup Pump R&R	50
OM - Manhole SCADA R&R	50
Reuse Facility - Capital Equipment Replacement	50
JP - FDOT - (SR13) San Jose Blvd - Cornell Rd to San Marco Blvd - Sewer	50
Nocatee Augmentation Well - Reclaim	42
JP - SJC - Race Track Rd - Reuse Main Relocation	38
Rivertown - 2A - Orange Branch Rd - Pump Station	37
JP - FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3 - Sewer	30
JP - COJ - 11th and 12th Street Connector - Boulevard to Davis - Sewer	30
JP - FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Sect 1 - Sewer	20
JP - FDOT - SR 9A (I-295) - Managed Lanes - JTB - 9B Extension - Sewer	19
JP - FDOT - Pecan Park Rd - I-95 - Sewer	15
JP - FDOT - SR 9B - Duval - St Johns County Line to CR2209 - Reclaim	13
T-Line - Amelia Concourse to Amelia National - Transmission - Reclaim	12
JP - SJC - Race Track Rd - Force Main Relocation	10
DII - Dunn Ave - Key Haven Blvd to Wingate Rd S - Transmission - Force Main	5
JP - FDOT - SR 9B - Duval - St Johns County Line to CR2209 - Sewer	4
Alachua Master Pump Station Improvements	4
Monterey WWTP - PS Discharge Main Replacement	4
SEWER SUBTOTAL	\$153,488
WATER OTHER	
Technology Services - Water	\$6,730
Capital Administrative Overhead - Water	4,900
Fleet - Replacement - Water	4,616
Buckman - New Administration Building	2,585
JEA Tower - Building Renovations	1,000
Fleet - Expansion - Water	991
Facilities Generators - Water	850

JEA
 Water Sewer System
 FY 2017/18 Capital Budget
 (000's Omitted)

Project Title	FY18
Facilities Security - Water	635
Facilities Heating, Ventilation, & Air - Water	520
Facilities Improvements, Building Upgrades - Water	520
PSSC - Facility Upgrades and Site Improvements	450
Facilities Roof Replacement - Water	400
Springfield Lab Hood Upgrade	400
Facilities Improvements, Electric and Lighting Systems	300
Security - Fire Alarm and Sprinkler Systems - Water	300
Facilities - Paving & Site Improvements – Water	300
Facilities Improvements & Plumbing Upgrades	275
Laboratory Equipment Upgrades - Water	250
Easement Location and Acquisitions	150
Facilities Improvements - Elevators - Water	150
Security - Fencing -Water	100
Utility Locate Group - Capital Equipment - Water	50
WATER OTHER SUBTOTAL	\$26,472
GRAND TOTAL	\$236,511

JEA
ANALYSIS OF PROPOSED FY 2017/18 DISTRICT ENERGY SYSTEM OPERATING
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000'S)

	2016/17 Original Budget	Actual Thru May	JEA 2016/17 Projected	2017/18 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2016/17 Original Budget	JEA 2016/17 Projected
OPERATING BUDGET:						
REVENUES:						
Revenues	\$ 9,248	\$ 5,448	\$ 8,888	\$ 9,126	\$ (122)	(1.32%)
Investment Income	-	21	21	-	-	
Total Operating Revenues	<u>\$ 9,248</u>	<u>\$ 5,469</u>	<u>\$ 8,909</u>	<u>\$ 9,126</u>	<u>\$ (122)</u>	<u>(1.32%)</u>
EXPENSES:						
Operating and Maintenance	\$ 5,253	\$ 2,736	\$ 4,937	\$ 5,140	\$ (113)	(2.15%)
Total Expenses	<u>\$ 5,253</u>	<u>\$ 2,736</u>	<u>\$ 4,937</u>	<u>\$ 5,140</u>	<u>\$ (113)</u>	<u>(2.15%)</u>
NET REVENUES FROM OPERATIONS	<u>\$ 3,995</u>	<u>\$ 2,733</u>	<u>\$ 3,972</u>	<u>\$ 3,986</u>	<u>\$ (9)</u>	<u>(0.23%)</u>
OTHER DEDUCTIONS:						
Debt Service	\$ 3,022	\$ 2,015	\$ 3,022	\$ 3,019	\$ (3)	(0.11%)
Renewal & Replacement	434	292	438	440	7	1.55%
Operating Capital Outlay	539	-	512	527	(12)	(2.14%)
Total Other Deductions	<u>\$ 3,995</u>	<u>\$ 2,307</u>	<u>\$ 3,972</u>	<u>\$ 3,986</u>	<u>\$ (9)</u>	<u>(0.23%)</u>
Budget Surplus (Deficit)	<u>\$ -</u>	<u>\$ 427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

JEA
ANALYSIS OF OPERATING AND MAINTENANCE EXPENSE
DISTRICT ENERGY SYSTEM
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000's)

	<u>2016/17 Original Budget</u>	<u>Actual Thru May</u>	<u>JEA 2016/17 Projected</u>	<u>2017/18 Proposed Budget</u>	<u>\$ and % Increase (Decrease) Proposed Budget Over</u>	
					<u>2016/17 Original Budget</u>	<u>2016/17 Original Budget</u>
Salaries	\$ 416	\$ 245	\$ 383	\$ 429	\$ 13	3.13%
Employee Benefits	203	115	183	152	(51)	(25.07%)
Supplies	75	39	64	136	62	82.55%
Other Services & Charges	4,321	2,280	4,104	4,183	(138)	(3.18%)
Intercompany Charges	100	43	77	100	-	0.00%
Property Insurance	38	23	36	39	1	2.63%
Operating Reserve	100	-	100	100	-	0.00%
Expense Credits	-	(10)	(10)	-	-	NA
O & M Expense	<u>\$ 5,253</u>	<u>\$ 2,736</u>	<u>\$ 4,937</u>	<u>\$ 5,140</u>	<u>\$ (113)</u>	<u>(2.15%)</u>

JEA
FY 2016/17 Original Budget Vs. FY 2017/18 Proposed Budget
Expenditure Variance Overview - District Energy System

	Increase/(Decrease)	(\$000's)	%
Operating & Maintenance			
Salaries		\$ 13	3.13%
Includes contractual increases of \$11,300 and an appointed employee increase of \$1,700. The new position for FY 2017/18 is currently a contracted staff person. After October 1, 2017 funding for the position will be transferred from contract services to the appropriate salary lines.			
Benefits		\$ (51)	(25.07%)
The decrease is primarily attributed to a decrease in the pension contribution rate amount based on the City's April 6, 2017 pension reform presentation compared to last years contribution based on 37.1% of salaries.			
Supplies		\$ 62	82.55%
The budget increase is for cooling tower chemicals moved from Other Services & Charges to Supplies for FY 2017/18.			
Other Services & Charges		\$ (138)	(3.18%)
The decrease is primarily due to cost savings when generating chilled water due to the reduction in electricity costs resulting from the December 1, 2016 rate change of \$76,000 and moving cooling tower chemicals to supplies.			

JEA
ANALYSIS OF PROPOSED FY 2017/18 DISTRICT ENERGY SYSTEM CAPITAL BUDGET
FY 2016/17 BUDGET COMPARED TO FY 2017/18 PROPOSED BUDGET
(000'S)

	2016/17 Original Budget	Actual Thru May	JEA 2016/17 Projected	2017/18 Proposed Budget	\$ and % Increase (Decrease) Proposed Budget Over	
					2016/17 Original Budget	2016/17 Original Budget
CAPITAL FUNDS						
Debt	\$ -	\$ -	\$ -	\$ -	\$ -	NA
Other Proceeds*	\$ 2,098	\$ 995	\$ 1,934	\$ 2,273	175	8.33%
Renewal & Replacement	\$ 434	\$ 292	\$ 438	\$ 440	7	1.55%
Operating Capital Outlay	\$ 539	\$ -	\$ 512	\$ 527	(12)	(2.14%)
	<u>\$ 3,071</u>	<u>\$ 1,287</u>	<u>\$ 2,884</u>	<u>\$ 3,241</u>	<u>\$ 170</u>	<u>5.54%</u>
CAPITAL PROJECTS						
District Energy System Projects	<u>\$ 3,071</u>	<u>\$ 1,287</u>	<u>\$ 2,884</u>	<u>\$ 3,241</u>	<u>\$ 170</u>	<u>5.54%</u>
Budget Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

*funded from prior year remaining balances

CAPITAL BUDGET:

Description	FY18
Downtown Development	\$2,000
Facilities - District Energy System	\$1,150
Springfield - Additional Back-up Generator	\$91
DISTRICT ENERGY TOTAL	\$3,241

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2018

	Electric System	Water & Sewer System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 417,649,053	\$ -	\$ -	\$ 417,649,053
Total Net Revenues	<u>\$ 417,649,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,649,053</u>
FUEL EXPENSES:				
Fuel & Purchased Power	<u>\$ 417,649,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,649,053</u>
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 802,292,405	\$ 428,490,220	\$ 9,125,828	\$ 1,239,908,453
Environmental Charge Revenue	7,942,200	28,360,500	-	36,302,700
Conservation Charge & Demand Side Revenue	1,000,000	-	-	1,000,000
Other Revenues	30,551,894	34,091,486	-	64,643,380
Natural Gas Pass Through Revenue	2,383,913	-	-	2,383,913
Total Base Related Revenues	<u>\$ 844,170,412</u>	<u>\$ 490,942,206</u>	<u>\$ 9,125,828</u>	<u>\$ 1,344,238,446</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 216,333,937	\$ 151,804,759	\$ 5,139,991	\$ 373,278,687
Environmental	7,942,200	1,589,300	-	9,531,500
Conservation & Demand-side Management	7,510,000	-	-	7,510,000
Natural Gas Pass Through Expense	2,290,414	-	-	2,290,414
Non-Fuel Purchased Power	85,372,055	-	-	85,372,055
Non-Fuel Uncollectibles & PSC Tax	1,210,993	685,277	-	1,896,270
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	<u>\$ 325,659,599</u>	<u>\$ 155,079,336</u>	<u>\$ 5,139,991</u>	<u>\$ 485,878,926</u>
BASE OPERATING INCOME:	\$ 518,510,813	\$ 335,862,870	\$ 3,985,837	\$ 858,359,520
NON-OPERATING REVENUE:				
Investment Income	6,714,534	4,854,301	-	11,568,835
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	21,000,000	-	21,000,000
Total Non Operating Revenues	<u>\$ 6,714,534</u>	<u>\$ 25,854,301</u>	<u>\$ -</u>	<u>\$ 32,568,835</u>
NON-OPERATING EXPENSES:				
Debt Service	228,558,551	121,122,632	3,019,084	352,700,268
Total Non Operating Expenses	<u>\$ 228,558,551</u>	<u>\$ 121,122,632</u>	<u>\$ 3,019,084</u>	<u>\$ 352,700,268</u>
BASE INCOME BEFORE TRANSFERS	\$ 296,666,795	\$ 240,594,539	\$ 966,753	\$ 538,228,087
City Contribution Expense	91,471,795	25,148,020	-	116,619,815
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	64,537,408	23,950,558	440,362	88,928,328
Operating Capital Outlay	140,657,592	152,324,761	526,391	293,508,744
Environmental Capital Outlay	-	18,171,200	-	18,171,200
Capacity Fees	-	21,000,000	-	21,000,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 296,666,795</u>	<u>\$ 240,594,539</u>	<u>\$ 966,753</u>	<u>\$ 538,228,087</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	\$ 1,268,533,999	\$ 516,796,507	\$ 9,125,828	\$ 1,794,456,334
TOTAL APPROPRIATIONS	\$ 1,268,533,999	\$ 516,796,507	\$ 9,125,828	\$ 1,794,456,334
BUDGETED EMPLOYEE POSITIONS	1,553	599	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2018

	Electric System	Water & Sewer System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 64,537,408	\$ 23,950,558	\$ 440,362	\$ 88,928,328
Operating Capital Outlay	140,657,592	152,324,761	526,391	293,508,744
Environmental Capital Outlay	-	18,171,200	-	18,171,200
Capacity Fees	-	21,000,000	-	21,000,000
Debt Proceeds	-	-	-	-
Other Proceeds	-	21,064,481	2,274,247	23,338,728
Total Capital Funds	<u>\$ 205,195,000</u>	<u>\$ 236,511,000</u>	<u>\$ 3,241,000</u>	<u>\$ 444,947,000</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 27,585,000	\$ -	\$ -	\$ 27,585,000
Transmission & Distribution Projects	102,012,000	-	-	102,012,000
District Energy Projects	-	-	3,241,000	3,241,000
Water Projects	-	56,551,000	-	56,551,000
Sewer Projects	-	153,488,000	-	153,488,000
Other Projects	75,598,000	26,472,000	-	102,070,000
Total Capital Projects	<u>\$ 205,195,000</u>	<u>\$ 236,511,000</u>	<u>\$ 3,241,000</u>	<u>\$ 444,947,000</u>

**JEA
COMPARISON OF BUDGETS
ELECTRIC AND WATER & SEWER AND DISTRICT ENERGY SYSTEM
APPROVED FY 2016/17 TO PROPOSED FY 2017/18
(000's)**

Recommendation:
None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
PUBLIC WORKS
LOCAL OPTION ½ CENT TRANSPORTATION (S/F 142)**

PROPOSED BUDGET BOOK – Page # 325-326

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. Taxes:

- The budgeted amount represents the revenues estimated to be generated from the local option half-cent sales tax. The revenue is budgeted to increase 1% for FY 2017/18. (See Recommendation #1)

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.

