

OFFICE OF THE COUNCIL AUDITOR

FY 2022/2023 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Aaron Bowman – Chair
Randy White – Vice Chair
Matt Carlucci
Kevin Carrico
Joyce Morgan
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Meeting #4 – Independent Agencies
August 19, 2022

**COUNCIL AUDITOR’S OFFICE
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INDEPENDENT AGENCIES
MEETING #4**

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**JACKSONVILLE PORT AUTHORITY
COMPARISON OF BUDGETS
ANALYSIS OF FY 2022/2023 PROPOSED BUDGET**

| | <u>Operating & Non-Operating</u> | <u>Debt Service</u> | <u>Capital Outlay</u> | <u>Total</u> |
|-----------------------|--|-------------------------|---------------------------|---------------|
| FY 2021/2022 Original | \$50,685,849 | \$16,827,725 | \$108,879,247 | \$176,392,821 |
| FY 2022/2023 Proposed | \$53,161,799 | \$15,679,678 | \$261,310,182 | \$330,151,659 |
| \$ Change | \$2,475,950 | -\$1,148,047 | \$152,430,935 | \$153,758,838 |
| % Change | 4.88% | -6.82% | 140.00% | 87.17% |

| | <u>FY 2021/22</u> | <u>FY 2022/23</u> | <u>Change</u> |
|---------------------|-------------------|-------------------|---------------|
| Full-time Positions | 171 | 182 | 11 |
| Part-time Hours | 5,200 | 6,760 | 1,560 |

Overall Comments:

- Operating and Non-Operating budget is relatively flat, but includes 11 new positions due to moving nine contracted security workers in-house, adding a Chief of Staff position, and a position in Accounting and Finance.
- Cruise revenue is up due to a full year of budgeting at 95% occupancy.
- Most of the increase in JPA's budget is in their Capital Budget. The big projects include the lifting of the power lines that cross the St. Johns River, development of an auto processing facility at Blount Island, a Jaxport Port Infrastructure Program project, and the Westrock Development at Talleyrand Marine Terminal.
- JPA does not have an employee incentive payment plan.

Jacksonville Port Authority
Analysis of FY 2022/23 Proposed Budget

| | 2021/22 Original Budget | 8 Months Actuals FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | 2022/23 Proposed Budget over 2021/22 Original | |
|--|--|--|---|--|--|-----------------|
| | | | | | \$ Change | % Change |
| Operating Revenues | | | | | | |
| Containers | \$29,856,732 | \$19,639,762 | \$29,856,732 | \$28,474,681 | -\$1,382,051 | -4.63% |
| Autos | 15,220,500 | 9,829,361 | 14,714,850 | 13,867,830 | -1,352,670 | -8.89% |
| Military | 998,133 | 342,399 | 848,133 | 700,000 | -298,133 | -29.87% |
| Break Bulk | 4,133,415 | 3,773,501 | 5,408,208 | 5,460,517 | 1,327,102 | 32.11% |
| Liquid Bulk | 1,490,922 | 1,011,700 | 1,569,690 | 1,675,572 | 184,650 | 12.38% |
| Dry Bulk | 2,078,202 | 1,403,585 | 2,038,814 | 2,013,070 | -65,132 | -3.13% |
| Cruise | 1,224,130 | 1,043,108 | 2,000,000 | 3,425,066 | 2,200,936 | 179.80% |
| Other Operating Revenues | 2,778,721 | 2,601,971 | 3,435,335 | 3,253,193 | 474,472 | 17.08% |
| Total Operating Revenues | \$57,780,755 | \$39,645,387 | \$59,871,762 | \$58,869,929 | \$1,089,174 | 1.89% |
| Operating Expenditures | | | | | | |
| Salaries | \$13,120,191 | \$8,607,703 | \$12,933,067 | \$14,832,233 | \$1,712,042 | 13.05% |
| Employee Benefits | 5,913,133 | 3,888,463 | 5,822,387 | 6,644,052 | 730,919 | 12.36% |
| Services & Supplies | 4,948,700 | 3,263,293 | 4,818,082 | 6,884,338 | 1,935,638 | 39.11% |
| Security Services | 5,402,169 | 2,888,839 | 4,447,042 | 4,987,040 | -415,129 | -7.68% |
| Business Travel & Training | 576,725 | 137,282 | 367,399 | 545,246 | -31,479 | -5.46% |
| Promotion, Advertising, Dues | 734,327 | 459,620 | 717,180 | 781,705 | 47,378 | 6.45% |
| Utility Services | 781,944 | 422,313 | 645,528 | 805,393 | 23,449 | 3.00% |
| Repairs & Maintenance | 2,077,416 | 1,438,542 | 2,036,736 | 2,371,414 | 293,998 | 14.15% |
| Crane Maintenance Pass Thru | -450,000 | -309,540 | -396,118 | -760,000 | -310,000 | 68.89% |
| Berth Maintenance Dredging | 5,335,165 | 3,878,096 | 5,335,165 | 5,000,815 | -334,350 | -6.27% |
| Miscellaneous | 163,115 | 72,751 | 109,108 | 176,503 | 13,388 | 8.21% |
| Total Operating Expenditures | \$38,602,885 | \$24,747,362 | \$36,835,576 | \$42,268,739 | \$3,665,854 | 9.50% |
| Operating Income | \$19,177,870 | \$14,898,025 | \$23,036,186 | \$16,601,190 | -\$2,576,680 | -13.44% |
| Non-Operating Revenues/(Expenses) | | | | | | |
| Debt Service | -\$16,827,725 | -\$11,715,937 | -\$18,409,956 | -\$15,679,678 | \$1,148,047 | -6.82% |
| Investment Income | 8,688 | 12,884 | 15,582 | 300,000 | 291,312 | 3353.04% |
| Shared Revenue from Primary Govt | 9,642,191 | 6,486,035 | 9,760,670 | 9,589,608 | -52,583 | -0.55% |
| Crane Relocation/Demo | 0 | 0 | 0 | -1,050,000 | -1,050,000 | N/A |
| Operating Grants | 73,440 | 0 | 36,720 | 73,440 | 0 | 0.00% |
| Other Revenue | 8,500 | 1,994 | 3,604 | 8,500 | 0 | 0.00% |
| Other Expenses | -3,360 | -11,977 | -13,902 | -3,360 | 0 | 0.00% |
| Total Non-Operating Revenues/(Expenses) | -\$7,098,266 | -\$5,227,001 | -\$8,607,282 | -\$6,761,490 | \$336,776 | -4.74% |
| Net Income Before Capital Contribution | \$12,079,604 | \$9,671,024 | \$14,428,904 | \$9,839,700 | -\$2,239,904 | -18.54% |
| Transfer to Operating Capital Outlay | -\$12,079,604 | -\$9,671,024 | -\$14,428,904 | -\$9,839,700 | \$2,239,904 | -18.54% |
| Surplus/(Deficit) | \$0 | \$0 | \$0 | \$0 | \$0 | |

Jacksonville Port Authority
FY 2021/22 Original Budget vs. FY 2022/23 Proposed Budget
Variance Overview

| Operating Revenues | \$ Change | % Change |
|---|------------------|-----------------|
| <u>Containers</u> The decrease is due to JPA not budgeting Fixed Rents of \$3.7 million in FY 2022/23 since the final rent payment per a contract with a tenant was received in this current fiscal year. This is partially offset by cargo volume and revenue increases for both Asia and Puerto Rico trade lanes of \$1.2 million and \$1.4 million respectively. | -\$1,382,051 | -4.63% |
| <u>Autos</u> The decrease is primarily due to a contract renewal resulting in less acreage available at the Blount Island Marine Terminal during the construction of the new tenant location resulting in a decrease of \$1.5 million. This is partially offset by other contracts with tenants that have a Minimum Annual Guaranteed (MAG) which will provide additional revenue of \$200,000. | -\$1,352,670 | -8.89% |
| <u>Military</u> The decrease is primarily based on recent operations and cargo activity. | -\$298,133 | -29.87% |
| <u>Break Bulk</u> The increase is primarily due to growing demands for Break Bulk cargoes (767,593 tons in FY 2021/22 vs. 1,084,116 tons in FY 2022/23), as well as a shift from certain container cargo to pallet cargo for coffee and fertilizer. | \$1,327,102 | 32.11% |
| <u>Liquid Bulk</u> The increase is primarily due to contractual CPI increases. | \$184,650 | 12.38% |
| <u>Cruise</u> The increase is primarily due to JPA budgeting for a full year of Cruise operations at 95% occupancy and an anticipated increase in the wharfage rate for FY 2022/23. | \$2,200,936 | 179.80% |
| <u>Other Operating Revenues</u> The increase is primarily due to an anticipated increase in dredge spoil fees as a result of the availability of commercial dredging disposal capacity at the Dredged Material Management Area. This is partially offset by a decrease in terminal railway revenue based on actuals received in FY 2021/22. | \$474,472 | 17.08% |

