

JEA Board Agenda

# MEMORANDUM



## FY2025 BUDGETARY AMENDMENT

Board Meeting Date: October 29, 2024

Outcome:  INFORMATION ONLY  ACTION  FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff recommends that the Board approve Resolution 2024-64 authorizing the Managing Director/CEO to perform a budgetary amendment for the fiscal year 2025 for JEA, appropriate surplus FY2024 revenues that exceed budget, adjust expense budget for unbudgeted withdrawals of stabilization funds, and seek legislative approval through office of general counsel.

Consent Agenda Item:  Yes  No

Presenter: Laure Whitmer, Director Budgets

Chief: Ted Phillips, Chief Financial Officer

Strategic Focus Area:  DEVELOPING AN UNBEATABLE TEAM  DELIVERING BUSINESS EXCELLENCE  EARNING CUSTOMER LOYALTY

Background Information & Analysis:

JEA's Operating and Capital Budgets are typically approved in September prior to October 1st of the new fiscal year. JEA's Operating and Capital budgets for Fiscal Year 2025 were approved by the City of Jacksonville in September of 2024. JEA is seeking a budgetary amendment after the start of the fiscal year to appropriate Fiscal Year 2024 surplus revenues exceeding the approved budget and adjust expense budget for unbudgeted withdrawals of stabilization funds.

Staff recommends that the Board approve the attached Resolution 2024-64, which authorizes the Managing Director/CEO to make a budgetary amendment to appropriate revenues exceeding the approved budget and adjust expense budget for unbudgeted withdrawals of stabilization funds. This includes authorizing the Managing Director/CEO to update Schedules A and B with amended budget values, seek legislative approval for the budget amendment through the City of Jacksonville Office of General Counsel, and notify the City Council President of intent to, reason for, and action of seeking legislative approval.

**SCHEDULES A & B**

Electric System – Schedule A	Original Budget	Amended Budget	Change
Other Revenues	25,200,483	86,620,167	61,419,684
Demand-side Management – Rate Stabilization	(100,000)	(937,039)	(837,039)
Environmental – Rate Stabilization	(10,200,000)	(11,289,700)	(1,089,700)
Operating Capital Outlay	97,049,076	160,395,499	63,346,423

**Total Schedule A budget increases from \$1,358,189,612 to \$1,419,609,296**

Water & Wastewater System – Schedule A	Original Budget	Amended Budget	Change
Other Revenues	26,459,640	80,116,741	53,657,101
Environmental – Rate Stabilization	-	(76,186)	(76,186)
Environmental Capital Outlay	-	76,186	76,186
Operating Capital Outlay	75,860,662	129,517,763	53,657,101

**Total Schedule A budget increases from \$633,627,491 to \$687,284,592**

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**Background Information & Analysis:**

District Energy System – Schedule A	Original Budget	Amended Budget	Change
Other Revenues	-	337,042	337,042
Operating Capital Outlay	1,361,600	1,698,642	337,042

**Total Schedule A budget increases from \$13,574,930 to \$13,911,972**

Electric System - Schedule B Capital Funds	Original Budget	Amended Budget	Change
Operating Capital Outlay	97,049,076	160,395,499	63,346,423
Debt Proceeds	138,358,070	75,011,647	(63,346,423)

Water System - Schedule B Capital Funds	Original Budget	Amended Budget	Change
Operating Capital Outlay	75,860,662	129,517,763	53,657,101
Environmental Capital Outlay	-	76,186	76,186
Debt Proceeds	377,153,565	323,420,278	(53,733,287)

District Energy System - Schedule B	Original Budget	Amended Budget	Change
Operating Capital Outlay	1,361,600	1,698,642	337,042
Debt Proceeds	16,035,576	15,698,534	(337,042)

**Financial Impact**

**Electric System:** DSM Rate Stabilization withdrawals have been adjusted to reflect the remaining balance of the fund at the end of FY2024. Environmental Rate Stabilization withdrawals have been adjusted to reflect budgeted Environmental O&M expense.

In addition, the Other Revenue category has been adjusted to reflect an additional \$61.4M contribution to Operating Capital Outlay carried over from a remaining surplus in FY2024.

**Water System:** Due to expected unbudgeted withdrawals from the Environmental Rate Stabilization Fund, the FY2025 expense budget is being adjusted to reflect the total expected withdrawal from the fund.

In addition, the Other Revenue category has been adjusted to reflect the additional \$53.7M contribution to Operating Capital Outlay carried over from a remaining surplus in FY2024.

**District Energy System:** The Other Revenue category has been adjusted to reflect the additional \$.34M contribution to Operating Capital Outlay carried over from a remaining surplus in FY2024.

**Appendix:** *List appendix items provided*

Resolution 2024-64  
 FY2025 Budget Original Schedule A&B  
 FY2025 Budget Amended Schedule A&B