RECOMMENDATIONS:

1. We recommend increasing the tax revenue to be generated from the local option half-cent sales tax by \$8,090,726 from \$83,131,515 to \$91,222,241 and increasing the grants aids and contributions by the same \$8,090,726 to balance revenues and expenditures. This recommendation is based on an average growth rate of 5.26% over the last five fiscal years. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 PUBLIC WORKS
 LOCAL OPTION GAS TAX (S/F 143)**

PROPOSED BUDGET BOOK – Page # 40 - 41

BACKGROUND:

The Local Option Gas Tax is the tax of six cents on every gallon of motor fuel sold in 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.

REVENUE:

1. Taxes:
 - The budgeted amount represents the revenues estimated to be generated from the local option gas tax.

2. Transfers from Component Units:
 - The budgeted amount represents the City's portion that is redistributed back from the fiscal agent to the City and is used to fund capital projects. (See Recommendation)

EXPENDITURES:

1. Capital Outlay:
 - The funding of \$6,170,271 for Capital Outlay represents the one cent of Local Option Gas Tax retained for City use per the Interlocal Agreement as revised by Ordinance 2013-820-E between the City and JTA. (See Recommendation) The \$6,170,271 will be used to fund the following City projects:

SF	Dept.	Project Name	Expenditures
143	PW	Road Safety Project - Pedestrian Crossings	\$ 278,105
143	PW	Roadway Sign Stripe and Signal	1,350,000
143	PW	Traffic Street Lights (mast arm paint)	75,000
143	PW	Sidewalks/Curb Construction and Repair	755,949
143	PW	Traffic Calming	150,000
143	PW	Countywide Intersection Imp & Bridge Rehab - Bridges	2,561,217
143	PW	Countywide Intersection Imp & Bridge Rehab - Intersections	1,000,000

Total \$ 6,170,271

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (S/F 143)**

PROPOSED BUDGET BOOK – Page # 40 - 41

2. Grants Aids & Contributions:

- Per the Interlocal Agreement between the City and JTA that extended the Local Option Gas Tax until August 31, 2036, the City will send to the fiscal agent all funds collected from the Local Option Gas Tax. The increase of \$5,032,804 is due to budgeting the full amount of Local Option Gas Tax revenue to be sent to the fiscal agent. The FY 2016/17 budget had only JTA's portion being sent to the fiscal agent (five of the six cents). 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.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATION:

We recommend decreasing the Transfer from Component Units revenue and Capital Outlay expenditure by \$1,101,378 from \$6,170,271 to \$5,068,893 to reflect the anticipated distribution to the City from the fiscal agent. The Council should decide which project(s) should be reduced to account for this decreased funding.

**Jacksonville Transportation Authority
Comparison of Budgets
2016/17 to 2017/18
Operating and Capital Budgets**

	Mass Transit								Engineering		Transfers Out	Total
	BUS		SKYWAY		CTC		FERRY		GENERAL FUND			
	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital	Operations	Capital		
Approved FY2017	\$ 90,255,626	\$ 59,323,647	\$ 7,050,546	\$ 1,938,581	\$ 14,328,921	\$ 1,523,182	\$ 2,560,943	\$ 6,875,000	\$ 110,425,871	\$ 5,043,000	\$ (124,531,031)	\$ 174,794,286
Proposed FY2018	94,138,277	34,553,197	6,564,527	1,017,581	14,377,363	50,000	2,845,855	404,528	2,263,348	6,075,000	(16,067,670)	146,222,006
\$ Incr(Decr)	3,882,651	(24,770,450)	(486,019)	(921,000)	48,442	(1,473,182)	284,912	(6,470,472)	(108,162,523)	1,032,000	(108,463,361)	(28,572,280)
% over (under)	4.3%	(41.8%)	(6.9%)	(47.5%)	0.3%	(96.7%)	11.1%	(94.1%)	(98.0%)	20.5%	(87.1%)	(16.3%)

	Number of Employees		
	Original 2016/17 F/T	Proposed 2017/18 F/T	Increase (Decrease)
Bus	639	653	14
Skyway	45	42	(3)
CTC	50	39	(11)
Engineering	19	20	1
Ferry	0	0	0
Total Agency	753	754	1

Amounts flowing through City of Jacksonville to JTA:	
City Contribution (CTC)	\$ 1,372,217
Sales Tax (Engineering)	2,032,848
Local Option Gas Tax (Bus)	18,789,705
Sales Tax (Bus)	54,012,201
	<u>\$ 76,206,971</u>

	The number of vehicles in JTA's fleet is as follows:	
	FY 2016/17	FY 2017/18
Buses*	177	200
Community Shuttle	26	26
CTC Connexion Vehicles	100	99
JTA Support Vehicles	80	80
	<u>FY 2016/17</u>	<u>FY 2017/18</u>
*Buses:	153	154
Active Fleet	13	22
Contingency	11	24
First Coast Flyers		

FY 2018 Budget Key Metrics

Annual wage increase for union staff based on contractual agreement which the percentage rate is currently being negotiated.

Non-union average 3% performance based wage increase.

Services category is higher due to increased Federal mandates regarding long term plans to replace fixed assets, upgrading capabilities in key areas (Internal Audit, Performance Management), and outsourcing JTA's reservationist services to it's paratransit service contractor.

Total full-time headcount up 1 due to Internal Audit resource added per Board approval. Total headcount including part-time down 19

FY 2017/18 capital budget decrease is primarily due to BRT East corridor project being fully appropriated in FY 2016/17.

The Jacksonville Regional Transportation Center is fully appropriated in the FY 2017/18 Budget.

**Jacksonville Transportation Authority
Mass Transit Division
Bus Operations
Analysis of Proposed 2017/18 Budget**

	<u>2016/17 Budget</u>	<u>Actuals Thru March</u>	<u>2016/17 Projected</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
REVENUES						
Federal, State & Local Grants	\$ 5,846,488	\$ 2,650,460	\$ 5,300,920	\$ 5,720,285	\$ (126,203)	(2.2%)
Local Option Gas Tax	17,576,656	8,734,020	17,468,040	18,789,705	1,213,049	6.9%
Net Sales Tax - Operating	52,623,720	29,640,202	54,256,722	54,012,201	1,388,481	2.6%
Passenger Fares	12,171,871	5,591,196	11,182,392	11,341,760	(830,111)	(6.8%)
Preventative Maint Grant - Federal	1,165,966	953,868	1,907,736	3,403,401	2,237,435	191.9%
Non-Transportation Revenue	870,925	296,941	593,882	860,687	(10,238)	(1.2%)
Interest Earnings		5,137	10,274	10,238	10,238	N/A
Total Revenues	\$ 90,255,626	\$ 47,871,824	\$ 90,719,966	\$ 94,138,277	\$ 3,882,651	4.3%
Salaries and Wages	\$ 31,412,628	\$ 16,769,830	33,519,664	\$ 33,193,583	\$ 1,780,955	5.7%
Fringe Benefits	17,759,658	8,724,385	17,448,770	18,915,358	1,155,700	6.5%
Fuel and Lubricants	4,651,941	1,804,205	3,608,410	5,065,986	414,045	8.9%
Materials & Supplies	4,494,765	2,698,809	5,367,618	4,402,788	(91,977)	(2.0%)
Services	10,168,244	5,020,256	10,040,512	11,616,457	1,448,213	14.2%
Insurance (Casualty & Liability)	611,216	170,628	341,256	740,613	129,397	21.2%
Travel/Training/Dues & Subscriptions	385,770	225,049	450,098	424,743	38,973	10.1%
All Other/Miscellaneous	2,037,104	965,102	1,930,204	2,070,035	32,931	1.6%
Contingency	2,165,797	-	-	1,641,044	(524,753)	(24.2%)
Transfer To:						
CTC (ADA Expense)	9,521,745	4,438,776	8,877,552	9,231,901	(289,844)	(3.0%)
Skyway	5,792,042	2,626,926	5,253,852	5,206,023	(586,019)	(10.1%)
Ferry	1,254,716	669,912	1,339,824	1,629,746	375,030	29.9%
Total Expenditures	\$ 90,255,626	\$ 44,113,878	\$ 88,177,760	\$ 94,138,277	\$ 3,882,651	4.3%
Surplus (Deficit)	\$ -	\$ 3,757,946	\$ 2,542,206	\$ -		

**Jacksonville Transportation Authority
 Mass Transit Division
 Bus Operations Variance
 2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Local Option Gas Tax Increase is based on projection received from the City of Jacksonville Budget Office.	\$ 1,213,049	6.9%
Net Sales Tax - Operating Increase is based on projection received from the City of Jacksonville Budget Office.	\$ 1,388,481	2.6%
Passenger Fares FY17/18 passenger fares are being decreased based on FY16/17 actuals.	\$ (830,111)	(6.8%)
Preventative Maintenance Grant - Federal The increase is primarily due to allocating these funds to operations rather than capital as was done in FY 16/17.	\$ 2,237,435	191.9%

**Jacksonville Transportation Authority
Mass Transit Division
Bus Operations Variance
2016/17 vs. 2017/18 Budget**

EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Wages This increase is due to: 1) FY17/18 Administrative allocations, 2) a non-union performance based increase of 3% and 3) a union increase resulting from ongoing contract negotiations.	\$ 1,780,955	5.7%
Fringe Benefits The increase is due to a projected 5% increase for union benefits in pension and health insurance cost.	\$ 1,155,700	6.5%
Fuel and Lubricants The increase is primarily due to capital fees charged per the Clean Energy contract for the CNG station.	\$ 414,045	8.9%
Materials & Supplies The decrease is primarily due to a reduction in inventory parts for buses and service vehicles.	\$ (91,977)	(2.0%)
Services The increase is due to the NextBus maintenance agreement, Motorola Radio maintenance costs, Apollo camera services, and Conditional & Environmental Assessments required by the FTA.	\$ 1,448,213	14.2%
Insurance (Casualty & Liability) The increase is mainly due to the purchase of builder's risk insurance related to the JRTC.	\$ 129,397	21.2%
Contingency The decrease is due to shifting more contingency funds to other JTA Divisions.	\$ (524,753)	(24.2%)
Transfer to CTC This funding is necessary to balance the CTC budget and support expenses in CTC operations.	\$ (289,844)	(3.0%)
Transfer to Skyway This funding is necessary to balance the Skyway budget and support expenses in Skyway operations.	\$ (586,019)	(10.1%)
Transfer to Ferry This funding is necessary to balance the Ferry budget and support expenses in Ferry operations.	\$ 375,030	29.9%

**Jacksonville Transportation Authority
Mass Transit Division
Bus Capital Projects
Analysis of Proposed 2017/18 Budget**

	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
<u>REVENUES</u>				
Federal Section 5307 Funding (Footnote 1)	\$ 6,717,750	\$ 6,806,469	\$ 88,719	1.3%
Federal Section 5309 Funding	16,930,204		(16,930,204)	(100.0%)
Federal Section 5310 Funding	3,189		(3,189)	(100.0%)
Federal Section 5339 Funding (Footnote 2)	1,275,301	1,275,301	-	0.0%
Federal Section 5311f Funding	1,500,000		(1,500,000)	(100.0%)
Florida Department of Transportation	9,965,101		(9,965,101)	(100.0%)
North Florida Transportation Planning Organization	1,000,000		(1,000,000)	(100.0%)
Local JTA Match	21,932,102	26,471,427	4,539,325	20.7%
Total Revenues	<u>\$ 59,323,647</u>	<u>\$ 34,553,197</u>	<u>\$ (24,770,450)</u>	<u>(41.8%)</u>

Footnotes:

1 - Annual Funding for urbanized areas to transit agencies from the Federal Transit Administration (FTA).

2 - Federal funding for buses and bus facilities.

**Jacksonville Transportation Authority
Mass Transit Division
Bus Capital Projects
Analysis of Proposed 2017/18 Budget**

<u>EXPENDITURES</u>	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
CNG Buses	4,745,301	4,745,301	\$ -	0.0%
Bus Rapid Transit (BRT) - East Corridor Project	\$ 20,219,844		(20,219,844)	(100.0%)
Bus Transfer Facility (JRTC)	1,500,000		(1,500,000)	(100.0%)
Jacksonville Regional Transportation Center (JRTC)	6,724,000	25,104,960	18,380,960	273.4%
Replacement Vehicles - Clay County	400,095	392,940	(7,155)	(1.8%)
Fare Collection Equipment	100,000	798,000	698,000	698.0%
CAD/AVL	1,700,000		(1,700,000)	(100.0%)
Other Capital Projects	5,043,000		(5,043,000)	(100.0%)
Corridor Development - Intersection Improvements	1,500,000		(1,500,000)	(100.0%)
Communications Equipment	35,000		(35,000)	(100.0%)
Computer Equipment (Hardware and Software)	1,375,763	1,308,250	(67,513)	(4.9%)
Shop Equipment	303,758	50,000	(253,758)	(83.5%)
Enhancements (Landscaping)	162,714		(162,714)	(100.0%)
Miscellaneous Support Equipment	263,500	39,150	(224,350)	(85.1%)
Bus Rapid Transit (BRT) - East Corridor (19 Buses)	13,640,563		(13,640,563)	(100.0%)
Property Improvements	-	266,000	266,000	N/A
Security Equipment	189,812	370,000	180,188	94.9%
Support Vehicles	237,741	335,000	97,259	40.9%
Facilities Improvements	295,000	823,596	528,596	179.2%
Training	15,000		(15,000)	(100.0%)
Transit Satellite Transfer Amenities	872,556	320,000	(552,556)	(63.3%)
Total Expenditures	\$ 59,323,647	\$ 34,553,197	\$ (24,770,450)	(41.8%)