Jacksonville Port Authority
FY 2021/22 Original Budget vs. FY 2022/23 Proposed Budget
Variance Overview

| Operating Expenditures | \$ Change | % Change |
|--|------------------|-----------------|
| <u>Salaries</u> The increase is primarily due the addition of eleven new positions and funding two positions that were unfunded in this current year. The increase in salaries also includes 3% salary increases for union and non-union employees, promotions for various crane tech/operation positions, and retention pay for all JPA employees. | \$1,712,042 | 13.05% |
| <u>Employee Benefits</u> The increase is primarily due to a \$526,274 increase in FRS pensions due to increased rates, an increase in positions, as well as underbudgeting of pension costs for FY 2021/22 due to JPA not having the FRS percentage increase at the time the budget was submitted, and an increase in FICA and Medicare based on changes in salaries, and a 22.7 % increase for dental insurance. | \$730,919 | 12.36% |
| <u>Services & Supplies</u> The increase is primarily due to an increase in fuel costs based on higher fuel prices, an increase for consultants (sustainability/environment consultant, safety consultant, and bond counsel), an increase in Workers' Comp due to claims, an increase in facility inspections for bond compliance and normally scheduled inspections, an increase in other contractual services (Part-Time Cruise Terminal Coordinator, various terminal operations), an increase in supplies and equipment for security and IT, and an increase in Property and Casualty insurance. This was partially offset by decreases in legal and printing and binding expenses. | \$1,935,638 | 39.11% |
| <u>Security Services</u> The decrease is primarily due to moving nine contracted security workers to JPA Security staff and JPA budgeting at 90% staffing levels based on staffing challenges in FY 2021/22. This is partially offset by increases of 2% - 6% for position specific contract increases, as well as a \$5 per hour raise for JSO security. | -\$415,129 | -7.68% |
| <u>Repairs & Maintenance</u> The increase is primarily due to anticipated facility and equipment repairs and maintenance, an increase in corrosion proofing and painting, and an increase in regulatory compliance (stormwater pollution prevention plan and fire system and alarm inspections). This was partially offset with decreases in information technology recurring repairs and maintenance for cameras, cyber, and network equipment. | \$293,998 | 14.15% |
| <u>Crane Maintenance Pass Thru</u> The increase is primarily due to a tenant adding three new cranes and crane technicians mid-year at Blount Island. This is the estimated expense for salaries, benefits, and parts that the tenant will reimburse. | -\$310,000 | 68.89% |
| <u>Berth Maintenance Dredging</u> The decrease is due to JPA not budgeting for Dredged Material Maintenance Area site maintenance in FY 2022/23. This is partially offset by increases in the estimate of cubic yards to be dredged (290,000 cubic yards in FY 2022/23 versus 281,000 cubic yards in FY 2021/22), and increased diesel fuel prices. | -\$334,350 | -6.27% |

Jacksonville Port Authority
FY 2021/22 Original Budget vs. FY 2022/23 Proposed Budget
Variance Overview

| Non-Operating Revenues/Expenses | \$ Change | % Change |
|--|------------------|-----------------|
| <u>Debt Service</u> The decrease is primarily due to a bond and the 2020 City of Jacksonville Bridge Loan not being budgeted for in FY 2022/23 which were both paid off this current year. This is partially offset by an anticipated rate increase of 1%, from 2% to 3% on JPA's Line of Credit. | \$1,148,047 | -6.82% |
| <u>Investment Income</u> The increase is due to anticipated interest rate increases by the Federal Reserve. | \$291,312 | 3353.04% |
| <u>Crane Relocation/Demo</u> The increase is due to the demolition of one crane at Blount Island due to obsolescence, one crane at Talleyrand that has been out of service for several years, and two rubber tired gantries at Talleyrand that have been out of service for several years. Additionally, one crane will be moved from Talleyrand to Blount Island to maintain the required contract commitments. | -\$1,050,000 | N/A |

Jacksonville Port Authority
Analysis of FY 2022/23 Proposed Capital Budget

| Capital Funds | 2021/22 Original Budget | 2022/23 Proposed Budget | 2022/23 Proposed Budget over 2021/22 Original | |
|--|--|--|--|-----------------|
| | | | \$ Change | % Change |
| State Funded | \$10,952,758 | \$27,030,508 | \$16,077,750 | 146.79% |
| Federal Funded | 21,356,640 | 40,326,021 | 18,969,381 | 88.82% |
| Local Funded | 0 | 30,000,000 | 30,000,000 | N/A |
| Tenant Contribution | 52,000,000 | 92,043,108 | 40,043,108 | 77.01% |
| JPA Operating Funds | 12,079,604 | 9,839,700 | -2,239,904 | -18.54% |
| Other | 0 | 25,000 | 25,000 | N/A |
| State ARPA Funds | 0 | 13,716,224 | 13,716,224 | N/A |
| Cash Reserves | 7,945,000 | 8,829,621 | 884,621 | 11.13% |
| JPA Financing | 4,545,245 | 39,500,000 | 34,954,755 | 769.04% |
| Total Capital Funds | \$108,879,247 | \$261,310,182 | \$152,430,935 | 140.00% |
| Capital Projects | | | | |
| Blount Island Marine Terminal | \$78,497,000 | \$114,192,000 | \$35,695,000 | 45.47% |
| Dames Point Marine Terminal | 1,750,000 | 3,875,000 | 2,125,000 | 121.43% |
| Talleyrand Marine Terminal | 6,207,000 | 47,419,500 | 41,212,500 | 663.97% |
| Miscellaneous & Other Capital Projects | 22,425,247 | 95,823,682 | 73,398,435 | 327.30% |
| Total Capital Projects | \$108,879,247 | \$261,310,182 | \$152,430,935 | 140.00% |
| Surplus/(Deficit) | \$0 | \$0 | \$0 | |

Jacksonville Port Authority
Analysis of FY 2022/23 Proposed Capital Budget

| Capital Funds | \$ Change | % Change |
|--|------------------|-----------------|
| <u>State Funded</u> The increase is primarily due to funding of \$16,500,000 for the development of the auto processing facility on Blount Island. | \$16,077,750 | 146.79% |
| <u>Federal Funded</u> The increase is primarily due to funding of \$23,518,000 for the Jaxport Port Infrastructure Development Project. | \$18,969,381 | 88.82% |
| <u>Local Funded</u> The increase is for anticipated funding to be received for the lifting of the power lines crossing the St. Johns River. See Recommendation. | \$30,000,000 | N/A |
| <u>Tenant Contribution</u> The increase is primarily due to funding of \$28,500,000 for the development of the auto processing facility on Blount Island and \$23,018,000 funding for the Jaxport Port Infrastructure Program Project. This is offset by reduced funding of \$11,549,892 for Container Terminal Upgrades on Blount Island. | \$40,043,108 | 77.01% |
| <u>State ARPA Funds</u> The increase is due to funds from the American Rescue Plan Act funneled through the State of Florida to JPA. | \$13,716,224 | N/A |
| <u>JPA Financing</u> The increase is primarily due to funding of \$35,000,000 for the Westrock Property Development on Talleyrand Marine Terminal and \$4,000,000 for Miscellaneous Land Acquisition. | \$34,954,755 | 769.04% |

**JACKSONVILLE PORT AUTHORITY
FY 2022/2023 BUDGET**

| | |
|---|----------------------|
| OPERATING REVENUES | |
| Containers | \$ 28,474,681 |
| Autos | 13,867,830 |
| Military | 700,000 |
| Break Bulk | 5,460,517 |
| Liquid Bulk | 1,675,572 |
| Dry Bulk | 2,013,070 |
| Cruise | 3,425,066 |
| Other Operating Revenues | 3,253,193 |
| TOTAL OPERATING REVENUES | \$ 58,869,929 |
| OPERATING EXPENDITURES | |
| Salaries | \$ 14,832,233 |
| Employee Benefits | 6,644,052 |
| Services & Supplies | 6,884,338 |
| Security Services | 4,987,040 |
| Business Travel & Training | 545,246 |
| Promotion, Advertising, Dues | 781,705 |
| Utility Services | 805,393 |
| Repairs & Maintenance Projects | 2,371,414 |
| Crane Maintenance Pass Thru | (760,000) |
| Berth Maintenance Dredging | 5,000,815 |
| Other Operating Expenditures | 176,503 |
| TOTAL OPERATING EXPENDITURES | \$ 42,268,739 |
| OPERATING INCOME | \$ 16,601,190 |
| NON-OPERATING REVENUES | |
| Investment Income | \$ 300,000 |
| Shared Revenue from Primary Govt | 9,589,608 |
| Operating Grant | 73,440 |
| Other Revenue | 8,500 |
| TOTAL NON-OPERATING REVENUES | \$ 9,971,548 |
| NON-OPERATING EXPENDITURES | |
| Debt Service | \$ 15,679,678 |
| Crane Relocation/Demo | 1,050,000 |
| Other Expenditures | 3,360 |
| TOTAL NON-OPERATING EXPENDITURES | \$ 16,733,038 |
| NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY | \$ 9,839,700 |
| Transfer to Operating Capital Outlay | \$ (9,839,700) |
| SURPLUS/(DEFICIT) | \$ - |
| TOTAL REVENUES | \$ 68,841,477 |
| TOTAL APPROPRIATIONS | \$ 68,841,477 |
| Full Time Positions | 182 |
| Temporary Employee Hours | 6,760 |

