

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Ordinance 2019-693

Introducer/Sponsor(s): Council Member Dennis

Date of Introduction: September 24, 2019

Committee(s) of Reference: TEU, F, R

Date of Analysis: September 26, 2019

Type of Action: City Charter amendment

Bill Summary: The bill amends City Charter Article 21 – JEA – in Section 21.07 – Fiscal and budgetary functions – to add a provision requiring the JEA to annually provide its customers with a credit based on any positive “change in net position” from the operation of its electric, water and sewer, and district energy units the previous year.

Background Information: The amendment would require the JEA board to determine annually how much of the annual positive change in net position, ranging from a minimum of 5% to a maximum of 10%, would be returned to customers, based on their consumption for that year, in the form of a billing credit. The credits would only be available to customers who have had an active account with JEA for more than one year and would be applied to customers’ bills within 60 days of the JEA’s issuance of its audited financial statements.

“Change in net position” is a line item in the annual financial statement reflecting the positive or negative results of the utility’s operations, taking into consideration operating revenues, operating expenses, non-operating revenues and expenses, and contributions to and from various entities. JEA’s 2018 Audited Financial Report listed the positive change in net position for FY17 as \$254,621,000 and the positive change in net position for FY18 as \$126,487,000.

Policy Impact Area: JEA charter

Fiscal Impact: The amendment would provide for annual credits to JEA customers in years in which JEA has a “positive change in net position”, the amounts of which would vary based on the JEA board’s decision on how much of the positive change in net position to allocate to customer credits, and based on customer consumption and billings.

Analyst: Clements