**Jacksonville Transportation Authority
 Mass Transit Division
 Bus Capital Projects Variance
 2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Federal Section 5307 Funding is based on the amount of capital expenditures requested. Request for FY 2017/18 includes replacement buses (8 CNG buses and 4 transit vans), fare collection equipment, security equipment, computer equipment and software, transit amenities and facilities enhancements.	\$ 88,719	1.3%
Federal Section 5309 No capital funding was available for FY 2017/18.	\$ (16,930,204)	(100.0%)
Federal Section 5310 No capital funding was available for FY 2017/18.	\$ (3,189)	(100.0%)
Federal Section 5311f No capital funding was available for FY 2017/18.	\$ (1,500,000)	(100.0%)
Florida Department of Transportation No capital funding was available for FY 2017/18.	\$ (9,965,101)	(100.0%)
Local JTA Match Funding is based on the amount of grant revenue requested and the match percentage required.	\$ 4,539,325	20.7%

EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Bus Rapid Transit (BRT) - East Corridor Project No funding needed for the FY 2017/18 budget.	\$ (20,219,844)	(100.0%)
Bus Transfer Facility (JRTC) No funding needed for the FY 2017/18 budget.	\$ (1,500,000)	(100.0%)
Jacksonville Regional Transportation Center (JRTC) The increase is due to fully appropriating the JRTC project.	\$ 18,380,960	273.4%
Fare Collection Equipment The increase is primarily due to the purchase of mobile ticket validators on all JTA buses. This will enable customers to use their mobile devices to scan and pay for trips.	\$ 698,000	698.0%
CAD/AVL No funding needed for the FY 2017/18 budget.	\$ (1,700,000)	(100.0%)
Other Capital Projects No funding needed for the FY 2017/18 budget.	\$ (5,043,000)	(100.0%)
Corridor Development - Intersection Improvements No funding needed for the FY 2017/18 budget.	\$ (1,500,000)	(100.0%)
Communications Equipment No funding needed for the FY 2017/18 budget.	\$ (35,000)	(100.0%)
Computer Equipment (Hardware and Software) The decrease is due to less funding required for computer equipment in FY 2017/18.	\$ (67,513)	(4.9%)
Shop Equipment The FY17/18 budget included expense associated with the upgrade of the Gasboy system that tracks fuel usage and mileage for buses. No additional funding was needed for FY 2017/18.	\$ (253,758)	(83.5%)
Enhancements (Landscaping) No funding needed for the FY 2017/18 budget.	\$ (162,714)	(100.0%)
Miscellaneous Support Equipment The decrease is due to less funding required for support equipment in FY 2017/18.	\$ (224,350)	(85.1%)
Bus Rapid Transit (BRT) - East Corridor (19 Buses) No funding needed for the FY 2017/18 budget.	\$ (13,640,563)	(100.0%)

EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Property Improvements The increase is due to Park n Ride lot improvements, bus stop shelter site work, and bus shelter solar lighting.	\$ 266,000	N/A
Security Equipment The increase is primarily due to GPS tracking for non-revenue vehicles to reduce risk of theft and provide better monitoring.	\$ 180,188	94.9%
Support Vehicles The increase is due to the need to purchase additional support vehicles such as pool vehicles, facility maintenance vehicles and security vehicles.	\$ 97,259	40.9%
Facilities Improvements The increase is primarily due to Kings Avenue Garage repairs, lighting and electrical upgrades and HVAC and plumbing improvements at JTA facilities.	\$ 528,596	179.2%
Transit Satellite Transfer Amenities The decrease is primarily due to a large portion of this cost being shifted to the Engineering Division Capital budget.	\$ (552,556)	(63.3%)

**Jacksonville Transportation Authority
Mass Transit Division
Automated Skyway Express Operations
Analysis of Proposed 2017/18 Budget**

	<u>2016/17 Budget</u>	<u>Actuals Thru March</u>	<u>2016/17 Projected</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
<u>REVENUES</u>						
Federal Preventative Maint.	\$ 1,000,000	\$ 326,176	\$ 652,352	\$ 1,100,000	\$ 100,000	10.0%
Non-Transportation Revenue	258,504	67,557	135,114	258,504	\$ -	0.0%
Interest Income		416	832	-	\$ -	N/A
Transfer from Bus Ops	5,792,042	2,626,926	5,253,852	5,206,023	\$ (586,019)	(10.1%)
Total Revenues	<u>\$ 7,050,546</u>	<u>\$ 3,021,075</u>	<u>\$ 6,042,150</u>	<u>\$ 6,564,527</u>	<u>\$ (486,019)</u>	<u>(6.9%)</u>
<u>EXPENDITURES</u>						
Salaries and Wages	\$ 2,589,907	\$ 1,206,600	\$ 2,413,200	\$ 2,370,344	\$ (219,563)	(8.5%)
Fringe Benefits	1,354,109	591,120	1,182,240	1,262,754	(91,355)	(6.7%)
Fuel and Lubricants	12,923	-	-	11,400	(1,523)	(11.8%)
Materials & Supplies	930,169	386,109	772,218	912,516	(17,653)	(1.9%)
Services	1,078,000	439,273	878,546	889,497	(188,503)	(17.5%)
Insurance	454,323	173,852	347,704	454,210	(113)	(0.0%)
Travel/Training/Dues & Subscriptions	33,958	18,524	37,048	40,072	6,114	18.0%
All Other/Miscellaneous	463,647	205,597	411,194	408,749	(54,898)	(11.8%)
Contingency	133,510	-	-	214,985	81,475	61.0%
Total Expenditures	<u>\$ 7,050,546</u>	<u>\$ 3,021,075</u>	<u>\$ 6,042,150</u>	<u>\$ 6,564,527</u>	<u>\$ (486,019)</u>	<u>(6.9%)</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

**Jacksonville Transportation Authority
 Mass Transit Division
 Automated Skyway Express Operations Variance
 2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Transfer from Bus Ops	\$ (586,019)	(10.1%)
This funding is necessary to balance the Skyway budget and support expenses in Skyway operations.		
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Wages	\$ (219,563)	(8.5%)
The decrease is due to moving some maintenance employees from Skyway to Bus Operations.		
Fringe Benefits	\$ (91,355)	(6.7%)
The decrease is due to moving some maintenance employees from Skyway to Bus Operations.		
Services	\$ (188,503)	(17.5%)
The decrease is due to the reduction of JSO Officers used while closed stations are upgraded.		
Contingency	\$ 81,475	61.0%
The increase is due to the shifting of contingency funds from Bus Operations to cover potential overages.		

**Jacksonville Transportation Authority
Mass Transit Division
Automated Skyway Express Capital Projects
Analysis of Proposed 2017/18 Budget**

	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
<u>REVENUES</u>				
Federal Section 5307 Funding (Footnote 1)	\$ 1,221,000	\$ 300,000	\$ (921,000)	(75.4%)
Federal Section 5337 Funding (Footnote 2)	717,581	717,581	-	0.0%
Total Revenues	<u>\$ 1,938,581</u>	<u>\$ 1,017,581</u>	<u>\$ (921,000)</u>	<u>(47.5%)</u>
<u>EXPENDITURES</u>				
Computer Equipment	\$ 135,000		\$ (135,000)	(100.0%)
Miscellaneous Support Equipment	514,232		(514,232)	(100.0%)
Associated Capital Maintenance Parts	483,349		(483,349)	(100.0%)
Communications Equipment	125,000		(125,000)	(100.0%)
Facilities Improvements	681,000	1,017,581	336,581	49.4%
Total Expenditures	<u>\$ 1,938,581</u>	<u>\$ 1,017,581</u>	<u>\$ (921,000)</u>	<u>(47.5%)</u>

Footnotes:

1 - Annual Funding for urbanized areas to transit agencies from the Federal Transit Administration (FTA).

2 - Federal funding to maintain the Skyway system in a state of good repair.

**Jacksonville Transportation Authority
 Mass Transit Division
 Automated Skyway Express Capital Projects Variance
 2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Federal Section 5307	\$ (921,000)	(75.4%)
Funding is based on the amount of capital expenditures requested. With the expected future implementation of the Ultimate Urban Circulator (U2C), the Skyway is in a maintenance mode and will minimize capital spending to keep the system operational.		
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Computer Equipment	\$ (135,000)	(100.0%)
No funding was needed for FY 2017/18.		
Miscellaneous Support Equipment	\$ (514,232)	(100.0%)
No funding was needed for FY 2017/18.		
Associated Capital Maintenance Parts	\$ (483,349)	(100.0%)
No funding was needed for FY 2017/18.		
Communications Equipment	\$ (125,000)	(100.0%)
No funding was needed for FY 2017/18.		
Facilities Improvement	\$ 336,581	49.4%
The increase is primarily due to the rehabilitation and renovation of the Rosa Parks and Skyway Headquarter stations, as well as replacing the roof at San Marco station.		

**Jacksonville Transportation Authority
Mass Transit Division
CTC Operations
Analysis of Proposed 2017/18 Budget**

	<u>2016/17 Budget</u>	<u>Actuals Thru March</u>	<u>2016/17 Projected</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
<u>REVENUES</u>						
Federal, State & Local Grants	\$ 26,000	\$ 4,963	\$ 9,926	\$ 334,892	\$ 308,892	1188.0%
Passenger Fares	1,111,967	531,788	1,063,576	1,041,361	\$ (70,606)	(6.3%)
State TD Funds	1,596,992	798,180	1,596,360	1,596,992	\$ -	0.0%
Transfer from Bus Ops (ADA Paratransit)	9,521,745	4,438,776	8,877,552	9,231,901	\$ (289,844)	(3.0%)
City of Jacksonville (Paratransit Contribution)	1,372,217	690,819	1,381,638	1,372,217	\$ -	0.0%
Preventative Maintenance Grant - Federal	700,000	304,772	609,544	800,000	\$ 100,000	14.3%
Total Revenues	<u>\$ 14,328,921</u>	<u>\$ 6,769,298</u>	<u>\$ 13,538,596</u>	<u>\$ 14,377,363</u>	<u>\$ 48,442</u>	<u>0.3%</u>
<u>EXPENDITURES</u>						
Salaries and Wages	\$ 2,941,906	\$ 1,392,702	\$ 2,785,404	\$ 2,683,905	\$ (258,001)	(8.8%)
Fringe Benefits	1,341,954	600,472	1,200,944	1,240,676	\$ (101,278)	(7.5%)
Fuel and Lubricants	1,298,693	507,271	1,014,542	960,845	\$ (337,848)	(26.0%)
Materials & Supplies	891,237	369,322	738,644	860,058	\$ (31,179)	(3.5%)
Services	7,301,499	3,766,144	7,532,288	7,831,773	\$ 530,274	7.3%
Insurance	9,956	7,544	15,088	9,969	\$ 13	0.1%
Travel/Training/Dues & Subscription	65,725	37,370	74,740	77,640	\$ 11,915	18.1%
All Other/Miscellaneous	206,612	88,473	176,946	218,889	\$ 12,277	5.9%
Contingency	271,339	-	-	493,608	\$ 222,269	81.9%
Total Expenditures	<u>\$ 14,328,921</u>	<u>\$ 6,769,298</u>	<u>\$ 13,538,596</u>	<u>\$ 14,377,363</u>	<u>\$ 48,442</u>	<u>0.3%</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

**Jacksonville Transportation Authority
Mass Transit Division
CTC Operations Variance
2016/17 vs. 2017/18 Budget**

JTA is designated as the Duval County Transportation Coordinator (CTC). 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.

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Federal, State & Local Grants The increase is due to a grant for the purchase/upgrade of the Trapeze System. The Trapeze System is an automated system that tracks mileage, pickup times, etc.	\$ 308,892	1188.0%
Passenger Fares The decrease is due to FY17/18 ridership trends to-date.	\$ (70,606)	(6.3%)
Transfer from Bus Ops (ADA Paratransit) This funding is necessary to balance the CTC budget and support expenses in CTC operations.	\$ (289,844)	(3.0%)
Preventative Maintenance Grant - Federal The increase is due to increasing the allocation of these funds for CTC operations.	\$ 100,000	14.3%
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Wages The decrease is due to outsourcing JTA reservationist services to MV Transportation, partially offset by salary increases for non-union staff.	\$ (258,001)	(8.8%)
Fuel and Lubricants The decrease is due to a decline in fuel prices as well as FY 16/17 actual expenditures in CTC fuel trending below budget.	\$ (337,848)	(26.0%)
Fringe Benefits The decrease is due to outsourcing JTA reservationist services to MV Transportation, partially offset by salary increases for non-union staff.	\$ (101,278)	(7.5%)
Services The increase is due to JTA exercising the contract option for the paratransit contractor to provide reservation services.	\$ 530,274	7.3%
All Other/Miscellaneous The increase is due to an increased allocation of JTA administrative expenses for public outreach and community partnering.	\$ 12,277	5.9%
Contingency The increase is due to the shifting of contingency funds from Bus Operations to cover potential overages.	\$ 222,269	81.9%

**Jacksonville Transportation Authority
Mass Transit Division
CTC Capital Projects
Analysis of Proposed 2017/18 Budget**

<u>REVENUES</u>	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
Federal Section 5307 Funding (Footnote 1)	\$ 1,112,000	\$ 50,000	\$(1,062,000)	(95.5%)
Federal Section 5310 Funding	411,182		(411,182)	(100.0%)
Total Revenues	<u>\$ 1,523,182</u>	<u>\$ 50,000</u>	<u>\$(1,473,182)</u>	<u>(96.7%)</u>
 <u>EXPENDITURES</u>				
Computer Equipment (Hardware and Software)	\$ 411,182		\$ (411,182)	(100.0%)
Shop Equipment	50,000	50,000	-	0.0%
Associated Capital Maintenance Parts	62,000		(62,000)	(100.0%)
Paratransit Vehicles (12 Vans)	1,000,000		(1,000,000)	(100.0%)
Total Expenditures	<u>\$ 1,523,182</u>	<u>\$ 50,000</u>	<u>\$(1,473,182)</u>	<u>(96.7%)</u>

Footnotes:

1 - Annual Funding for urbanized areas to transit agencies from the Federal Transit Administration (FTA).