SCHEDULE I

| Jacksonville Port Authority | | | | | | | | | | |
|-----------------------------|---|---------------|---------------|---------------------|---------------|------------------|---------------------|--------------|---------------|-----------------------|
| FY 2022/2023 CAPITAL BUDGET | | | | | | | | | | |
| Location | Description | STATE | FEDERAL | TENANT CONTRIBUTION | OTHER/LOCAL | STATE ARPA FUNDS | JPA OPERATING FUNDS | CASH RESERVE | JPA FINANCING | Amount |
| Blount Island | Container Terminal Upgrades | | 14,549,892 | 40,450,108 | | | | | | \$ 55,000,000 |
| | Auto Processing Facility Development | 16,500,000 | | 28,500,000 | | | | | | \$ 45,000,000 |
| | Breasting Dolphin - Berth 22 - Design & Construction | 3,801,000 | | | | 2,267,000 | | | | \$ 6,068,000 |
| | Intersection Improvements @ Wm Mills/Dave Rawls (WB rt Turn slip, SSA queue, DR Left) | 625,000 | | | | | | 625,000 | | \$ 1,250,000 |
| | T Berth Construction @ Berth 20 (Design) | 937,500 | | | | | | 312,500 | | \$ 1,250,000 |
| | Hanjung Crane #8810 Upgrades | | | | | | 909,500 | | | \$ 909,500 |
| | Install Rail Gates at Crossings (CNST) - 2 Locations (Berth 20 & Dave Rawls) | 450,000 | | | | | | 450,000 | | \$ 900,000 |
| | Hanjung Crane #8841 Upgrades | | | | | | 884,500 | | | \$ 884,500 |
| | BIMT Equipment Facility/Shelter | | | | | | | 750,000 | | \$ 750,000 |
| | Hanjung Crane #8811 Upgrades | | | | | | 720,000 | | | \$ 720,000 |
| | Tenant Asphalt Facility Rehab | 225,000 | | | | | | 225,000 | | \$ 450,000 |
| | Warehouse #1 Rehab/Upgrades | | | | | | | 250,000 | | \$ 250,000 |
| | Gitmo Building Upgrades | 100,000 | | | | | | 100,000 | | \$ 200,000 |
| | Construct Equipment Was Facility adjacent to Crane Watch Bldg | 75,000 | | | | | - | 75,000 | | \$ 150,000 |
| | Tenant Roof Repairs | | | | | | | 105,000 | | \$ 105,000 |
| | CFS Upgrades | | | | | | | 75,000 | | \$ 75,000 |
| | HVAC Upgrades at BIMT Maintenance | | | | | | | 65,000 | | \$ 65,000 |
| | Berth 32 Power Pit Drainage Upgrade | | | | | | | 50,000 | | \$ 50,000 |
| | HVAC Upgrades at ACC | | | | | | | 45,000 | | \$ 45,000 |
| | Stormwater Pond Outfall Upgrades for Tenants | | | | | | | 40,000 | | \$ 40,000 |
| | Upgrade lanes 7 & 8 concrete pads @ Interchange | 15,000 | | | | | | 15,000 | | \$ 30,000 |
| | Total Blount Island | \$ 22,728,500 | \$ 14,549,892 | \$ 68,950,108 | \$ - | \$ 2,267,000 | \$ 2,514,000 | \$ 3,182,500 | \$ - | \$ 114,192,000 |
| Dames Point | Slope Protection between Cruise Terminal & Tenant (Design & Construction) | 515,000 | | | | | | 1,235,000 | | \$ 1,750,000 |
| | Berth 16 & 17 Cathodic Protection Design & Construction | | | | | | | 1,000,000 | | \$ 1,000,000 |
| | CBP PHYSEC Upgrades | | | | | | | 500,000 | | \$ 500,000 |
| | Cruise Terminal Canopy Upgrades/Enhancement | | | | | | | 250,000 | | \$ 250,000 |
| | Cruise Terminal Entrance Enhancements | | | | | | | 200,000 | | \$ 200,000 |
| | Asphalt Rehab Tenant | | | | | | | 100,000 | | \$ 100,000 |
| | Water Main Loop Connection | | | | | | | 75,000 | | \$ 75,000 |
| | Total Dames Point | \$ 515,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,360,000 | \$ - | \$ 3,875,000 |
| Talleyrand | Westrock Property Development PH 1 (Warehouse Development) | | | | | | | | 35,000,000 | \$ 35,000,000 |
| | Warehouse #1 Canopies & Expansion | | | | | 5,000,000 | | | | \$ 5,000,000 |
| | Westrock Property Development PH 1 Site Development (Design & Construction) | 1,617,500 | | | | 1,617,500 | | | | \$ 3,235,000 |
| | Rehabilitate Under Deck Concrete | 750,000 | | | | | | 250,000 | | \$ 1,000,000 |
| | Pile, Cap and Beam Rehab TMT-Berth 5 - (Cleaning, Design, Construction) | 750,000 | | | | | | 250,000 | | \$ 1,000,000 |
| | Hanjung Crane #8844 Upgrades | | | | | | 974,500 | | | \$ 974,500 |
| | Tenant Warehouse Rehab - ROOF only | 250,000 | | | | | | 250,000 | | \$ 500,000 |
| | Resurface Leased Areas - TMT | 150,000 | | | | | | 150,000 | | \$ 300,000 |
| | (1) Pin locations for Cranes | | | | | | | 125,000 | | \$ 125,000 |
| | Upgrade Phase C Lift station | | | | | | | 75,000 | | \$ 75,000 |
| | Lighting - West End of Duffer Yard | | | | | | | 50,000 | | \$ 50,000 |
| | Fender Replacement (Concepts/Options) | | | | | | | 50,000 | | \$ 50,000 |
| | Upgrade Fenceline from Main Gate to PCOB | | | | | | | 40,000 | | \$ 40,000 |
| | Upgrade NE corner WH1 (ILA Restrooms) | | | | | | | 35,000 | | \$ 35,000 |
| | Storm Drain Repair | | | | | | | 22,879 | 2,121 | \$ 25,000 |
| | Upgrade & raise storm drain Tenant Parking lot | | | | | | | 10,000 | | \$ 10,000 |
| | Total Talleyrand | \$ 3,517,500 | \$ - | \$ - | \$ - | \$ 6,617,500 | \$ 997,379 | \$ 1,287,121 | \$ 35,000,000 | \$ 47,419,500 |
| Port Related | Jaxport PIDP Project | | 23,518,000 | 23,018,000 | | | | | 500,000 | \$ 47,036,000 |
| | Power Lines | | | | 30,000,000 | | | | | \$ 30,000,000 |
| | Upland Dredge Material Mgmt Area-Bartram Island-"C"-Construction | | | | | 4,831,724 | 1,168,276 | | | \$ 6,000,000 |
| | Misc Land Acquisition | | | | | | | | 4,000,000 | \$ 4,000,000 |
| | PSGP Rd 21 Security Grant | | 1,225,012 | | | | 408,337 | | | \$ 1,633,349 |
| | PSGP Rd 20 Security Grant | | 845,617 | | | | 281,872 | | | \$ 1,127,489 |
| | Upland Dredge Material Management Area Construction Buck B - Phase 2 | | | | | | | 700,000 | | \$ 700,000 |
| | PCOB Renovations | | | | | | 650,000 | | | \$ 650,000 |
| | Capitalize In-House Engineering Services | | | | | | 400,000 | | | \$ 400,000 |
| | Buck Island Access Road Bridge (Concept Development) | | | | | | | 300,000 | | \$ 300,000 |
| | PSPG Rd 22 Security Grant | | 187,500 | | | | 62,500 | | | \$ 250,000 |
| | FSTED 20 Security Grant | 100,590 | | | | | 33,530 | | | \$ 134,120 |
| | FSTED 22 Security Grant | 90,000 | | | | | 30,000 | | | \$ 120,000 |
| | Strategic Master Plan Update | | | | | | 100,000 | | | \$ 100,000 |
| | FSTED 23 Security Grant | 48,750 | | | | | 16,250 | | | \$ 65,000 |
| | FSTED 19 Security Grant | 30,168 | | | | | 10,056 | | | \$ 40,224 |
| | FireHouse Subs Public Safety Grant | | | | 25,000 | | | | | \$ 25,000 |
| | Total Port Related | \$ 269,508 | \$ 25,776,129 | \$ 23,018,000 | \$ 30,025,000 | \$ 4,831,724 | \$ 3,160,821 | \$ 1,000,000 | \$ 4,500,000 | \$ 92,581,182 |