**Jacksonville Transportation Authority
 Mass Transit Division
 CTC Capital Projects Variance
 2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Federal Section 5307 The decrease is due to no funding for paratransit vans being needed for FY 2017/18.	\$ (1,062,000)	(95.5%)
Federal Section 5310 No funding was needed for FY 2017/18.	\$ (411,182)	(100.0%)
<hr/>		
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Computer Equipment No funding was needed for FY 2017/18.	\$ (411,182)	(100.0%)
Associated Capital Maintenance Parts No funding was needed for FY 2017/18.	\$ (62,000)	(100.0%)
Paratransit Vehicles No funding was needed for FY 2017/18.	\$ (1,000,000)	(100.0%)

**Jacksonville Transportation Authority
Mass Transit Division
Ferry Operations
Analysis of Proposed 2017/18 Budget**

	<u>2016/17 Budget</u>	<u>Actuals Thru March</u>	<u>2016/17 Projected</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
<u>REVENUES</u>						
Passenger Fares	\$ 1,306,227	\$ 471,128	\$ 942,256	\$ 1,216,109	\$ (90,118)	(6.9%)
Transfer from Bus Ops	1,254,716	669,912	1,339,824	1,629,746	\$ 375,030	29.9%
Total Revenues	<u>\$ 2,560,943</u>	<u>\$ 1,141,040</u>	<u>\$ 2,282,080</u>	<u>\$ 2,845,855</u>	<u>\$ 284,912</u>	<u>11.1%</u>
<u>EXPENDITURES</u>						
Salaries and Wages	\$ 157,871	\$ 75,073	\$ 150,146	\$ 177,849	\$ 19,978	12.7%
Fringe Benefits	50,318	22,636	45,272	61,907	\$ 11,589	23.0%
Fuel and Lubricants	227,407	67,496	134,992	202,569	\$ (24,838)	(10.9%)
Materials & Supplies	7,314	4,249	8,498	127,308	\$ 119,994	1640.6%
Services	1,989,152	917,122	1,834,244	2,098,510	\$ 109,358	5.5%
Insurance	39,498	14,762	29,524	30,367	\$ (9,131)	(23.1%)
Travel/Training/Dues & Subscription	10,323	6,350	12,700	12,252	\$ 1,929	18.7%
All Other/Miscellaneous	30,564	33,352	66,704	49,157	\$ 18,593	60.8%
Contingency	48,496	-	-	85,936	\$ 37,440	77.2%
Total Expenditures	<u>\$ 2,560,943</u>	<u>\$ 1,141,040</u>	<u>\$ 2,282,080</u>	<u>\$ 2,845,855</u>	<u>\$ 284,912</u>	<u>11.1%</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

**Jacksonville Transportation Authority
Mass Transit Division
Ferry Operations Variance
2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Passenger Fares The decrease is due to the projected 30 day shut down for construction of bridge replacements, seawall rehabilitation and turning dolphins.	\$ (90,118)	(6.9%)
Transfer from Bus Ops This funding is necessary to balance the Ferry budget and support expenses in Ferry operations.	\$ 375,030	29.9%
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Wages This represents a portion of the JTA administration budget.	\$ 19,978	12.7%
Fringe Benefits This represents a portion of the JTA administration budget.	\$ 11,589	23.0%
Fuel and Lubricants This represents projected fuel costs necessary to support ferry operations.	\$ (24,838)	(10.9%)
Materials & Supplies The increase is due to the upkeep of the Ferry security building and the Ferry grounds.	\$ 119,994	1640.6%
Services This represents costs associated with the HMS Ferry contract, security and marketing.	\$ 109,358	5.5%
Travel/Training/Dues & Subscription This represents a portion of the JTA administration budget.	\$ 1,929	18.7%
All Other/Miscellaneous This represents a portion of the JTA administration budget.	\$ 18,593	60.8%
Contingency The increase is due to the shifting of contingency funds from Bus Operations to cover potential overages.	\$ 37,440	77.2%

**Jacksonville Transportation Authority
Mass Transit Division
Ferry Capital Projects
Analysis of Proposed 2017/18 Budget**

<u>REVENUES</u>	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
Federal Section 5307 Funding (Footnote 1)	\$ 6,000,000	\$ -	\$ (6,000,000)	(100.0%)
FHWA/FTA Ferry Boat Program (Footnote 2)	-	364,528	364,528	N/A
Local JTA Match	875,000	40,000	(835,000)	(95.4%)
Total Revenues	<u>\$ 6,875,000</u>	<u>\$ 404,528</u>	<u>\$ (6,470,472)</u>	<u>(94.1%)</u>
<u>EXPENDITURES</u>				
St Johns River Ferry Construction	\$ 6,800,000	\$ 364,528	\$ (6,435,472)	(94.6%)
Security and Equipment	75,000	-	(75,000)	(100.0%)
Property Improvements	-	40,000	40,000	N/A
Total Expenditures	<u>\$ 6,875,000</u>	<u>\$ 404,528</u>	<u>\$ (6,470,472)</u>	<u>(94.1%)</u>

Footnotes:

1 - Discretionary funding received under the Section 5307 Passenger Ferry Grant program for the remaining construction of the Terminal Bridges/Slipwalls and Bulkheads.

2 - These are funds available under the Federal Highway Administration to provide funding for ferry boats under the FAST (Fixing America's Surface Transportation) Act.

**Jacksonville Transportation Authority
Mass Transit Division
Ferry Capital Projects Variance
2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Federal Section 5307 FY16/17 budget included funding for the remaining construction of the fender replacement.	\$ (6,000,000)	(100.0%)
FHWA/FTA Ferry Boat Program This is a new Federal Highway Administration formula grant that was awarded in early FY16/17 under the FAST Act (Fixing America's Surface Transportation) and funds the construction of ferry boats and ferry terminal facilities.	\$ 364,528	N/A
Local Match (JTA) The FY16/17 budget included local matching funds for the FY 2015/16 Passenger Ferry grant that was awarded by FTA.	\$ (835,000)	(95.4%)
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
St Johns River Ferry Construction FY16/17 budget included funding for the remaining construction of the fender replacement for the FY 2015/16 Passenger Ferry grant that was awarded by FTA. FY17/18 funds will be used for the terminal bridge replacement, seawall rehabilitation and turning dolphins.	\$ (6,435,472)	(94.6%)
Security and Equipment No funding was needed for FY 2017/18.	\$ (75,000)	(100.0%)
Property Improvements FY17/18 Budget is for Ferry signage / wayfinding.	\$ 40,000	N/A

**Jacksonville Transportation Authority
Engineering Division
General Fund Operations
Analysis of Proposed 2017/18 Budget**

	<u>2016/17 Budget</u>	<u>Actuals Thru March</u>	<u>2016/17 Projected</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
REVENUES						
Gross Sales Tax Proceeds	\$ 82,581,972	\$ -	\$ -	\$ -	\$ (82,581,972)	(100.0%)
Local Option Gas Tax - Gross	25,380,556	-	-	-	\$ (25,380,556)	(100.0%)
Net Sales Tax - Operating	2,032,843	1,190,409	2,380,818	2,032,848	\$ 5	0.0%
Non-Transportation Revenue	5,500	38,499	76,998	5,500	\$ -	0.0%
Interest Earnings	425,000	61,966	123,932	225,000	\$ (200,000)	(47.1%)
Total Revenues	<u>\$ 110,425,871</u>	<u>\$ 1,290,874</u>	<u>\$ 2,581,748</u>	<u>\$ 2,263,348</u>	<u>\$ (108,162,523)</u>	<u>(98.0%)</u>
EXPENDITURES						
Salaries & Wages	\$ 890,200	\$ 543,852	\$ 1,033,319	\$ 734,716	\$ (155,484)	(17.5%)
Fringe Benefits	612,279	273,523	547,046	479,192	\$ (133,087)	(21.7%)
Materials and Supplies	85,044	72,605	105,210	8,360	\$ (76,684)	(90.2%)
Services	596,104	357,969	645,938	414,083	\$ (182,021)	(30.5%)
Insurance	35,600	6,585	13,170	35,320	\$ (280)	(0.8%)
Training/Travel/Dues & Subscriptions	35,268	18,233	36,466	16,947	\$ (18,321)	(51.9%)
All Other/Miscellaneous	120,458	39,600	79,200	310,303	\$ 189,845	157.6%
Contingency	88,390	-	-	264,427	\$ 176,037	199.2%
Total Admin. Expenses	<u>\$ 2,463,343</u>	<u>\$ 1,312,367</u>	<u>\$ 2,460,349</u>	<u>\$ 2,263,348</u>	<u>\$ (199,995)</u>	<u>(8.1%)</u>
Transfers To:						
COJ for Debt Service (BJP)	82,581,972	-	-	-	\$ (82,581,972)	(100.0%)
Fiscal Agent: Debt Service	25,380,556	-	-	-	\$ (25,380,556)	(100.0%)
Total Expenditures	<u>\$ 110,425,871</u>	<u>\$ 1,312,367</u>	<u>\$ 2,460,349</u>	<u>\$ 2,263,348</u>	<u>\$ (108,162,523)</u>	<u>(98.0%)</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ (21,493)</u>	<u>\$ 121,399</u>	<u>\$ -</u>		

**Jacksonville Transportation Authority
Engineering Division
General Fund Operations
2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Gross Sales Tax Proceeds	\$ (82,581,972)	(100.0%)
The decrease is due to the change in how the 1/2 cent transportation discretionary sales surtax is disbursed to JTA with the enactment of Ordinance 2013-820-E. All proceeds are now sent directly to the fiscal agent who then disburses to JTA. This is also reflected in the "Transfer To" section of Expenditures.		
Local Option Gas Tax - Gross	\$ (25,380,556)	(100.0%)
The decrease is due to the change in how the local option gas tax is disbursed to JTA with the enactment of Ordinance 2013-820-E. All proceeds are now sent directly to the fiscal agent who then disburses to JTA. This is also reflected in the "Transfer To" section of Expenditures.		
Interest Income	\$ (200,000)	(47.1%)
The decrease is primarily due to projected project spending reducing the amount of invested cash.		
EXPENDITURE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries & Wages	\$ (155,484)	(17.5%)
The decrease is primarily due to the downgrade of two positions in the construction area.		
Fringe Benefits	\$ (133,087)	(21.7%)
The decrease is primarily due to the downgrade of two positions in the construction area.		
Materials and Supplies	\$ (76,684)	(90.2%)
The decrease is due to the moving of JTA's print shop from Engineering to the JTA Administration budget as well as a reduction in the allocation of Administration expenses.		
Services	\$ (182,021)	(30.5%)
The decrease is due to a reduction in marketing, outreach, sponsorship and repair/maintenance spending.		
All Other/Miscellaneous	\$ 189,845	157.6%
The increase is primarily due to the JTA administration budgeted costs to support the JRTC and Mobility Works projects.		
Contingency	\$ 176,037	199.2%
The increase is primarily due to the mitigation of construction risk associated with projects and initiatives.		

**Jacksonville Transportation Authority
Engineering Division
General Fund Capital Projects
Analysis of Proposed 2017/18 Budget**

<u>REVENUES</u>	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
Local Match (JTA) (Footnote 1)	\$ 5,043,000	\$ 6,075,000	\$ 1,032,000	20.5%
Total Revenues	\$ 5,043,000	\$ 6,075,000	\$ 1,032,000	20.5%
<u>EXPENDITURES</u>				
Mobility Works - Engineering road projects	\$ 5,043,000	\$ 4,050,000	\$ (993,000)	(19.7%)
Property Improvements	-	2,025,000	\$ 2,025,000	N/A
Total Expenditures	\$ 5,043,000	\$ 6,075,000	\$ 1,032,000	20.5%

Footnotes:

1 - Funding for Engineering roadway projects from Real Estate Proceeds.

**Jacksonville Transportation Authority
Engineering Division
General Fund Capital Projects Variance
2016/17 vs. 2017/18 Budget**

REVENUE Overview (JTA Explanations)	Dollar Increase/ (Decrease)	Percent Increase/ (Decrease)
Local Match (JTA) The increase is due to assumed real estate sales as well as a transfer from the Capital Projects Reserve.	\$ 1,032,000	20.5%
EXPENDITURE Overview (JTA Explanations)		
Mobility Works - Engineering road projects The decrease is due to less potential funding being available in FY 17/18.	\$ (993,000)	(19.7%)
Property Improvements The increase is due to bus shelter installation and ADA compliant upgrades, and sustainability projects.	\$ 2,025,000	N/A

**Jacksonville Transportation Authority
Administration Operations
Analysis of Proposed 2017/18 Budget**

<u>EXPENDITURES</u>	<u>2016/17 Budget</u>	<u>Actuals Thru March</u>	<u>2016/17 Projected</u>	<u>2017/18 Budget</u>	<u>% Increase (Decrease) of 2017/2018 JTA Budget Over 2016/2017 Original</u>	
Salaries and Wages	\$ 6,147,420	\$ 3,002,909	\$ 6,005,818	\$ 7,264,140	\$ 1,116,720	18.2%
Fringe Benefits	1,959,371	905,446	1,810,892	2,528,566	\$ 569,195	29.0%
Professional Services	3,931,976	2,561,866	5,123,731	4,684,338	\$ 752,362	19.1%
Travel/Training/Dues & Subscriptions	401,972	191,327	382,654	500,439	\$ 98,467	24.5%
Materials & Supplies	284,805	183,046	366,091	298,508	\$ 13,703	4.8%
Insurance	14,590	7,723	15,446	15,000	\$ 410	2.8%
Other Direct Operating Costs	1,190,153	554,327	1,108,651	1,457,149	\$ 266,996	22.4%
Total Expenditures	<u>\$ 13,930,287</u>	<u>\$ 7,406,643</u>	<u>\$ 14,813,284</u>	<u>\$ 16,748,140</u>	<u>\$ 2,817,853</u>	<u>20.2%</u>

- 1) Contains functional areas such as Accounting, Human Resources, Procurement, Grants, Customer Service, Information Technology, etc.
- 2) Fringe benefits increase is primarily to support health insurance and FRS pension requirements
- 3) Professional services increase is primarily to support Information Technology software upgrades and maintenance agreements, Oracle ERP software license updates and support services, upgrade dashboard for Performance Management system, and acquisition, disposition and due diligence services for Transit Oriented Development, and internal audit.
- 4) Other Direct Operating Costs increase is primarily due to moving the costs for public outreach & community partnering from "Services" and an increase in downtown office rental and utilities.