Jacksonville Port Authority

FY 2022/2023 CAPITAL BUDGET

| Location | Description | STATE | FEDERAL | TENANT CONTRIBUTION | OTHER/LOCAL | STATE ARPA FUNDS | JPA OPERATING FUNDS | CASH RESERVE | JPA FINANCING | | Amount | | | | | | | | |
|-------------------------------|---|-------|------------|------------------------|-------------|---------------------|---------------------------|-----------------|------------------|----|------------|------------|-----------|-----------|-----------|----|------------|----|-------------|
| Other Capital | BLOUNT ISLAND | | | | | | | | | | | | | | | | | | |
| | ZPMC Crane #10776 HVAC upgrade/replacements | | | 25,000 | | | | | | | \$ 25,000 | | | | | | | | |
| | ZPMC Crane #10777 HVAC upgrade/replacements | | | 25,000 | | | | | | | \$ 25,000 | | | | | | | | |
| | ZPMC Crane #10778 HVAC upgrade/replacements | | | 25,000 | | | | | | | \$ 25,000 | | | | | | | | |
| | New Excavator | | | | | | - | | | | | | | | | | | | |
| | Kubota Excavator | | | | | | 66,600 | | | | \$ 66,600 | | | | | | | | |
| | Rockdrill Hammer | | | | | | 5,200 | | | | \$ 5,200 | | | | | | | | |
| | Paladin Brush Cutter | | | | | | 11,200 | | | | \$ 11,200 | | | | | | | | |
| | Trailer | | | | | | 10,000 | | | | \$ 10,000 | | | | | | | | |
| | Bromma Speedloader leg replacements (Asset 9369) | | | | | | 36,000 | | | | \$ 36,000 | | | | | | | | |
| | Bromma Speedloader leg replacements (Asset 10783) | | | | | | 36,000 | | | | \$ 36,000 | | | | | | | | |
| | 200 KW Standby genset engine replacement (QTY1) | | | | | | 18,500 | | | | \$ 18,500 | | | | | | | | |
| | New 60' Bucket Truck | | | | | | 275,000 | | | | \$ 275,000 | | | | | | | | |
| | HANJUN Gantry Motor Replacement (QTY 1) - INVENTORY | | | | | | 30,000 | | | | \$ 30,000 | | | | | | | | |
| | HANJUN Trolley Motor Replacement (QTY 2) - INVENTORY | | | | | | 60,000 | | | | \$ 60,000 | | | | | | | | |
| | Berth Fender Upgrades | | | | | | 22,000 | | | | \$ 22,000 | | | | | | | | |
| | Marque Sign at BIMT Entrance | | | | | | 75,000 | | | | \$ 75,000 | | | | | | | | |
| | DAMES POINT | | | | | | | - | | | | | | | | | | | |
| | Cruise Terminal Fender Maintenance | | | | | | | 22,000 | | | | \$ 22,000 | | | | | | | |
| | HVAC Embark (units, ducts, controls, etc) (QTY 2) | | | | | | | 200,000 | | | | \$ 200,000 | | | | | | | |
| | TALLEYRAND | | | | | | | - | | | | | | | | | | | |
| | ZPMC Crane #10486 | | | | | | | - | | | | | | | | | | | |
| | Trolley rail clip and bolt replacement | | | | | | | 40,000 | | | | \$ 40,000 | | | | | | | |
| | Catenary side roller shaft and bearing replacement | | | | | | | 15,000 | | | | \$ 15,000 | | | | | | | |
| | ZPMC Crane #10487 | | | | | | | - | | | | | | | | | | | |
| | Trolley rail clip and bolt replacement | | | | | | | 40,000 | | | | \$ 40,000 | | | | | | | |
| | Catenary side roller shaft and bearing replacement | | | | | | | 15,000 | | | | \$ 15,000 | | | | | | | |
| | Boom Cable | | | | | | | 40,000 | | | | \$ 40,000 | | | | | | | |
| | Impsa Crane #7381 | | | | | | | - | | | | | | | | | | | |
| | Drive room AC replacement | | | | | | | 13,000 | | | | \$ 13,000 | | | | | | | |
| | Elevator safety devices | | | | | | | 12,000 | | | | \$ 12,000 | | | | | | | |
| | Resistor grid replacements | | | | | | | 61,000 | | | | \$ 61,000 | | | | | | | |
| | Impsa Crane #7382 | | | | | | | - | | | | | | | | | | | |
| | Drive room AC replacement | | | | | | | 13,000 | | | | \$ 13,000 | | | | | | | |
| | Elevator safety devices | | | | | | | 12,000 | | | | \$ 12,000 | | | | | | | |
| | Resistor grid replacements | | | | | | | 61,000 | | | | \$ 61,000 | | | | | | | |
| | Elevator safety device 1516 IHI | | | | | | | 13,000 | | | | \$ 13,000 | | | | | | | |
| | John Deere Tractor (40 - 60 hp with front end loader) | | | | | | | 35,000 | | | | \$ 35,000 | | | | | | | |
| | Backup Generator & Transfer switch North Gate | | | | | | | 75,000 | | | | \$ 75,000 | | | | | | | |
| | SECURITY/SECURITY OPERATIONS CENTER | | | | | | | | | | | | | | | | | | |
| | SOC HVAC replacement | | | | | | | 40,000 | | | | \$ 40,000 | | | | | | | |
| | SOC Parking Lot repair | | | | | | | 25,000 | | | | \$ 25,000 | | | | | | | |
| | SOC Improvements (Paint/Carpet/Tile/Lighting) | | | | | | | 30,000 | | | | \$ 30,000 | | | | | | | |
| | SOC Electric Trailer Tug | | | | | | | 8,500 | | | | \$ 8,500 | | | | | | | |
| | Drone Replacement (2) | | | | | | | 40,000 | | | | \$ 40,000 | | | | | | | |
| | SOC Server Room HVAC replacement (2) Units | | | | | | | 15,000 | | | | \$ 15,000 | | | | | | | |
| | PCOB | | | | | | | | | | | | | | | | | | |
| | Vehicle Purchases for all Terminals | | | | | | | 750,000 | | | | \$ 750,000 | | | | | | | |
| | Replace Tour Bus | | | | | | | 125,000 | | | | \$ 125,000 | | | | | | | |
| | Portwide signage upgrade | | | | | | | 100,000 | | | | \$ 100,000 | | | | | | | |
| | SOC Report Writing Software | | | | | | | 125,000 | | | | \$ 125,000 | | | | | | | |
| | IT Hardware/Software Upgrades | | | | | | | 84,000 | | | | \$ 84,000 | | | | | | | |
| | PCOB Cooling Tower | | | | | | | 30,000 | | | | \$ 30,000 | | | | | | | |
| | KleinPort PortControl Enhancements | | | | | | | 12,500 | | | | \$ 12,500 | | | | | | | |
| | Maximo Upgrades | | | | | | | 25,000 | | | | \$ 25,000 | | | | | | | |
| | Phone System Upgrade | | | | | | | 50,000 | | | | \$ 50,000 | | | | | | | |
| | BI AAC Upgrade | | | | | | | 25,000 | | | | \$ 25,000 | | | | | | | |
| | Crane Operating Technology Switch Upgrade (All cranes and one spare) - equipment purchase | | | | | | | 60,000 | | | | \$ 60,000 | | | | | | | |
| | Fuel System Upgrade - Replace fuel master (TMT and BIMT) - Equipment, Software, Service | | | | | | | 75,000 | | | | \$ 75,000 | | | | | | | |
| | Private Cellular Communications Network | | | | | | | 150,000 | | | | \$ 150,000 | | | | | | | |
| | Upgrade 6 existing CCTV cabinets (3 at TMT, 3 at BIMT) | | | | | | | 40,000 | | | | \$ 40,000 | | | | | | | |
| | PCOB 3rd Floor top-of-rack switch upgrade and 2nd fl NVR move | | | | | | | 45,000 | | | | \$ 45,000 | | | | | | | |
| | Total Other Capital | | \$ | - | \$ | - | \$ | 75,000 | \$ | - | \$ | - | \$ | 3,167,500 | \$ | - | \$ | - | \$ |
| TOTAL CAPITAL PROJECTS | | \$ | 27,030,508 | \$ | 40,326,021 | \$ | 92,043,108 | \$ | 30,025,000 | \$ | 13,716,224 | \$ | 9,839,700 | \$ | 8,829,621 | \$ | 39,500,000 | \$ | 261,310,182 |

SCHEDULE J

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE PORT AUTHORITY
PROPOSED BUDGET FY 2022/2023**

JPA concurs with these recommendations.

RECOMMENDATIONS:

1. We recommend attaching Revised Schedule I to increase the “Shared Revenue from Primary Govt” line under “Non-Operating Revenues” by \$21,498 from \$9,589,608 to \$9,611,106. This amount will be in agreement with the amount the City has budgeted to be paid to JPA. We also recommend that JPA increase the “Debt Service” line under “Non-Operating Expenditures” by \$21,498 from \$15,679,678 to \$15,701,176. This will balance the revenues and expenditures for JPA’s budget.
2. We recommend amending JPA’s capital budget and Capital Improvement Plan (CIP) to reflect the updated total cost of \$42,100,000 for the “Power Lines” project. Additionally, we recommend that the funding sources be updated to reflect anticipated funding from the Florida Department of Transportation (\$21,050,000) and JPA financing (\$21,050,000).
3. We recommend attaching Revised Schedule J (Capital) to reflect the updated total cost and changed funding sources for the project mentioned above, to correct scrivener errors, and include formatting changes for consistency purposes.

**JACKSONVILLE PORT AUTHORITY
FY 2022/2023 BUDGET**

| | |
|---|---------------------|
| OPERATING REVENUES | |
| Containers | \$28,474,681 |
| Autos | 13,867,830 |
| Military | 700,000 |
| Break Bulk | 5,460,517 |
| Liquid Bulk | 1,675,572 |
| Dry Bulk | 2,013,070 |
| Cruise | 3,425,066 |
| Other Operating Revenues | 3,253,193 |
| | <hr/> |
| TOTAL OPERATING REVENUES | \$58,869,929 |
| | <hr/> |
| OPERATING EXPENDITURES | |
| Salaries | \$14,832,233 |
| Employee Benefits | 6,644,052 |
| Services & Supplies | 6,884,338 |
| Security Services | 4,987,040 |
| Business Travel & Training | 545,246 |
| Promotion, Advertising, Dues | 781,705 |
| Utility Services | 805,393 |
| Repairs & Maintenance Projects | 2,371,414 |
| Crane Maintenance Pass Thru | -760,000 |
| Berth Maintenance Dredging | 5,000,815 |
| Other Operating Expenditures | 176,503 |
| | <hr/> |
| TOTAL OPERATING EXPENDITURES | \$42,268,739 |
| | <hr/> |
| OPERATING INCOME | \$16,601,190 |
| | <hr/> |
| NON-OPERATING REVENUES | |
| Investment Income | \$300,000 |
| Shared Revenue from Primary Govt | 9,611,106 |
| Operating Grant | 73,440 |
| Other Revenue | 8,500 |
| | <hr/> |
| TOTAL NON-OPERATING REVENUES | \$9,993,046 |
| | <hr/> |
| NON-OPERATING EXPENDITURES | |
| Debt Service | \$15,701,176 |
| Crane Relocation/Demo | 1,050,000 |
| Other Expenditures | 3,360 |
| | <hr/> |
| TOTAL NON-OPERATING EXPENDITURES | \$16,754,536 |
| | <hr/> |
| NET INCOME BEFORE OPERATING CAPITAL OUTLAY AND CONTINGENCY | \$9,839,700 |
| | <hr/> |
| Transfer to Operating Capital Outlay | -\$9,839,700 |
| | <hr/> |
| SURPLUS/(DEFICIT) | \$0 |
| | <hr/> |
| TOTAL REVENUES | \$68,862,975 |
| | <hr/> |
| TOTAL APPROPRIATIONS | \$68,862,975 |
| | <hr/> |
| | <hr/> |
| Full Time Positions | 182 |
| | <hr/> |
| Temporary Employee Hours | 6,760 |
| | <hr/> |
| | <hr/> |

REVISED SCHEDULE I

Jacksonville Port Authority

FY 2022/2023 CAPITAL BUDGET

| Location | Description | STATE | FEDERAL | TENANT CONTRIBUTION | OTHER/LOCAL | STATE ARPA FUNDS | JPA OPERATING FUNDS | CASH RESERVE | JPA FINANCING | Amount |
|---------------|---|--------------|--------------|---------------------|-------------|------------------|---------------------|--------------|---------------|----------------------|
| Blount Island | Container Terminal Upgrades | | 14,549,892 | 40,450,108 | | | | | | \$55,000,000 |
| | Auto Processing Facility Development | 16,500,000 | | 28,500,000 | | | | | | \$45,000,000 |
| | Breasting Dolphin - Berth 22 - Design & Construction | 3,801,000 | | | | 2,267,000 | | | | \$6,068,000 |
| | Intersection Improvements @ Wm Mills/Dave Rawls (WB rt Turn slip, SSA queue, DR Lef | 625,000 | | | | | | 625,000 | | \$1,250,000 |
| | T Berth Construction @ Berth 20 (Design) | 937,500 | | | | | | 312,500 | | \$1,250,000 |
| | Hanjung Crane #8810 Upgrades | | | | | | 909,500 | | | \$909,500 |
| | Install Rail Gates at Crossings (CNST) - 2 Locations (Berth 20 & Dave Rawls) | 450,000 | | | | | | 450,000 | | \$900,000 |
| | Hanjung Crane #8841 Upgrades | | | | | | 884,500 | | | \$884,500 |
| | BIMT Equipment Facility/Shelter | | | | | | | 750,000 | | \$750,000 |
| | Hanjung Crane #8811 Upgrades | | | | | | 720,000 | | | \$720,000 |
| | Tenant Asphalt Facility Rehab | 225,000 | | | | | | 225,000 | | \$450,000 |
| | Warehouse #1 Rehab/Upgrades | | | | | | | 250,000 | | \$250,000 |
| | Gitmo Building Upgrades | 100,000 | | | | | | 100,000 | | \$200,000 |
| | Construct Equipment Wash Facility adjacent to Crane Watch Bldg | 75,000 | | | | | - | 75,000 | | \$150,000 |
| | Tenant Roof Repairs | | | | | | | 105,000 | | \$105,000 |
| | Container Freight Station Upgrades | | | | | | | 75,000 | | \$75,000 |
| | HVAC Upgrades at BIMT Maintenance | | | | | | | 65,000 | | \$65,000 |
| | Berth 32 Power Pit Drainage Upgrade | | | | | | | 50,000 | | \$50,000 |
| | HVAC Upgrades at Access Control Center | | | | | | | 45,000 | | \$45,000 |
| | Stormwater Pond Outfall Upgrades for Tenants | | | | | | | 40,000 | | \$40,000 |
| | Upgrade lanes 7 & 8 concrete pads @ Interchange | 15,000 | | | | | | 15,000 | | \$30,000 |
| | Total Blount Island | \$22,728,500 | \$14,549,892 | \$68,950,108 | \$0 | \$2,267,000 | \$2,514,000 | \$3,182,500 | \$0 | \$114,192,000 |
| Dames Point | Slope Protection between Cruise Terminal & Tenant (Design & Construction) | 515,000 | | | | | | 1,235,000 | | \$1,750,000 |
| | Berth 16 & 17 Cathodic Protection Design & Construction | | | | | | | 1,000,000 | | \$1,000,000 |
| | CBP PHYSEC Upgrades | | | | | | | 500,000 | | \$500,000 |
| | Cruise Terminal Canopy Upgrades/Enhancement | | | | | | | 250,000 | | \$250,000 |
| | Cruise Terminal Entrance Enhancements | | | | | | | 200,000 | | \$200,000 |
| | Asphalt Rehab Tenant | | | | | | | 100,000 | | \$100,000 |
| | Water Main Loop Connection | | | | | | | 75,000 | | \$75,000 |
| | Total Dames Point | \$515,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,360,000 | \$0 | \$3,875,000 |
| Talleyrand | Westrock Property Development PH 1 (Warehouse Development) | | | | | | | | 35,000,000 | \$35,000,000 |
| | Warehouse #1 Canopies & Expansion | | | | | 5,000,000 | | | | \$5,000,000 |
| | Westrock Property Development PH 1 Site Development (Design & Construction) | 1,617,500 | | | | 1,617,500 | | | | \$3,235,000 |
| | Rehabilitate Under Deck Concrete | 750,000 | | | | | | 250,000 | | \$1,000,000 |
| | Pile, Cap and Beam Rehab TMT-Berth 5 - (Cleaning, Design, Construction) | 750,000 | | | | | | 250,000 | | \$1,000,000 |
| | Hanjung Crane #8844 Upgrades | | | | | | 974,500 | | | \$974,500 |
| | Tenant Warehouse Rehab - ROOF only | 250,000 | | | | | | 250,000 | | \$500,000 |
| | Resurface Leased Areas - TMT | 150,000 | | | | | | 150,000 | | \$300,000 |
| | (1) Pin locations for Cranes | | | | | | | 125,000 | | \$125,000 |
| | Upgrade Phase C Lift station | | | | | | | 75,000 | | \$75,000 |
| | Lighting - West End of Duffer Yard | | | | | | | 50,000 | | \$50,000 |
| | Fender Replacement (Concepts/Options) | | | | | | | 50,000 | | \$50,000 |
| | Upgrade Fence line from Main Gate to PCOB | | | | | | | 40,000 | | \$40,000 |
| | Upgrade NE corner WH1 (ILA Restrooms) | | | | | | | 35,000 | | \$35,000 |
| | Storm Drain Repair | | | | | | 22,879 | 2,121 | | \$25,000 |
| | Upgrade & raise storm drain Tenant Parking lot | | | | | | | 10,000 | | \$10,000 |
| | Total Talleyrand | \$3,517,500 | \$0 | \$0 | \$0 | \$6,617,500 | \$997,379 | \$1,287,121 | \$35,000,000 | \$47,419,500 |
| Port Related | Jaxport Port Infrastructure Development Program Project | | 23,518,000 | 23,018,000 | | | | | 500,000 | \$47,036,000 |
| | Power Lines | 21,050,000 | | | | | | | 21,050,000 | \$42,100,000 |
| | Upland Dredge Material Mgmt Area-Bartram Island-"C"-Construction | | | | | 4,831,724 | 1,168,276 | | | \$6,000,000 |
| | Misc Land Acquisition | | | | | | | | 4,000,000 | \$4,000,000 |
| | Port Security Grant Program Round 21 Security Grant | | 1,225,012 | | | | 408,337 | | | \$1,633,349 |
| | Port Security Grant Program Round 20 Security Grant | | 845,617 | | | | 281,872 | | | \$1,127,489 |
| | Upland Dredge Material Management Area Construction Buck B - Phase 2 | | | | | | | 700,000 | | \$700,000 |
| | PCOB Renovations | | | | | | 650,000 | | | \$650,000 |
| | Capitalize In-House Engineering Services | | | | | | 400,000 | | | \$400,000 |
| | Buck Island Access Road Bridge (Concept Development) | | | | | | | 300,000 | | \$300,000 |
| | Port Security Grant Program Round 22 Security Grant | | 187,500 | | | | 62,500 | | | \$250,000 |
| | FSTED 20 Security Grant | 100,590 | | | | | 33,530 | | | \$134,120 |
| | FSTED 22 Security Grant | 90,000 | | | | | 30,000 | | | \$120,000 |
| | Strategic Master Plan Update | | | | | | 100,000 | | | \$100,000 |
| | FSTED 23 Security Grant | 48,750 | | | | | 16,250 | | | \$65,000 |
| | FSTED 19 Security Grant | 30,168 | | | | | 10,056 | | | \$40,224 |
| | FireHouse Subs Public Safety Grant | | | | 25,000 | | | | | \$25,000 |
| | Total Port Related | \$21,319,508 | \$25,776,129 | \$23,018,000 | \$25,000 | \$4,831,724 | \$3,160,821 | \$1,000,000 | \$25,550,000 | \$104,681,182 |