\$ 120,189,370	Total Appropriations (Operating Budgets)	
\$ (16,067,670)	Total Transfers Out	
<u>\$ (2,700,000)</u>	Operating Contingency	
\$ 101,421,700		→ 16.5% Administrative Percentage

Allocation Per Division:

Bus	\$ 12,600,193	75.2%
Skyway	\$ 1,025,812	6.1%
CTC	\$ 2,355,276	14.1%
Engineering	\$ 356,812	2.1%
Ferry	\$ 410,047	2.4%
Total	<u>\$ 16,748,140</u>	<u>100.0%</u>

Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget - Fiscal Year 2017/2018

	Bus	CTC	Skyway	Ferry	Engineering	Total
ESTIMATED REVENUES						
Federal, State & Local Grants	\$ 5,720,285	\$ 334,892	\$ -	\$ -	\$ -	\$ 6,055,177
Local Option Gas Tax (BJP)	18,789,705	-	-	-	-	18,789,705
Net Sales Tax - Operating	54,012,201	-	-	-	2,032,848	56,045,049
Passenger Fares	11,341,760	1,041,361	-	1,216,109	-	13,599,230
State TD Funds	-	1,596,992	-	-	-	1,596,992
Transfer from Bus Operations (ADA Paratransit)	-	9,231,901	-	-	-	9,231,901
City of Jacksonville (Paratransit Contribution)	-	1,372,217	-	-	-	1,372,217
Preventative Maintenance Grant - Federal	3,403,401	800,000	1,100,000	-	-	5,303,401
Non-Transportation Revenue	860,687	-	258,504	-	5,500	1,124,691
Interest Earnings	10,238	-	-	-	225,000	235,238
Transfer from Bus Operations to Skyway	-	-	5,206,023	-	-	5,206,023
Transfer from Bus Operations to Ferry	-	-	-	1,629,746	-	1,629,746
Total Estimated Revenues	\$ 94,138,277	\$ 14,377,363	\$ 6,564,527	\$ 2,845,855	\$ 2,263,348	\$ 120,189,370

SCHEDULE O

APPROPRIATIONS

Salaries and Wages	\$ 33,193,583	\$ 2,683,905	\$ 2,370,344	\$ 177,849	\$ 734,716	\$ 39,160,397
Fringe Benefits	18,915,358	1,240,676	1,262,754	61,907	479,192	21,959,887
Fuel and Lubricants	5,065,986	960,845	11,400	202,569	-	6,240,800
Materials and Supplies	4,402,788	860,058	912,516	127,308	8,360	6,311,030
Services	11,616,457	7,831,773	889,497	2,098,510	414,083	22,850,320
Insurance	740,613	9,969	454,210	30,367	35,320	1,270,479
Travel/Training/Dues & Subscriptions	424,743	77,640	40,072	12,252	16,947	571,654
Transfer to CTC (ADA Expense)	9,231,901	-	-	-	-	9,231,901
Transfer to Skyway	5,206,023	-	-	-	-	5,206,023
Transfer to Ferry	1,629,746	-	-	-	-	1,629,746
All Other/Miscellaneous	2,070,035	218,889	408,749	49,157	310,303	3,057,133
Contingency	1,641,044	493,608	214,985	85,936	264,427	2,700,000
Total Appropriations	\$ 94,138,277	\$ 14,377,363	\$ 6,564,527	\$ 2,845,855	\$ 2,263,348	\$ 120,189,370
Full Time Positions	653	39	42	0	20	754
Temporary Employee Hours	91,728	2,912	-	-	-	94,640

SCHEDULE P

Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget - Fiscal Year 2017/2018

ESTIMATED REVENUES

	<u>Bus</u>	<u>CTC</u>	<u>Skyway</u>	<u>Ferry</u>	<u>Engineering</u>	<u>Total</u>
Federal Grants	\$ 8,081,770	\$ 50,000	\$ 1,017,581	\$ 364,528	\$ -	\$ 9,513,879
Grant Match (State)	-	-	-	-	-	-
Local Match (JTA)	26,471,427	-	-	40,000	6,075,000	32,586,427
Total Estimated Revenues	\$ 34,553,197	\$ 50,000	\$ 1,017,581	\$ 404,528	\$ 6,075,000	\$ 42,100,306

SCHEDULE Q

APPROPRIATIONS

CNG Buses	\$ 4,745,301	\$ -	\$ -	\$ -	\$ -	\$ 4,745,301
Mobility Works Road Projects	-	-	-	-	4,050,000	4,050,000
Jacksonville Regional Transportation Center (JRTC)	25,104,960	-	-	-	-	25,104,960
Replacement Vehicles - Clay County	392,940	-	-	-	-	392,940
St. Johns River Ferry Construction	-	-	-	364,528	-	364,528
Fare Collection Equipment	798,000	-	-	-	-	798,000
Computer Equipment	261,250	-	-	-	-	261,250
Shop Equipment	50,000	50,000	-	-	-	100,000
Miscellaneous Support Equipment	39,150	-	-	-	-	39,150
Computer Software	1,047,000	-	-	-	-	1,047,000
Property Improvements	266,000	-	-	40,000	2,025,000	2,331,000
Security Equipment	370,000	-	-	-	-	370,000
Support Vehicles	335,000	-	-	-	-	335,000
Facilities Improvements	823,596	-	1,017,581	-	-	1,841,177
Transit Satellite Amenities	320,000	-	-	-	-	320,000
Total Appropriations	\$ 34,553,197	\$ 50,000	\$ 1,017,581	\$ 404,528	\$ 6,075,000	\$ 42,100,306

SCHEDULE R

**COUNCIL AUDITOR’S OFFICE
RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2017/18**

Recommendations:

1. We recommend removing the word “(BJP)” on the line item “Local Option Gas Tax” on Schedule O and replacing it with the word “Net” on Schedule O. JTA concurs.
2. We recommend increasing the line item “Federal State & Local Grants” under “Bus” on Schedule O by \$51,203 from \$5,720,285 to \$5,771,488 and decreasing the line item “Net Sales Tax – Operating” under “Bus” on Schedule O by \$51,203 from \$54,012,201 to \$53,960,998 on Schedule O. This will show the correct budget amount for each line item. JTA concurs.
3. We recommend increasing the line item “Net Sales Tax – Operating” under “Bus” on Schedule O by \$6,052,837 from \$53,960,998 to \$60,013,835 in order to bring JTA’s budget in agreement with the City’s. We also recommend increasing the line item “Contingency” under “Bus” on Schedule P by \$6,052,837 from \$1,641,044 to \$7,693,881 on Schedule P. This will balance revenues and expenditures for Schedules O and P. JTA concurs.
4. We recommend decreasing the line item “Local Option Gas Tax – Net” under “Bus” on Schedule O by \$1,252,488 from \$18,789,705 to \$17,537,217 in order to bring JTA’s budget in agreement with the City’s. We also recommend decreasing the line item “Contingency” under “Bus” by \$1,252,488 from \$7,693,881 to \$6,441,393 on Schedule P. This will balance revenues and expenditures for Schedules O and P. JTA concurs.
5. We recommend increasing the line item “City of Jacksonville (Paratransit Contribution)” under “CTC” on Schedule O by \$38,647 from \$1,372,217 to \$1,410,864 and increasing the line item “Contingency” under “CTC” on Schedule P by \$38,647 from \$493,608 to \$532,255 in order to bring JTA’s budget in agreement with the City’s. This will balance revenues with expenditures for Schedules O and P. JTA concurs.
6. We recommend removing and replacing Budget Ordinance Schedule O and Schedule P with Revised Schedule O and Revised Schedule P to reflect the changes listed in Recommendations #'s 1-5. JTA concurs.
7. We recommend removing the line item “Grant Match (State)” from Schedule Q and replacing with REVISED Schedule Q. JTA concurs.
8. We recommend decreasing the line item “Computer Software” under “Bus” on Schedule R by \$1,047,000 from \$1,047,000 to \$0 and removing this line item and increasing the line item “Computer Equipment” under “Bus” on Schedule R by \$1,047,000 from \$261,250 to \$1,308,250. We also recommend renaming this line item to “Computer Equipment (Hardware and Software)” on REVISED Schedule R. JTA concurs.
9. We recommend removing and replacing Sections 5.1 and 5.2 of the Budget Ordinance narrative with revised Sections 5.1 and 5.2, which inserts “REVISED” before Schedules O, P, Q and R as well as correcting the sales tax revenue budget amount to \$62,046,683.

Jacksonville Transportation Authority
 Jacksonville, Florida
 Operations Budget - Fiscal Year 2017/2018

	Bus	CTC	Skyway	Ferry	Engineering	Total
<u>ESTIMATED REVENUES</u>						
Federal, State & Local Grants	\$ 5,771,488	\$ 334,892	\$ -	\$ -	\$ -	\$ 6,106,380
Local Option Gas Tax - Net	17,537,217	-	-	-	-	17,537,217
Net Sales Tax - Operating	60,013,835	-	-	-	2,032,848	62,046,683
Passenger Fares	11,341,760	1,041,361	-	1,216,109	-	13,599,230
State TD Funds	-	1,596,992	-	-	-	1,596,992
Transfer from Bus Operations (ADA Paratransit)	-	9,231,901	-	-	-	9,231,901
City of Jacksonville (Paratransit Contribution)	-	1,410,864	-	-	-	1,410,864
Preventative Maintenance Grant - Federal	3,403,401	800,000	1,100,000	-	-	5,303,401
Non-Transportation Revenue	860,687	-	258,504	-	5,500	1,124,691
Interest Earnings	10,238	-	-	-	225,000	235,238
Transfer from Bus Operations to Skyway	-	-	5,206,023	-	-	5,206,023
Transfer from Bus Operations to Ferry	-	-	-	1,629,746	-	1,629,746
Total Estimated Revenues	\$ 98,938,626	\$ 14,416,010	\$ 6,564,527	\$ 2,845,855	\$ 2,263,348	\$ 125,028,366

REVISED SCHEDULE O

APPROPRIATIONS

Salaries and Wages	\$ 33,193,583	\$ 2,683,905	\$ 2,370,344	\$ 177,849	\$ 734,716	\$ 39,160,397
Fringe Benefits	18,915,358	1,240,676	1,262,754	61,907	479,192	21,959,887
Fuel and Lubricants	5,065,986	960,845	11,400	202,569	-	6,240,800
Materials and Supplies	4,402,788	860,058	912,516	127,308	8,360	6,311,030
Services	11,616,457	7,831,773	889,497	2,098,510	414,083	22,850,320
Insurance	740,613	9,969	454,210	30,367	35,320	1,270,479
Travel/Training/Dues & Subscriptions	424,743	77,640	40,072	12,252	16,947	571,654
Transfer to CTC (ADA Expense)	9,231,901	-	-	-	-	9,231,901
Transfer to Skyway	5,206,023	-	-	-	-	5,206,023
Transfer to Ferry	1,629,746	-	-	-	-	1,629,746
All Other/Miscellaneous	2,070,035	218,889	408,749	49,157	310,303	3,057,133
Contingency	6,441,393	532,255	214,985	85,936	264,427	7,538,996
Total Appropriations	\$ 98,938,626	\$ 14,416,010	\$ 6,564,527	\$ 2,845,855	\$ 2,263,348	\$ 125,028,366
Full Time Positions	<u>653</u>	<u>39</u>	<u>42</u>	<u>0</u>	<u>20</u>	<u>754</u>
Temporary Employee Hours	<u>91,728</u>	<u>2,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,640</u>

REVISED SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget - Fiscal Year 2017/2018**

ESTIMATED REVENUES

	<u>Bus</u>	<u>CTC</u>	<u>Skyway</u>	<u>Ferry</u>	<u>Engineering</u>	<u>Total</u>
Federal Grants	\$ 8,081,770	\$ 50,000	\$ 1,017,581	\$ 364,528	\$ -	\$ 9,513,879
Local Match (JTA)	26,471,427	-	-	40,000	6,075,000	32,586,427
Total Estimated Revenues	\$ 34,553,197	\$ 50,000	\$ 1,017,581	\$ 404,528	\$ 6,075,000	\$ 42,100,306

REVISED SCHEDULE Q

APPROPRIATIONS

CNG Buses	\$ 4,745,301	\$ -	\$ -	\$ -	\$ -	\$ 4,745,301
Mobility Works Road Projects	-	-	-	-	4,050,000	4,050,000
Jacksonville Regional Transportation Center (JRTC)	25,104,960	-	-	-	-	25,104,960
Replacement Vehicles - Clay County	392,940	-	-	-	-	392,940
St. Johns River Ferry Construction	-	-	-	364,528	-	364,528
Fare Collection Equipment	798,000	-	-	-	-	798,000
Computer Equipment (Hardware and Software)	1,308,250	-	-	-	-	1,308,250
Shop Equipment	50,000	50,000	-	-	-	100,000
Miscellaneous Support Equipment	39,150	-	-	-	-	39,150
Property Improvements	266,000	-	-	40,000	2,025,000	2,331,000
Security Equipment	370,000	-	-	-	-	370,000
Support Vehicles	335,000	-	-	-	-	335,000
Facilities Improvements	823,596	-	1,017,581	-	-	1,841,177
Transit Satellite Amenities	320,000	-	-	-	-	320,000
Total Appropriations	\$ 34,553,197	\$ 50,000	\$ 1,017,581	\$ 404,528	\$ 6,075,000	\$ 42,100,306

REVISED SCHEDULE R

**JACKSONVILLE AVIATION AUTHORITY
COMPARISON OF BUDGETS
ORIGINAL BUDGET FY 2016/2017 VERSUS PROPOSED BUDGET FY 2017/2018**

	<u>Operating & Non Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Fund Transfers Out</u>	<u>Total</u>
FY 2016/2017 Original	\$ 54,504,854	\$ 14,145,933	\$ 38,911,939	\$ 24,959,499	\$ 132,522,225
FY 2017/2018 Proposed	\$ 57,886,062	\$ 8,891,417	\$ 42,944,176	\$ 29,193,427	\$ 138,915,082
\$ Increase (Decrease)	\$ 3,381,208	\$ (5,254,516)	\$ 4,032,237	\$ 4,233,928	\$ 6,392,857
% Increase (Decrease)	6.20%	(37.15%)	10.36%	16.96%	4.82%

JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF THE FY 2017/2018 PROPOSED BUDGET

	2016/2017	2016/2017	2016/2017 FORECAST	2017/2018	\$ and % Increase/Decrease of 2017/2018 Proposed Budget Over	
	ORIGINAL	ACTUAL		PROPOSED	2016/2017	2016/2017
	BUDGET	THRU MAY		BUDGET	ORIGINAL	ORIGINAL
OPERATING REVENUES						
Concessions	17,037,151	10,740,402	16,831,041	17,085,850	48,699	0.29%
Fees & Charges	15,034,042	9,922,660	15,697,831	15,859,200	825,158	5.49%
Space & Facility Rentals	26,109,313	17,961,190	25,974,554	26,498,789	389,476	1.49%
Parking	20,001,582	12,323,156	18,934,652	21,108,006	1,106,424	5.53%
Sale of Utilities	1,564,754	833,312	1,496,954	1,482,319	(82,435)	(5.27%)
Other Miscellaneous Operating Revenue	178,389	133,451	200,897	197,941	19,552	10.96%
TOTAL OPERATING REVENUES	79,925,231	51,914,171	79,135,929	82,232,105	2,306,874	2.89%
OPERATING EXPENDITURES						
Salaries	18,721,563	12,429,520	18,408,753	19,666,917	945,354	5.05%
Benefits	7,369,821	4,798,304	7,310,493	7,593,518	223,697	3.04%
Services & Supplies	15,206,251	9,999,238	14,912,206	16,619,628	1,413,377	9.29%
Repairs & Maintenance	2,109,407	1,380,713	2,069,660	2,834,881	725,474	34.39%
Promotion, Advertising and Dues	1,359,995	814,487	1,136,056	940,764	(419,231)	(30.83%)
Registrations & Travel	371,892	187,368	352,579	453,706	81,814	22.00%
Insurance Expense	1,322,846	617,544	1,305,893	1,422,457	99,611	7.53%
Cost of Goods for Sale	507,826	338,040	480,332	507,826	-	0.00%
Utilities, Taxes & Gov't Fees	5,005,375	3,164,170	5,056,537	4,993,570	(11,805)	(0.24%)
Operating Contingency	2,119,167	-	-	2,500,000	380,833	17.97%
TOTAL OPERATING EXPENDITURES	54,094,143	33,729,384	51,032,509	57,533,267	3,439,124	6.36%
INCOME FROM OPERATIONS	25,831,088	18,184,787	28,103,420	24,698,838	-1,132,250	(4.38%)
NON-OPERATING REVENUES/(EXPENSES)						
Passenger Facility Charge Revenue	12,033,483	7,377,149	12,033,483	12,334,320	300,837	2.50%
Investment Income	743,722	464,772	743,722	737,881	(5,841)	(0.79%)
Other Revenue	907,850	994,937	907,850	666,600	(241,250)	(26.57%)
Debt Service	(14,145,933)	(15,878,066)	(20,720,933)	(8,891,417)	5,254,516	(37.15%)
Other Expense	(410,711)	(334,186)	(410,711)	(352,795)	57,916	(14.10%)
NET INCOME (LOSS) BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	24,959,499	10,809,393	20,656,831	29,193,427	4,233,928	16.96%
Transfer (to)/from Operating Capital Outlay	(11,204,913)	(1,623,087)	(2,434,631)	(20,302,288)	(9,097,375)	81.19%
Transfer (to)/from Passenger Facility Charge Reserve	(5,316,375)	(4,057,502)	(6,850,712)	(6,588,091)	(1,271,716)	23.92%
Transfer (to)/from Retained Earnings	(8,438,211)	(5,128,804)	(11,371,488)	(2,303,048)	6,135,163	(72.71%)
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Fulltime Positions	286	282	284	290	4	1.40%
Temporary Employee Hours	5,460	1,254	3,820	4,020	(1,440)	(26.37%)

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2016/2017 VERSUS PROPOSED BUDGET FY 2017/2018

REVENUE OVERVIEW	Increase/(Decrease)	
	\$	%
Fees & Charges	825,158	5.49%
<p>The net increase of \$825K is primarily from (i) the landing fee rate increasing from \$3.15 to \$3.56 per 1,000 pounds of an aircraft's Maximum Gross Landed Weight (MGLW) (\$637K) and (ii) an increase for ground handling services as a result of the increased activity based on actuals of Allegiant and Air Canada (\$204K).</p>		
Space & Facility Rentals	389,476	1.49%
<p>The net increase of \$389k is primarily due to an increase of \$1.09M in Per Use fees to reflect activity during FY16/17 that JAA anticipates will continue in FY17/18. "Per use" fees are charges the airlines incur for usage of facility space the airlines are not leasing. Aircraft Parking fees, related to aircraft Remain Over Night (RON) or Daily Remote Parking are incurred when an aircraft moves from their gate and parks remotely, are increasing by \$65K based on actuals. JAA also budgeted an increase in General Aviation Ground rentals, primarily at Cecil Airport, of \$167K. The non-signatory airline joint use space budget is increasing \$56K as a result of an increase in activity. This is offset by a decrease in terminal</p>		
Parking	1,106,424	5.53%
<p>The \$1.1M increase is projected for FY17/18 because hourly and daily parking rates were increased in June of 2017. Per JAA, there are a total of 7,729 parking spaces.</p>		
Sale of Utilities	(82,435)	(5.27%)
<p>The sale of utilities is just a pass through to JAA tenants. The FY16/17 revenue budget was based on the higher utility costs that decreased during the year. The FY17/18 budget reflects a lower utility cost trend and results in a reduction in budgeted revenue received from the sale of utilities.</p>		
Other Miscellaneous Operating Revenue	19,552	10.96%
<p>The increase is a result of anticipating receiving rebates for planned improvements to lighting and air handler replacements.</p>		

**JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2016/2017 VERSUS PROPOSED BUDGET FY 2017/2018**

EXPENDITURE OVERVIEW	Increase/(Decrease)	
	\$	%
Salaries	945,354	5.05%
<p>A year over year increase of \$597K for regular pay is due to a 3.5% increase over FY16/17 forecasted wages. \$250K of the increase in wages is a result of the new and revised positions for FY 17/18. Additionally, an increase in police overtime is needed (\$72K) due to FY16/17 actuals. The FY 17/18 budget has also been increased to support training and staffing needs.</p>		
Benefits	223,697	3.04%
<p>The \$224K increase is primarily due to increased wages and the addition of four new positions in FY17/18 resulting in increases in FICA (\$39K) , additional pension cost (\$125K) and in deferred compensation (\$97K) as a result of the Other Post Employment Benefits (OPEB) valuation cost not budgeted in FY16/17. These are offset by a decrease of hospitalization insurance (\$62K) as a result of a new plan with lower rates.</p>		
Services & Supplies	1,413,377	9.29%
<p>The increase of \$1.4M is mainly due to budgeted increases in contractual services totaling \$1.3M, consisting mainly of increases to the JIA fire-rescue services contract with the City (\$760K), information technology services (\$98K), the baggage handling service provider contract (\$76K) and the parking management contract (\$68K). Additionally, as part of the FY17/18 budget, the JAA is focusing resources for services on high dusting and window cleaning for the JIA terminal (\$190K).</p>		
Repairs & Maintenance	725,474	34.39%
<p>The \$725K increase is primarily due to JAA focusing on maintenance of facilities and improving overall aesthetics. Building maintenance is increasing by \$317K for additional painting and repairs, field maintenance is increasing \$299K, along with replacement of signage at the JIA Administration Building. Additionally, increased building repair and road signage is budgeted at Craig Airport for \$51K along with increased building repairs at Herlong Airport of \$28K.</p>		
Promotion, Advertising and Dues	(419,231)	(30.83%)
<p>The decrease of \$419K is primarily due to having only one airline incentive agreement for FY17/18 with Air Canada. By reducing what an airline pays to JAA, incentives encourage increased air service and expansion of markets serviced from Jacksonville.</p>		
Insurance Expense	99,611	7.53%
<p>Based on the premium schedule provided by COJ Risk Management to JAA, the increase is due to the added insurance coverage for additional workers compensation insurance of \$75K and an increase in terminal liability insurance of \$24K due to recent claim history.</p>		

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2016/2017 VERSUS PROPOSED BUDGET FY 2017/2018

NON-OPERATING REVENUE (EXPENSE) OVERVIEW	Increase/(Decrease)	
	\$	%
Passenger Facility Charge (PFC) Revenue	300,837	2.50%
The increase of \$301K is due to an increase in enplanements for FY17/18 based on actuals. Airports use the fee to fund FAA-approved projects that (1) enhance safety, security, or capacity (2) reduce noise or (3) increase air carrier competition.		
Other Revenue	(241,250)	(26.57%)
The decrease of \$241K is primarily due to fewer scheduled timber cuts during FY 2017/18.		
Debt Service	(5,254,516)	(37.15%)
The decrease of \$5.3M is due to the final payment of a 2013 bank note paid off at the end of FY16/17. This note accounted for \$5.1M of the FY16/17 debt service budget.		
Other Expense	57,916	(14.10%)
The net decrease of \$57k is primarily due to less timber cuts scheduled in FY 2017/18.		

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2017/2018 BUDGET**

OPERATING REVENUES	
Concessions	\$ 17,085,850
Fees & Charges	15,859,200
Space & Facility Rentals	26,498,789
Parking	21,108,006
Sale of Utilities	1,482,319
Other Miscellaneous Operating Revenue	197,941
TOTAL OPERATING REVENUES	\$ 82,232,105
OPERATING EXPENDITURES	
Salaries	\$ 19,666,917
Benefits	7,593,518
Services and Supplies	16,619,628
Repairs & Maintenance	2,834,881
Promotion, Advertising and Dues	940,764
Registrations & Travel	453,706
Insurance Expense	1,422,457
Cost of Goods for Sale	507,826
Utilities, Taxes & Gov't Fees	4,993,570
Operating Contingency	2,500,000
TOTAL OPERATING EXPENDITURES	\$ 57,533,267
OPERATING INCOME	\$ 24,698,838
NON-OPERATING REVENUES	
Passenger Facility Charge	\$ 12,334,320
Investment Income	737,881
Other Revenues	666,600
TOTAL NON-OPERATING REVENUES	\$ 13,738,801
NON-OPERATING EXPENDITURES	
Debt Service	\$ 8,891,417
Other Expenditures	352,795
TOTAL NON-OPERATING EXPENDITURES	\$ 9,244,212
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$ 29,193,427
Transfer (to)/from Operating Capital Outlay	\$ (20,302,288)
Transfer (to)/from Passenger Facility Charge Reserve	(6,588,091)
Transfer (to)/from Retained Earnings	(2,303,048)
SURPLUS/(DEFICIT)	\$ -
TOTAL REVENUES	\$ 95,970,906
TOTAL APPROPRIATIONS	\$ 95,970,906
FULLTIME POSITIONS	290
TEMPORARY EMPLOYEE HOURS	4,020

SCHEDULE G

JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2017/2018 BUDGET

CAPITAL

REVENUES

Federal Contributions	\$	10,125,000
State Contributions		11,720,888
Tenant/Other Contributions		-
PFC		796,000
Operating Capital Outlay		20,302,288
Total Revenues	\$	<u>42,944,176</u>

APPROPRIATIONS AND RESERVES

CAPITAL PROJECTS

Jacksonville International Airport	\$	16,664,176
Cecil Airport		17,330,000
Craig Airport		5,790,000
Herlong Airport		3,160,000
Total Appropriations		<u>42,944,176</u>

TOTAL APPROPRIATIONS AND RESERVES	\$	<u>42,944,176</u>
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SCHEDULE H

**Council Auditor's Office
Recommendations
Jacksonville Aviation Authority
Proposed FY 2016/17 Budget**

RECOMMENDATIONS:

1. We recommend a decrease to the expenditure line "Services and Supplies" by \$1,059,439 for a revised total of \$15,560,189, and an increase to the expenditure line "Operating Contingency" by \$1,059,439 for a revised total of \$3,559,439. The \$1,059,439 is the amount that JAA over budgeted for JIA fire-rescue services. JAA's budget was approved by it's Board of Directors in June before the City budget was finalized; therefore, JAA did not have the most up-to-date cost estimate 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. Remove and replace budget ordinance Schedule G (Operating Budget) with Revised Schedule G if approved.

2. Remove and replace budget ordinance Schedule H with Revised Schedule H which offers more line item detail of FY 2017/18 capital projects.

JAA concurs with each of our recommendations.