Jacksonville Port Authority

FY 2022/2023 CAPITAL BUDGET

| Location | Description | STATE | FEDERAL | TENANT CONTRIBUTION | OTHER/LOCAL | STATE ARPA FUNDS | JPA OPERATING FUNDS | CASH RESERVE | JPA FINANCING | Amount |
|-------------------------------|---|--------------|--------------|------------------------|-------------|---------------------|---------------------------|-----------------|------------------|----------------------|
| Other Capital | <u>BLOUNT ISLAND</u> | | | | | | | | | |
| | ZPMC Crane #10776 HVAC upgrade/replacements | | | 25,000 | | | | | | \$25,000 |
| | ZPMC Crane #10777 HVAC upgrade/replacements | | | 25,000 | | | | | | \$25,000 |
| | ZPMC Crane #10778 HVAC upgrade/replacements | | | 25,000 | | | | | | \$25,000 |
| | New Excavator | | | | | | | | | |
| | Kubota Excavator | | | | | | 66,600 | | | \$66,600 |
| | Rockdrill Hammer | | | | | | 5,200 | | | \$5,200 |
| | Paladin Brush Cutter | | | | | | 11,200 | | | \$11,200 |
| | Trailer | | | | | | 10,000 | | | \$10,000 |
| | Bromma Speedloader leg replacements (Asset 9369) | | | | | | 36,000 | | | \$36,000 |
| | Bromma Speedloader leg replacements (Asset 10783) | | | | | | 36,000 | | | \$36,000 |
| | 200 KW Standby genset engine replacement (QTY1) | | | | | | 18,500 | | | \$18,500 |
| | New 60' Bucket Truck | | | | | | 275,000 | | | \$275,000 |
| | HANJUN Gantry Motor Replacement (QTY 1) - INVENTORY | | | | | | 30,000 | | | \$30,000 |
| | HANJUN Trolley Motor Replacement (QTY 2) - INVENTORY | | | | | | 60,000 | | | \$60,000 |
| | Berth Fender Upgrades | | | | | | 22,000 | | | \$22,000 |
| | Marque Sign at BIMT Entrance | | | | | | 75,000 | | | \$75,000 |
| | <u>DAMES POINT</u> | | | | | | | | | |
| | Cruise Terminal Fender Maintenance | | | | | | 22,000 | | | \$22,000 |
| | HVAC Embark (units, ducts, controls, etc) (QTY 2) | | | | | | 200,000 | | | \$200,000 |
| | <u>TALLEYRAND</u> | | | | | | | | | |
| | ZPMC Crane #10486 | | | | | | | | | |
| | Trolley rail clip and bolt replacement | | | | | | 40,000 | | | \$40,000 |
| | Catenary side roller shaft and bearing replacement | | | | | | 15,000 | | | \$15,000 |
| | ZPMC Crane #10487 | | | | | | | | | |
| | Trolley rail clip and bolt replacement | | | | | | 40,000 | | | \$40,000 |
| | Catenary side roller shaft and bearing replacement | | | | | | 15,000 | | | \$15,000 |
| | Boom Cable | | | | | | 40,000 | | | \$40,000 |
| | Impsa Crane #7381 | | | | | | | | | |
| | Drive room AC replacement | | | | | | 13,000 | | | \$13,000 |
| | Elevator safety devices | | | | | | 12,000 | | | \$12,000 |
| | Resistor grid replacements | | | | | | 61,000 | | | \$61,000 |
| | Impsa Crane #7382 | | | | | | | | | |
| | Drive room AC replacement | | | | | | 13,000 | | | \$13,000 |
| | Elevator safety devices | | | | | | 12,000 | | | \$12,000 |
| | Resistor grid replacements | | | | | | 61,000 | | | \$61,000 |
| | Elevator safety device 1516 IHI | | | | | | 13,000 | | | \$13,000 |
| | John Deere Tractor (40 - 60 hp with front end loader) | | | | | | 35,000 | | | \$35,000 |
| | Backup Generator & Transfer switch North Gate | | | | | | 75,000 | | | \$75,000 |
| | <u>SECURITY/SECURITY OPERATIONS CENTER</u> | | | | | | | | | |
| | SOC HVAC replacement | | | | | | 40,000 | | | \$40,000 |
| | SOC Parking Lot repair | | | | | | 25,000 | | | \$25,000 |
| | SOC Improvements (Paint/Carpet/Tile/Lighting) | | | | | | 30,000 | | | \$30,000 |
| | SOC Electric Trailer Tug | | | | | | 8,500 | | | \$8,500 |
| | Drone Replacement (2) | | | | | | 40,000 | | | \$40,000 |
| | SOC Server Room HVAC replacement (2) Units | | | | | | 15,000 | | | \$15,000 |
| | <u>PCOB</u> | | | | | | | | | |
| | Vehicle Purchases for all Terminals | | | | | | 750,000 | | | \$750,000 |
| | Replace Tour Bus | | | | | | 125,000 | | | \$125,000 |
| | Portwide signage upgrade | | | | | | 100,000 | | | \$100,000 |
| | SOC Report Writing Software | | | | | | 125,000 | | | \$125,000 |
| | IT Hardware/Software Upgrades | | | | | | 84,000 | | | \$84,000 |
| | PCOB Cooling Tower | | | | | | 30,000 | | | \$30,000 |
| | KleinPort PortControl Enhancements | | | | | | 12,500 | | | \$12,500 |
| | Maximo Upgrades | | | | | | 25,000 | | | \$25,000 |
| | Phone System Upgrade | | | | | | 50,000 | | | \$50,000 |
| | Access Control Center - IT Upgrade | | | | | | 25,000 | | | \$25,000 |
| | Crane Operating Technology Switch Upgrade (All cranes and one spare) - equipment purchase | | | | | | 60,000 | | | \$60,000 |
| | Fuel System Upgrade - Replace fuel master (TMT and BIMT) - Equipment, Software, Service | | | | | | 75,000 | | | \$75,000 |
| | Private Cellular Communications Network | | | | | | 150,000 | | | \$150,000 |
| | Upgrade 6 existing CCTV cabinets (3 at TMT, 3 at BIMT) | | | | | | 40,000 | | | \$40,000 |
| | PCOB 3rd Floor top-of-rack switch upgrade and 2nd fl NVR move | | | | | | 45,000 | | | \$45,000 |
| | Total Other Capital | \$0 | \$0 | \$75,000 | \$0 | \$0 | \$3,167,500 | \$0 | \$0 | \$3,242,500 |
| TOTAL CAPITAL PROJECTS | | \$48,080,508 | \$40,326,021 | \$92,043,108 | \$25,000 | \$13,716,224 | \$9,839,700 | \$8,829,621 | \$60,550,000 | \$273,410,182 |

JACKSONVILLE AVIATION AUTHORITY
COMPARISON OF BUDGETS
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023

| | <u>Operating & Non Operating</u> | <u>Debt Service</u> | <u>Capital Outlay</u> | <u>Fund Transfers Out</u> | <u>Total</u> |
|-----------------------|--|-------------------------|---------------------------|-------------------------------|----------------|
| FY 2021/2022 Original | \$ 65,908,737 | \$ 6,297,072 | \$ 170,102,500 | \$ 22,090,287 | \$ 264,398,596 |
| FY 2022/2023 Proposed | \$ 72,568,212 | \$ 13,860,801 | \$ 372,999,000 | \$ 41,438,531 | \$ 500,866,544 |
| \$ Change | \$ 6,659,475 | \$ 7,563,729 | \$ 202,896,500 | \$ 19,348,244 | \$ 236,467,948 |
| % Change | 10.10% | 120.12% | 119.28% | 87.59% | 89.44% |
| | | <u>FY 2021/22</u> | <u>FY 2022/23</u> | <u>Change</u> | |
| Full-time Positions | | 271 | 296 | 25 | |
| Part-time Hours | | 5,220 | 3,400 | -1,820 | |

Overall Comments:

- Operating and Non-Operating budget shows an increase of 10% and is adding 25 positions for IT, maintenance, custodial services, airport operations, and security; most of the increase in JAA's total budget is in their Debt Service and Capital Budgets.
- There are increases in revenues due to anticipated increases in passenger activity and the addition of a new signatory airline, Breeze Airways.
- The increases in expenses are due to new positions, a new fixed price Aircraft Rescue and Fire Fighting services contract which includes aircraft rescue and firefighting services, medical rescue and related staffing, and the scheduling of repairs and maintenance at the airports that were delayed due to the pandemic.
- The increase in debt service is due to debt issued in FY 2021/22 for the Boeing project at Cecil Airport.
- The increase in JAA's Capital Budget is due to the \$300 million Concourse B project.

JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF THE FY 2022/2023 PROPOSED BUDGET