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2017/2018 BUDGET**

OPERATING REVENUES	
Concessions	\$ 17,085,850
Fees & Charges	15,859,200
Space & Facility Rentals	26,498,789
Parking	21,108,006
Sale of Utilities	1,482,319
Other Miscellaneous Operating Revenue	197,941
TOTAL OPERATING REVENUES	\$ 82,232,105
OPERATING EXPENDITURES	
Salaries	\$ 19,666,917
Benefits	7,593,518
Services and Supplies	15,560,189
Repairs & Maintenance	2,834,881
Promotion, Advertising and Dues	940,764
Registrations & Travel	453,706
Insurance Expense	1,422,457
Cost of Goods for Sale	507,826
Utilities, Taxes & Gov't Fees	4,993,570
Operating Contingency	3,559,439
TOTAL OPERATING EXPENDITURES	\$ 57,533,267
OPERATING INCOME	\$ 24,698,838
NON-OPERATING REVENUES	
Passenger Facility Charge	\$ 12,334,320
Investment Income	737,881
Other Revenues	666,600
TOTAL NON-OPERATING REVENUES	\$ 13,738,801
NON-OPERATING EXPENDITURES	
Debt Service	\$ 8,891,417
Other Expenditures	352,795
TOTAL NON-OPERATING EXPENDITURES	\$ 9,244,212
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	\$ 29,193,427
Transfer (to)/from Operating Capital Outlay	\$ (20,302,288)
Transfer (to)/from Passenger Facility Charge Reserve	(6,588,091)
Transfer (to)/from Retained Earnings	(2,303,048)
SURPLUS/(DEFICIT)	\$ -
TOTAL REVENUES	\$ 95,970,906
TOTAL APPROPRIATIONS	\$ 95,970,906
FULLTIME POSITIONS	290
TEMPORARY EMPLOYEE HOURS	4,020

REVISED SCHEDULE G

JACKSONVILLE AVIATION AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2018

		FUNDING SOURCES					Budget 2018
Airport	Description	JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHE R	Total Capital Commitment
Jacksonville	Install 14/32 ILS (CATIII)	1,500,000		4,500,000			6,000,000
International	Consolidated Maintenance & Warehouse Facility	370,888		375,000	370,888		1,116,776
Airport	Irrigation System	1,000,000					1,000,000
	ALP Update & ATC Siting Study	250,000		750,000			1,000,000
	Terminal Air Handler Unit Replacement (PH 4 of 5) + Controls	900,000					900,000
	Arrivals, Upper Roadway Underside Painting	800,000					800,000
	Garage, Curbside Floor Coating Project	800,000					800,000
	Wildlife Fencing Project Continuation		796,000				796,000
	Capitalized Engineering Salaries	600,000					600,000
	Baggage Claim Ceiling and Lighting Rehab	500,000					500,000
	Airside/Landside Terminal Bathrooms Rehab	450,000					450,000
	Garage Structure Work and Joint Sealant	400,000					400,000
	JAX External Ticketing Roof Rehab	350,000					350,000
	Curbside, Upper and Lower Blue Structure Refurbishment and Painting	300,000					300,000
	Roadway/Garage Light Pole and Railing Replacement (1 of 2)	300,000					300,000
	Resource Management (AirIT- Common Use Expansion)	250,000					250,000
	IT Infrastructure Refresh	240,000					240,000
	Airfield Constant Current Regulator (CCR) Replacement	185,000					185,000
	Capitalized Interest	100,000					100,000
	Cell Phone Lot ADA Improvements	50,000					50,000
	Wi-Fi Upgrade General	50,000					50,000
	JIA Small Cap	476,400					476,400
		9,872,288	796,000	5,625,000	370,888	0	16,664,176
Cecil Airport	Design and Construct Hangar 1005	4,250,000			4,250,000		8,500,000
	Design and Construct Runway 36R Concrete Rehab	500,000					500,000
	Air Traffic Control Tower (final funding)	1,150,000		4,500,000	1,150,000		6,800,000
	Duct Bank Repair and Installation	400,000			400,000		800,000
	CCTV for GAs	400,000					400,000
	H13 Chiller	130,000					130,000
	Cecil Airport Small Cap	200,000					200,000
		7,030,000	0	4,500,000	5,800,000	0	17,330,000
Jacksonville	Design and Construct Runway 14/32, C, D & F Rehab	300,000			2,700,000		3,000,000
Executive at	Design and Construct Taxiway A3	150,000			1,350,000		1,500,000
Craig Airport	CAPEX Expenditures	800,000					800,000
	Hangar 607 Rehab	490,000					490,000
	JAXEx Small Cap	0					0
		1,740,000	0	0	4,050,000	0	5,790,000
Herlong	Design and Construct T Hangar	1,200,000			1,200,000		2,400,000
Recreational	Design Bulk Hangar	300,000			300,000		600,000
Airport	Herlong Recreational Airport Small Cap	160,000					160,000
		1,660,000	0	0	1,500,000	0	3,160,000
Total Capital		20,302,288	796,000	10,125,000	11,720,888	0	42,944,176

REVISED SCHEDULE H

**JACKSONVILLE PORT AUTHORITY
COMPARISON OF BUDGETS
ANALYSIS OF FY 2017/2018 PROPOSED BUDGET**

	<u>Operating & Non-Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total</u>
FY 2016/2017 Original	\$ 42,052,866	\$ 21,174,848	\$ 127,120,500	\$ 190,348,214
FY 2017/2018 Proposed	\$ 43,761,162	\$ 22,229,227	\$ 82,010,032	\$ 148,000,421
\$ Increase (Decrease)	\$ 1,708,296	\$ 1,054,379	\$ (45,110,468)	\$ (42,347,793)
% Increase (Decrease)	4.06%	4.98%	-35.49%	-22.25%

**JACKSONVILLE PORT AUTHORITY
ANALYSIS OF FY 2017/2018 OPERATING BUDGET**

	2016/2017 ORIGINAL BUDGET	2016/2017 YTD as of May 31, 2017	2016/2017 PROJECTED (per JPA)	2017/2018 PROPOSED BUDGET	\$ / % Increase (Decrease) of 2017/2018 JPA Budget Over 2016/2017 ORIGINAL	
OPERATING REVENUES						
Containers	\$ 27,885,359	\$ 17,595,147	\$ 27,109,498	\$ 30,725,820	\$ 2,840,461	10.19%
Autos	18,207,793	11,760,663	17,840,825	16,672,453	(1,535,340)	-8.43%
Break Bulk	4,213,526	2,708,126	4,125,604	4,482,347	268,821	6.38%
Cruise	4,596,703	3,460,038	4,711,340	4,987,291	390,588	8.50%
Liquid Bulk	1,190,232	812,513	1,245,209	1,229,733	39,501	3.32%
Dry Bulk	1,758,705	1,316,491	2,036,947	2,094,245	335,540	19.08%
Other Operating Revenues	2,112,091	1,898,416	2,809,504	2,072,409	(39,682)	-1.88%
TOTAL OPERATING REVENUES	\$ 59,964,409	\$ 39,551,394	\$ 59,878,927	\$ 62,264,298	\$ 2,299,889	3.84%
OPERATING EXPENDITURES						
Salaries	\$ 12,082,336	\$ 7,929,292	\$ 12,024,501	\$ 12,219,208	\$ 136,872	1.13%
Employee Benefits	4,717,225	2,946,754	4,591,886	4,875,446	158,221	3.35%
Services & Supplies	4,103,002	2,755,791	4,134,806	4,658,292	555,290	13.53%
Security Services	4,239,434	2,731,751	4,127,196	4,452,966	213,532	5.04%
Business Travel & Training	532,321	209,697	302,838	402,767	(129,554)	-24.34%
Promotion, Advertising, Dues	1,021,517	617,051	980,036	977,525	(43,992)	-4.31%
Utility Services	1,051,153	604,219	966,376	1,032,425	(18,728)	-1.78%
Repairs & Maintenance Projects	1,699,252	1,022,676	1,476,605	1,772,956	73,704	4.34%
Dredging	2,662,258	1,289,718	2,348,202	2,784,904	122,646	4.61%
Other Operating Expenditures	149,691	135,196	203,100	186,253	36,562	24.42%
TOTAL OPERATING EXPENDITURES	\$ 32,258,189	\$ 20,242,145	\$ 31,155,546	\$ 33,362,742	\$ 1,104,553	3.42%
OPERATING INCOME	\$ 27,706,220	\$ 19,309,249	\$ 28,723,381	\$ 28,901,556	\$ 1,195,336	4.31%
NON-OPERATING REVENUES/(EXPENSES)						
Debt Service	\$ (21,174,848)	\$ (13,612,417)	\$ (21,174,848)	\$ (22,229,227)	(1,054,379)	4.98%
Investment Income	263,375	144,539	216,808	269,655	6,280	2.38%
Shared Revenue from Primary Govt	2,996,070	1,718,879	2,717,565	3,452,576	456,506	15.24%
Contributions to Tenants	(1,753,177)	(1,720,850)	(2,601,700)	(2,601,700)	(848,523)	48.40%
Crane Relocation	(1,500,000)	(257,349)	(679,900)	-	1,500,000	-100.00%
Other Revenue	3,860	1,512	2,592	3,860	-	0.00%
Other Expenditures	(8,575)	(6,633)	(6,922)	(8,590)	(15)	0.17%
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	\$ 6,532,925	\$ 5,576,930	\$ 7,196,976	\$ 7,788,130	\$ 1,255,205	19.21%
TRANSFER TO OPERATING CAPITAL OUTLAY	\$ (6,532,925)	\$ (5,576,930)	\$ (7,196,976)	\$ (7,788,130)	(1,255,205)	19.21%
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ -	-

JACKSONVILLE PORT AUTHORITY
FY 2016/2017 ORIGINAL BUDGET VS. FY 2017/2018 PROPOSED BUDGET

	Increase/(Decrease)	
	\$	%
OPERATING REVENUE OVERVIEW		
Containers	\$ 2,840,461	10.19%
Increase is due to a new contract with Crowley at Talleyrand Terminal, and increased Asian cargo growth.		
Automobiles	\$ (1,535,340)	(8.43%)
Dames Point acreage will be taken out of service in FY 2017/18 for construction (expansion). This revenue stream will return next year upon completion of the capital project (Auto Processing Facility).		
Break Bulk	\$ 268,821	6.38%
The increase is due to projected growth in steel, salt and wood pulp cargo.		
Cruise	\$ 390,588	8.50%
The increase is due to the increased capacity of Carnival Elation vessel (after FY17 rehab/drydock), and increased parking fees.		
Dry Bulk	\$ 335,540	19.08%
The increase in dry bulk cargo (e.g. rock/gravel) is related to construction activity in the Northeast Florida area.		
OPERATING EXPENDITURE OVERVIEW		
	\$	%
Salaries	\$ 136,872	1.13%
The increase is primarily due to a 2% salary increase for both union and non-union personnel, partially offset by a reduction in budgeted positions.		
Employee Benefits	\$ 158,221	3.35%
The increase is primarily due to an increase in health insurance premiums and FICA.		
Services & Supplies	\$ 555,290	13.53%
The increase is due to the addition of a terminal operating company (\$490K) to run the Intermodal Container Transfer Facility.		
Security Services	\$ 213,532	5.04%
The increase is due to a 2% rate increase for contract security personnel, and three additional contracted positions to provide port access to non-credentialed individuals.		
Business Travel & Training	\$ (129,554)	(24.34%)
The decrease is to be in line with historic spending trends.		
Dredging	\$ 122,646	4.61%
The increase is due to an additional 2,000 cubic yards (147,000 cubic yards total) of dredging budgeted in addition to increased rates from the contractor in renewal of the contract.		
Other Operating Expenditures	\$ 36,562	24.42%
The increase is primarily due to operations costs on Buck Island, as well as additional credit card fees for escort services.		
NON-OPERATING REVENUES/(EXPENSES) OVERVIEW		
	\$	%
Shared Revenue from Primary Govt	\$ 456,506	15.24%
This amount represents the projected Telecommunications Tax received by the City and is net of the debt service amounts for the bonds that were issued by the City on behalf of JPA. The total budgeted FY 2017/18 City financial assistance to JPA after recommendations is \$10,442,500, consisting of debt service of \$7,502,214 plus cash payments of \$2,940,286. (See Recommendations)		
Contributions to Tenants	\$ 848,523	48.40%
The increase is primarily due to an agreement with Trapac to cover \$700K of their dredging costs.		
Crane Relocation	\$ (1,500,000)	(100.00%)
No further funding is needed for FY 2017/2018.		

**JACKSONVILLE PORT AUTHORITY
FY 2017/2018 BUDGET**

OPERATING REVENUES	
Containers	\$ 30,725,820
Autos	16,672,453
Break Bulk	4,482,347
Cruise	4,987,291
Liquid Bulk	1,229,733
Dry Bulk	2,094,245
Other Operating Revenues	<u>2,072,409</u>
TOTAL OPERATING REVENUES	<u>\$ 62,264,298</u>
OPERATING EXPENDITURES	
Salaries	\$ 12,219,208
Employee Benefits	4,875,446
Services & Supplies	4,658,292
Security Services	4,452,966
Business Travel & Training	402,767
Promotion, Advertising, Dues	977,525
Utility Services	1,032,425
Repairs & Maintenance Projects	1,772,956
Dredging	2,784,904
Other Operating Expenditures	<u>186,253</u>
TOTAL OPERATING EXPENDITURES	<u>\$ 33,362,742</u>
OPERATING INCOME	<u>\$ 28,901,556</u>
NON-OPERATING REVENUES	
Investment Income	\$ 269,655
Shared Revenue from Primary Govt	3,452,576
Other Revenue	3,860
TOTAL NON-OPERATING REVENUES	<u>\$ 3,726,091</u>
NON-OPERATING EXPENDITURES	
Debt Service	\$ 22,229,227
Contributions to Tenant	2,601,700
Other Expenditures	8,590
TOTAL NON-OPERATING EXPENDITURES	<u>\$ 24,839,517</u>
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	<u>\$ 7,788,130</u>
Transfer to Operating Capital Outlay	<u>\$ (7,788,130)</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>
TOTAL REVENUES & TRANSFERS IN	<u>\$ 65,990,389</u>
TOTAL APPROPRIATIONS	<u>\$ 65,990,389</u>
Full Time Positions	<u>171</u>
Temporary Employee Hours	<u>6,500</u>

SCHEDULE I

Jacksonville Port Authority

Capital Projects - Budget 2017-2018 PROPOSED

Location	Description	STATE	FEDERAL	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount
Blount Island	Roof Replacement Tenant	750,000					750,000	\$ 1,500,000
	Pile, Cap and Beam Rehab BIMT	400,000						\$ 400,000
	Resurface William Mills from Marine Corp Gate to Dave Rawls Blvd (3 acres)	150,000				150,000		\$ 300,000
	Demo SDDC Bldg & Pave Site	125,000				125,000		\$ 250,000
	Replace (2) Hi Mast Lights Tenant	100,000				100,000		\$ 200,000
	Demo Clyde Crane					150,000		\$ 150,000
	Replace Terminal Fencing for Tenants (1,750 LF) and (1,605 LF)	62,500				62,500		\$ 125,000
	Tenant Asphalt Facility Rehab /Intersection Wm Mills & Blount Is Blvd	62,500				62,500		\$ 125,000
Total Blount Island		\$ 1,650,000	\$ -	\$ -	\$ 650,000	\$ -	\$ 750,000	\$ 3,050,000
Dames Point	Auto Processing Facility - Phase 1				650,270		6,849,730	\$ 7,500,000
	Asphalt Rehab Tenant (Concrete)					500,000		\$ 500,000
	Environmental Permitting/Auto Processing Facility - Phase 2			200,000	200,000			\$ 400,000
	Total Dames Point		\$ -	\$ -	\$ 200,000	\$ 850,270	\$ 500,000	\$ 6,849,730
Talleyrand	Tenant Improvements Process Bldg	2,000,000		6,500,000			1,500,000	\$ 10,000,000
	Warehouse Rehab Tenant	2,000,000		400,000		335,792	1,264,208	\$ 4,000,000
	Rehabilitate Under Deck Concrete	3,000,000					1,000,000	\$ 4,000,000
	Rehabilitate Steel Wharf Structures Berth 7 & 8	2,812,500				937,500		\$ 3,750,000
	Pile, Cap and Beam Rehab TMT				400,000			\$ 400,000
	Signalization - Talleyrand Ave PH2	111,216						\$ 111,216
	Signalization - Talleyrand Ave PH1	100,568						\$ 100,568
	Resurface Leased Areas - TMT					100,000		\$ 100,000
	WestRock 23 Acre Site Development Assessment & Fencing					50,000		\$ 50,000
	Kerr-McGee 13 Acre Site Development Assessment					50,000		\$ 50,000
	Pump & Treat System for Environmental Compliance					35,000		\$ 35,000
	Signalization - Buckman Street	14,138						\$ 14,138
	Total Talleyrand		\$ 10,038,422	\$ -	\$ 6,900,000	\$ 1,572,500	\$ 335,792	\$ 3,764,208
Port Related	Harbor Deepening - Contract B	18,819,056					23,330,944	\$ 42,150,000
	NEPA for Berths				500,000			\$ 500,000
	Harbor Deepening Monitoring Fees				1,517,110			\$ 1,517,110
	Mile Point Navigation Project (PH2)				250,000			\$ 250,000
	Capitalize In-House Engineering Services				400,000			\$ 400,000
	Miscellaneous Land Acquisition				100,000			\$ 100,000
	Engineering Evaluation - (Site/Fill Assessment)				75,000			\$ 75,000
	Upland DMMA/Design				50,000			\$ 50,000
	Strategic Master Plan Updating				50,000			\$ 50,000
	FY15 Federal Security Grant Projects							\$ -
	* Marine Vessel			15,000		5,000		\$ 20,000
	FY16 Federal Security Grant Projects							\$ -
	* Physical Security Enhancements (Fiber,Conduit, Cameras)			487,500		162,500		\$ 650,000
	* Port-Wide Interoperable Communication Sustainment			60,000		20,000		\$ 80,000
	Total Miscellaneous		\$ 18,819,056	\$ 562,500	\$ -	\$ 3,129,610	\$ -	\$ 23,330,944
Total Other Capital		\$ -	\$ 26,250	\$ 495,000	\$ 1,585,750	\$ -	\$ -	\$ 2,107,000
TOTAL CAPITAL PROJECTS		\$ 30,507,478	\$ 588,750	\$ 7,595,000	\$ 7,788,130	\$ 835,792	\$ 34,694,882	\$ 82,010,032

Schedule J

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED BUDGET FY 2017/2018**

RECOMMENDATIONS:

We recommend removing and replacing Budget Ordinance Schedule I and Schedule J with Revised Schedule I and Revised Schedule J (attached) in order to correct the following:

1. To decrease the "Shared Revenue from Primary Govt" line under "Non-Operating Revenues" on Schedule I by \$512,290 from \$3,452,576 to \$2,940,286 on REVISED Schedule I. This amount will be in agreement with the amount the Finance Committee amended at its' August 10, 2016 Budget Hearing that will be paid to JPA. We also recommend that JPA decrease the "Debt Service" line under "Non-Operating Expenditures" on Schedule I by \$512,290 from \$22,229,227 to 21,716,937 on REVISED Schedule I. This will balance the revenues and expenditures for JPA's budget. JPA concurs.
2. To correct spelling errors and include formatting changes for consistency purposes. JPA concurs.

**JACKSONVILLE PORT AUTHORITY
FY 2017/2018 BUDGET**

OPERATING REVENUES	
Containers	\$ 30,725,820
Autos	16,672,453
Break Bulk	4,482,347
Cruise	4,987,291
Liquid Bulk	1,229,733
Dry Bulk	2,094,245
Other Operating Revenues	2,072,409
TOTAL OPERATING REVENUES	\$ 62,264,298
OPERATING EXPENDITURES	
Salaries	\$ 12,219,208
Employee Benefits	4,875,446
Services & Supplies	4,658,292
Security Services	4,452,966
Business Travel & Training	402,767
Promotion, Advertising, Dues	977,525
Utility Services	1,032,425
Repairs & Maintenance Projects	1,772,956
Dredging	2,784,904
Other Operating Expenditures	186,253
TOTAL OPERATING EXPENDITURES	\$ 33,362,742
OPERATING INCOME	\$ 28,901,556
NON-OPERATING REVENUES	
Investment Income	\$ 269,655
Shared Revenue from Primary Govt	2,940,286
Other Revenue	3,860
TOTAL NON-OPERATING REVENUES	\$ 3,213,801
NON-OPERATING EXPENDITURES	
Debt Service	\$ 21,716,937
Contributions to Tenant	2,601,700
Other Expenditures	8,590
TOTAL NON-OPERATING EXPENDITURES	\$ 24,327,227
NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY	\$ 7,788,130
Transfer to Operating Capital Outlay	\$ (7,788,130)
SURPLUS/(DEFICIT)	\$ -
TOTAL REVENUES	\$ 65,478,099
TOTAL APPROPRIATIONS	\$ 65,478,099
Full Time Positions	171
Temporary Employee Hours	6,500

Jacksonville Port Authority

Capital Projects - Budget 2017-2018

Location	Description	STATE CONTRIBUTION	FEDERAL FUNDS	TENANT CONTRIBUTION	JPA OPERATING FUNDS	CASH RESERVE	JPA FINANCING	Amount	
Blount Island	Roof Replacement Tenant	750,000					750,000	\$ 1,500,000	
	Pile, Cap and Beam Rehab	400,000						\$ 400,000	
	Resurface William Mills from Marine Corp Gate to Dave Rawls Blvd (3 acres)	150,000			150,000			\$ 300,000	
	Demo Strategic Deployment and Distribution Command Building & Pave Site	125,000			125,000			\$ 250,000	
	Replace (2) Hi Mast Lights Tenant	100,000			100,000			\$ 200,000	
	Demo Clyde Crane				150,000			\$ 150,000	
	Replace Terminal Fencing for Tenants (1,750 LF) and (1,605 LF)	62,500			62,500			\$ 125,000	
	Tenant Asphalt Facility Rehab /Intersection Wm Mills & Blount Is Blvr	62,500			62,500			\$ 125,000	
	Total Blount Island		\$ 1,650,000	\$ -	\$ -	\$ 650,000	\$ -	\$ 750,000	\$ 3,050,000
Dames Point	Auto Processing Facility - Phase 1				650,270		6,849,730	\$ 7,500,000	
	Asphalt Rehab Tenant (Concrete)					500,000		\$ 500,000	
	Environmental Permitting/Auto Processing Facility - Phase 2			200,000	200,000			\$ 400,000	
	Total Dames Point		\$ -	\$ -	\$ 200,000	\$ 850,270	\$ 500,000	\$ 6,849,730	\$ 8,400,000
Talleyrand	Tenant Improvements Process Bldg	2,000,000		6,500,000			1,500,000	\$ 10,000,000	
	Warehouse Rehab Tenant	2,000,000		400,000		335,792	1,264,208	\$ 4,000,000	
	Rehabilitate Under Deck Concrete	3,000,000					1,000,000	\$ 4,000,000	
	Rehabilitate Steel Wharf Structures Berth 7 & 8	2,812,500			937,500			\$ 3,750,000	
	Pile, Cap and Beam Rehab				400,000			\$ 400,000	
	Signalization - Talleyrand Ave Phase 2	111,216						\$ 111,216	
	Signalization - Talleyrand Ave Phase 1	100,568						\$ 100,568	
	Resurface Leased Areas				100,000			\$ 100,000	
	WestRock 23 Acre Site Development Assessment & Fencing				50,000			\$ 50,000	
	Kerr-McGee 13 Acre Site Development Assessment				50,000			\$ 50,000	
	Pump & Treat System for Environmental Compliance				35,000			\$ 35,000	
	Signalization - Buckman Street	14,138						\$ 14,138	
	Total Talleyrand		\$ 10,038,422	\$ -	\$ 6,900,000	\$ 1,572,500	\$ 335,792	\$ 3,764,208	\$ 22,610,922
	Port Related	Harbor Deepening	18,819,056					23,330,944	\$ 42,150,000
National Environmental Policy Act for Berths					500,000			\$ 500,000	
Harbor Deepening Monitoring Fees					1,517,110			\$ 1,517,110	
Mile Point Navigation Project (Phase 2)					250,000			\$ 250,000	
Capitalize In-House Engineering Services					400,000			\$ 400,000	
Miscellaneous Land Acquisition					100,000			\$ 100,000	
Engineering Evaluation - (Site/Fill Assessment)					75,000			\$ 75,000	
Upland Dredging Maintenance Management Area Design					50,000			\$ 50,000	
Strategic Master Plan Updating					50,000			\$ 50,000	
FY15 Federal Security Grant Projects									
Marine Vessel			15,000		5,000			\$ 20,000	
FY16 Federal Security Grant Projects									
Physical Security Enhancements (Fiber, Conduit, Cameras)				487,500		162,500		\$ 650,000	
Port-Wide Interoperable Communication Sustainment				60,000		20,000		\$ 80,000	
Total Port Related			\$ 18,819,056	\$ 562,500	\$ -	\$ 3,129,610	\$ -	\$ 23,330,944	\$ 45,842,110
Other Capital		<u>BLOUNT ISLAND</u>							
	Upgrade Paceco Trolley Rail				250,000			\$ 250,000	
	Bromma Container Spreader Replacement (8810)				195,000			\$ 195,000	
	Hanjung Elevator Upgrade (8810)				175,000			\$ 175,000	
	Flatbed Replacement				120,000			\$ 120,000	
	Paceco Genset Upgrade				100,000			\$ 100,000	
	Structure bolt replacement for 3 Hanjung Cranes (at boom and gantry)				100,000			\$ 100,000	
	Weight Load Systems (8841)				50,000			\$ 50,000	
	Vehicle Replacements Blount Island				60,000			\$ 60,000	
	Replace Fifteen Dock Levelers at Container Freight Station				30,000			\$ 30,000	
	Elevator Safety Devices				20,000			\$ 20,000	
	Maintenance Bldg Heating Ventilation Air Conditioning Upgrade				15,000			\$ 15,000	
	Portable Wire Rope Lubricator -100 Gauge Cranes				10,000			\$ 10,000	
	<u>TALLEYRAND</u>								
	Bromma Spreaders			495,000				\$ 495,000	
	Diesel Fuel Tank Liner				25,000			\$ 25,000	
	Manlift Boom Rehabilitation				27,000			\$ 27,000	
	Purchase Crane Elevator Safety Devices				30,000			\$ 30,000	
	ZPMC Crane Engine Room Noise Reduction				40,000			\$ 40,000	
	Vehicle Replacements - Talleyrand				60,000			\$ 60,000	
	<u>SECURITY/SOC</u>								
	Public Safety Vehicles (4)					80,000		\$ 80,000	
	Vessel Lift			26,250		8,750		\$ 35,000	
	<u>PCOB</u>								
	Vehicle Replacements - Port Central				60,000			\$ 60,000	
	Port Central Office Building Air Handler #5				55,000			\$ 55,000	
	IT Hardware/Software Upgrades				50,000			\$ 50,000	
	IT Office Remodel				15,000			\$ 15,000	
	IT Server Room Heating Ventilation Air Conditioning Replacemen				10,000			\$ 10,000	
	Total Other Capital		\$ -	\$ 26,250	\$ 495,000	\$ 1,585,750	\$ -	\$ -	\$ 2,107,000
TOTAL CAPITAL PROJECTS		\$ 30,507,478	\$ 588,750	\$ 7,595,000	\$ 7,788,130	\$ 835,792	\$ 34,694,882	\$ 82,010,032	

REVISED SCHEDULE J