| | 2021/22 Original Budget | 7 Months Actuals FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | 2022/23 Proposed Budget over 2021/22 Original | |
|---|--|--|---|--|--|-----------------|
| | | | | | \$ Change | % Change |
| OPERATING REVENUES | | | | | | |
| Concessions | \$15,626,166 | \$12,601,102 | \$20,816,150 | \$20,993,581 | \$5,367,415 | 34.35% |
| Fees & Charges | 18,052,320 | 11,803,979 | 19,986,686 | 22,477,883 | 4,425,563 | 24.52% |
| Space & Facility Rentals | 30,065,211 | 17,315,404 | 29,560,248 | 32,820,031 | 2,754,820 | 9.16% |
| Parking | 18,967,224 | 13,423,118 | 23,431,634 | 25,884,854 | 6,917,630 | 36.47% |
| Sale of Utilities | 1,368,347 | 937,404 | 1,572,850 | 1,672,206 | 303,859 | 22.21% |
| Other Miscellaneous Operating Revenue | 247,606 | 101,754 | 170,342 | 203,436 | -44,170 | -17.84% |
| TOTAL OPERATING REVENUES | \$84,326,874 | \$56,182,761 | \$95,537,910 | \$104,051,991 | \$19,725,117 | 23.39% |
| OPERATING EXPENDITURES | | | | | | |
| Salaries | \$20,299,924 | \$11,842,875 | \$21,415,821 | \$22,620,572 | \$2,320,648 | 11.43% |
| Benefits | 8,938,446 | 4,921,905 | 8,411,988 | 9,483,336 | 544,890 | 6.10% |
| Services & Supplies | 16,780,051 | 9,380,085 | 16,820,928 | 18,377,498 | 1,597,447 | 9.52% |
| Repairs & Maintenance | 8,585,605 | 3,721,713 | 8,946,650 | 10,102,167 | 1,516,562 | 17.66% |
| Promotion, Advertising and Dues | 761,751 | 387,691 | 727,576 | 925,081 | 163,330 | 21.44% |
| Registrations & Travel | 436,446 | 132,695 | 400,092 | 599,826 | 163,380 | 37.43% |
| Insurance Expense | 1,829,000 | 1,054,873 | 1,634,740 | 1,977,455 | 148,455 | 8.12% |
| Cost of Goods for Sale | 695,000 | 381,270 | 631,414 | 963,250 | 268,250 | 38.60% |
| Utilities, Taxes & Gov't Fees | 4,671,853 | 2,516,446 | 4,280,902 | 4,678,822 | 6,969 | 0.15% |
| Operating Contingency | 1,925,061 | 0 | 0 | 2,500,000 | 574,939 | 29.87% |
| TOTAL OPERATING EXPENDITURES | \$64,923,137 | \$34,339,553 | \$63,270,111 | \$72,228,007 | \$7,304,870 | 11.25% |
| INCOME FROM OPERATIONS | \$19,403,737 | \$21,843,208 | \$32,267,799 | \$31,823,984 | \$12,420,247 | 64.01% |
| NON-OPERATING REVENUES/(EXPENSES) | | | | | | |
| Passenger Facility Charge Revenue | \$8,066,219 | \$7,049,587 | \$12,085,006 | \$12,666,208 | \$4,599,989 | 57.03% |
| Investment Income | 1,470,343 | -1,549,108 | 979,769 | 1,500,000 | 29,657 | 2.02% |
| Other Revenue | 432,660 | 8,214,847 | 8,575,192 | 9,649,345 | 9,216,685 | 2130.24% |
| Debt Service | -6,297,072 | -8,196,588 | -8,363,284 | -13,860,801 | -7,563,729 | 120.12% |
| Other Expense | -985,600 | -109,392 | -225,558 | -340,205 | 645,395 | -65.48% |
| NET INCOME (LOSS) BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS | \$22,090,287 | \$27,252,554 | \$45,318,924 | \$41,438,531 | \$19,348,244 | 87.59% |
| Transfer (to)/from Operating Capital Outlay | -\$30,472,500 | -\$12,104,548 | -\$24,992,061 | -\$72,893,188 | -\$42,420,688 | 139.21% |
| Transfer (to)/from Passenger Facility Charge Reserve | -5,036,751 | -3,913,812 | -3,913,812 | 0 | 5,036,751 | -100.00% |
| Transfer (to)/from Retained Earnings | 13,418,964 | 11,234,194 | 16,413,051 | 31,454,657 | 18,035,693 | 134.40% |
| SURPLUS/(DEFICIT) | \$0 | \$22,468,388 | \$32,826,102 | \$0 | \$0 | N/A |
| Fulltime Positions | 271 | 263 | 265 | 296 | 25 | 9.23% |
| Temporary Employee Hours | 5,220 | 425 | 850 | 3,400 | -1,820 | -34.87% |

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023

| REVENUE OVERVIEW | \$ Change | % Change |
|--|--------------------|---------------|
| Concessions <p>The increase is partially due to increases of \$3.1 million in on-airport car rentals driven by rental car companies reporting record prices due to higher demand and lower inventories. There are additional increases of \$1.1 million in food & beverage sales related to new tenants, \$281,187 in retail sales, \$269,377 in other concession fees, \$242,449 in fuel flowage fees for aircraft fuel sales, and \$179,760 in off-airport parking all of which are due to projected passenger activity in FY 2022/23.</p> | \$5,367,415 | 34.35% |
| Fees & Charges <p>The increase is mostly due to projected increases of \$2.6 million in signatory landing fees related to the addition of a new signatory airline, Breeze Airways. There are also increases of \$732,162 in air cargo landing fees due to projected increases in activity, \$372,654 in operating permit revenue related to the "under the wing" vendors at Jacksonville International Airport (JIA) due to increased passenger traffic, \$350,000 in landing fees for fixed base operators (FBO) due to an increase in operations and an additional charter company operating at JIA, \$327,989 in transportation network carriers (TNC) revenue based on increased passenger activity, and \$277,200 in rental car security fees based on increased passenger activity. The increases are slightly offset by a decrease of \$249,873 in landing fees - non-signatory due to a projected decrease in non-signatory airline traffic.</p> | \$4,425,563 | 24.52% |
| Space & Facility Rentals <p>The increase is due to increases of \$985,973 in signatory terminal rent and joint use space rent of common terminal areas due to Breeze Airways being added, \$800,000 in terminal per use fees due to higher passenger activity including more arriving planes, gate usage, overnight stays, and one less common use gate that is now exclusive to Breeze Airways, \$448,377 in hangar space rent at Cecil field due to a new lease with Man Tech, \$294,266 in hangar space rent at JIA due to contractual increases, and \$285,000 in aircraft airfield parking due to more arriving planes and overnight stays. The increases are partially offset by decreases of \$138,746 in joint use space non-signatory, \$136,430 in space rental non-signatory, and \$72,690 in general aviation ground rentals at JaxEx airport.</p> | \$2,754,820 | 9.16% |

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023

| REVENUE OVERVIEW | \$ Change | % Change |
|--|--------------------|---------------|
| Parking | \$6,917,630 | 36.47% |
| The increase is due to anticipated increases in passenger volume and the full year impact of rate increases that took effect June 1, 2022. There are no parking rate increases included in the FY 2022/23 budget. | | |
| Sale of Utilities | \$303,859 | 22.21% |
| The increase is due to increases of \$210,000 in vehicle fuel sales based on higher prices and \$93,060 in sales of electricity, water/sewer, and garbage services based on projections for increased passenger traffic. | | |

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023

| EXPENDITURE OVERVIEW | \$ Change | % Change |
|---|--------------------|-----------------|
| Salaries | \$2,320,648 | 11.43% |
| The increase is mostly due to increases of \$991,029 for 25 new positions (18 funded and 7 unfunded), for IT, maintenance, custodial services, airport operations, and security, \$875,469 for a 4% increase in pay rates for non-union employees and a 3% increase for union employees, and \$408,000 for the Employee Incentive Pay Plan (EIPP) which was reinstated in FY 2021/22. | | |
| Benefits | \$544,890 | 6.10% |
| The increase is mostly due to increases of \$349,435 in pension costs due to increases in the Florida Retirement System employer contribution rate and a 4% increase in pay rates, \$187,996 in hospitalization insurance costs due to the addition of 18 funded positions, and \$100,102 in deferred compensation also due to the addition of 18 funded positions. | | |
| Services & Supplies | \$1,597,447 | 9.52% |
| The increase is mostly due to an increase of \$1,509,164 in contractual services which is comprised of increases of \$891,487 for the Aircraft Rescue and Fire Fighting (ARFF) services contract with the City of Jacksonville due to the negotiation of a new fixed price contract that includes aircraft rescue and firefighting services, medical rescue, and related staffing. There are also increases of \$617,395 for ground transportation/parking services due to the addition of a new facility cleaning agreement, higher parking contract expenses, and credit card fees, \$195,399 for operating supplies, \$109,527 for gas, oil & grease, and \$97,527 for security services. The increase is partially offset by decreases of \$270,104 in consulting services due to reduced funding for a study of facility condition and functional obsolescence, and \$160,217 for landscaping due to a change in provider. | | |

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023

| EXPENDITURE OVERVIEW | \$ Change | % Change |
|---|--------------------|-----------------|
| Repairs & Maintenance | \$1,516,562 | 17.66% |
| The increase is due to increases of \$477,282 for field maintenance at JIA and in building maintenance of \$438,358 at JIA, \$246,000 at JAxEx, \$241,554 at Herlong Recreational Airport, and \$149,547 at Cecil Airport. The increases are due to re-scheduling of refurbishments and upgrades for various equipment and systems that were previously delayed due to the pandemic and increased maintenance required due to increases in passenger traffic. | | |
| Promotion, Advertising and Dues | \$163,330 | 21.44% |
| The increase is mostly due to an increase of \$115,000 for marketing efforts in the greater Jacksonville area for advertising of new routes and service related to the new signatory airline Breeze Airways and \$34,436 for promotional events due to a return to pre-pandemic levels of promotional activity. | | |
| Registrations & Travel | \$163,380 | 37.43% |
| The increase is due to a projected return to pre-pandemic travel requirements for employee attendance at events and conferences. | | |
| Insurance Expense | \$148,455 | 8.12% |
| The increase is due to increases of \$81,000 in property & casualty, \$64,400 in general liability, and \$30,000 in increased costs due to claims and forecasted activity. The increases are partially offset by decreases of \$24,685 in terminal liability and \$2,260 in other insurance and bonds. | | |
| Cost of Goods for Sale | \$268,250 | 38.60% |
| The increase is due to projections for higher fuel prices continuing in FY 2022/23. | | |

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2021/2022 VERSUS PROPOSED BUDGET FY 2022/2023

| NON-OPERATING REVENUE (EXPENSE) OVERVIEW | | \$ Change | % Change |
|--|--|---------------------|-----------------|
| Passenger Facility Charge (PFC) Revenue | | \$4,599,989 | 57.03% |
| The increase is due to a projected return to pre-pandemic levels of passenger traffic in FY 2022/23. | | | |
| Other Revenue | | \$9,216,685 | 2130.24% |
| The increase is due to \$8,890,000 related to the anticipated receipt of American Rescue Plan Act (ARPA) grants during FY 2022/23 and \$351,685 in timber sales at JIA. | | | |
| Debt Service | | -\$7,563,729 | 120.12% |
| The increase is due to increases of \$4,619,524 related to the \$156 million in debt issued in FY 2021/22 to finance the construction of the Boeing project at Cecil Airport and \$2,883,861 in scheduled principal payments for the Series 2021 Refunding Revenue Note. | | | |
| Other Expense | | \$645,395 | -65.48% |
| The decrease is due to a decrease of \$675,000 in other non-operating expense related to financing costs for debt issued in FY 2021/22 for the Boeing project at Cecil Airport. The decrease is partially offset by an increase of \$33,605 in timber expense for the cost of timber sales at JIA. | | | |

**JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF PROPOSED 2022/2023 CAPITAL BUDGET**

| | 2021/2022 Original Budget | 2022/2023 Proposed Budget | 2022/23 Proposed Budget over 2021/22 Original | |
|------------------------------------|--|--|--|-----------------|
| | | | \$ Change | % Change |
| Capital Funds | | | | |
| Federal Contributions | \$630,000 | \$61,125,108 | \$60,495,108 | 9602.40% |
| State Contributions | 8,000,000 | 47,248,312 | 39,248,312 | 490.60% |
| Tenant/Other Contributions | 131,000,000 | 20,600,000 | -110,400,000 | -84.27% |
| PFC | 0 | 171,132,392 | 171,132,392 | 0.00% |
| Operating Capital Outlay | 30,472,500 | 72,893,188 | 42,420,688 | 139.21% |
| Total Capital Funds | \$170,102,500 | \$372,999,000 | \$202,896,500 | 119.28% |
| Capital Projects | | | | |
| Jacksonville International Airport | \$7,687,000 | \$349,478,000 | \$341,791,000 | 4446.35% |
| Cecil Airport | 161,782,500 | 3,225,000 | -158,557,500 | -98.01% |
| Cecil Spaceport | 375,000 | 16,175,000 | 15,800,000 | 4213.33% |
| Jax Ex at Craig Airport | 215,000 | 4,000,000 | 3,785,000 | 1760.47% |
| Herlong Airport | 43,000 | 121,000 | 78,000 | 181.40% |
| Total Capital Projects | \$170,102,500 | \$372,999,000 | \$202,896,500 | 119.28% |
| Surplus (Deficit) | \$0 | \$0 | \$0 | |

JACKSONVILLE AVIATION AUTHORITY
Analysis of FY 2022/23 Proposed Capital Budget

| Capital Funding by Source | \$ Change | % Change |
|--|-----------------------|-----------------|
| Federal Contributions The increase is due to FAA grants of \$45,000,000 for the Concourse B Program and \$12,367,608 for airfield wetland mitigation at JIA, and \$3,600,000 for airfield drainage and runway incursion mitigation at Jacksonville Executive at Craig Airport. | \$60,495,108 | 9602.40% |
| State Contributions The increase is due to FDOT grants of \$40,748,312 for the Concourse B Program and \$2,500,000 for Air Cargo Ramp 3 expansion at JIA, and \$4,000,000 for eastside roadway improvements at Cecil Spaceport. | \$39,248,312 | 490.60% |
| Tenant/Other Contributions The decrease is due to \$131,000,000 in financing that was executed in FY 2021/22 for the Boeing project at the Cecil Airport. | -\$110,400,000 | -84.27% |
| Passenger Facility Charge (PFC) The increase is primarily due to funding \$163,950,000 for the Concourse B Program. | \$171,132,392 | N/A |
| Operating Capital Outlay (JAA) The increase is primarily due to funding \$50,301,688 for the Concourse B Program. | \$42,420,688 | 139.21% |

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2022/2023 BUDGET**

| | |
|--|-----------------------------|
| OPERATING REVENUES | |
| Concessions | \$20,993,581 |
| Fees & Charges | 22,477,883 |
| Space & Facility Rentals | 32,820,031 |
| Parking | 25,884,854 |
| Sale of Utilities | 1,672,206 |
| Other Miscellaneous Operating Revenue | 203,436 |
| TOTAL OPERATING REVENUES | <u>\$104,051,991</u> |
| OPERATING EXPENDITURES | |
| Salaries | \$22,620,572 |
| Benefits | 9,483,336 |
| Services and Supplies | 18,377,498 |
| Repairs & Maintenance | 10,102,167 |
| Promotion, Advertising and Dues | 925,081 |
| Registrations & Travel | 599,826 |
| Insurance Expense | 1,977,455 |
| Cost of Goods for Sale | 963,250 |
| Utilities, Taxes & Gov't Fees | 4,678,822 |
| Operating Contingency | 2,500,000 |
| TOTAL OPERATING EXPENDITURES | <u>\$72,228,007</u> |
| OPERATING INCOME | <u>\$31,823,984</u> |
| NON-OPERATING REVENUES | |
| Passenger Facility Charge | \$12,666,208 |
| Investment Income | 1,500,000 |
| Other Revenues | 9,649,345 |
| TOTAL NON-OPERATING REVENUES | <u>\$23,815,553</u> |
| NON-OPERATING EXPENDITURES | |
| Debt Service | \$13,860,801 |
| Other Expenditures | 340,205 |
| TOTAL NON-OPERATING EXPENDITURES | <u>\$14,201,006</u> |
| NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND | <u>\$41,438,531</u> |
| Transfer (to)/from Operating Capital Outlay | -\$72,893,188 |
| Transfer (to)/from Passenger Facility Charge Reserve | \$0 |
| Transfer (to)/from Retained Earnings | 31,454,657 |
| SURPLUS/(DEFICIT) | <u>\$0</u> |
| TOTAL REVENUES | <u><u>\$127,867,544</u></u> |
| TOTAL APPROPRIATIONS | <u><u>\$127,867,544</u></u> |
| FULLTIME POSITIONS | <u><u>296</u></u> |
| TEMPORARY EMPLOYEE HOURS | <u><u>3,400</u></u> |

**JACKSONVILLE AVIATION AUTHORITY
JACKSONVILLE, FLORIDA
FY 2022/2023 BUDGET
CAPITAL**

REVENUES

| | |
|----------------------------|----------------------|
| Federal Contributions | \$61,125,108 |
| State Contributions | 47,248,312 |
| Tenant/Other Contributions | 20,600,000 |
| PFC | 171,132,392 |
| Operating Capital Outlay | 72,893,188 |
| Total Revenues | <u>\$372,999,000</u> |

APPROPRIATIONS AND RESERVES

CAPITAL PROJECTS

| | |
|------------------------------------|--------------------|
| Jacksonville International Airport | \$349,478,000 |
| Cecil Airport | 3,225,000 |
| Cecil Spaceport | 16,175,000 |
| Craig Airport | 4,000,000 |
| Herlong Airport | 121,000 |
| Total Appropriations | <u>372,999,000</u> |

| | |
|--|-----------------------------|
| TOTAL APPROPRIATIONS AND RESERVES | <u><u>\$372,999,000</u></u> |
|--|-----------------------------|

**Council Auditor's Office
Recommendations
Jacksonville Aviation Authority
Proposed FY 2022/23 Budget**

JAA concurs with all recommendations

1. Attach a Revised Schedule H which offers more line item detail of FY 2022/23 capital projects.

**JACKSONVILLE AVIATION AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023**

| Airport | Description | FUNDING SOURCES | | | | | Budget 2023 Total Capital Commitments |
|---|---|---------------------|----------------------|---------------------|---------------------|---------------------|---|
| | | JAA | PFC | FAA GRANTS | FDOT GRANTS | OTHER | |
| Jacksonville International Airport | Airfield Wetland Mitigation | | \$1,132,392 | \$12,367,608 | | | \$13,500,000 |
| | PA System Upgrade or Replacement | | 750,000 | | | | 750,000 |
| | Elevator Replacement 17 & 18 | | 400,000 | | | | 400,000 |
| | Replace Ticketing Escalators 1 & 2 | | 1,400,000 | | | | 1,400,000 |
| | Bulldozer | 375,000 | | | | | 375,000 |
| | Air Cargo 3 Ramp Expansion | 2,500,000 | | | 2,500,000 | | 5,000,000 |
| | Concourse B Program | 50,301,688 | 163,950,000 | 45,000,000 | 40,748,312 | | 300,000,000 |
| | IT Infrastructure Refresh FY23 | 580,000 | | | | | 580,000 |
| | JAX Canopy and Steel Structure Support Replacement (additional funding) | 1,000,000 | | | | | 1,000,000 |
| | Airfield Beacon Relocation | 100,000 | | | | | 100,000 |
| | Ticketing Window Replacement | | 400,000 | | | | 400,000 |
| | HBS System Computer | | 900,000 | | | | 900,000 |
| | Design and Construct Hangar | | | | | 10,000,000 | 10,000,000 |
| | Four Winds Migration or Replacement | 175,000 | | | | | 175,000 |
| | Video Surveillance / Ccure | 235,000 | | | | | 235,000 |
| | Daily/Hourly Garage Escalator Rehabilitation Ph 1 of 3 | 400,000 | | | | | 400,000 |
| | Taxiway M1 Widening | | | | | 1,600,000 | 1,600,000 |
| | TWY F Rehab and Extension | 1,000,000 | | | | 3,000,000 | 4,000,000 |
| | Air Cargo 1 Roof | 3,000,000 | | | | | 3,000,000 |
| | FedEx Roof (additional funding) | 2,200,000 | | | | | 2,200,000 |
| | TIBA Pay In Lane Stations | 300,000 | | | | | 300,000 |
| | Engineering Salaries | 600,000 | | | | | 600,000 |
| | Rehabilitate Landside Bathrooms | | 2,200,000 | | | | 2,200,000 |
| | JIA Small Cap | 363,000 | | | | | 363,000 |
| | | \$63,129,688 | \$171,132,392 | \$57,367,608 | \$43,248,312 | \$14,600,000 | \$349,478,000 |
| Cecil Airport | Cecil Airport AWOS Replacement | \$17,500 | | \$157,500 | | | \$175,000 |
| | Taxiway A Reconstruction (A4 to 36R) - Design | 3,000,000 | | | | | 3,000,000 |
| | Cecil Airport Small Cap | 50,000 | | | | | 50,000 |
| | | \$3,067,500 | \$0 | \$157,500 | \$0 | \$0 | \$3,225,000 |
| Cecil Spaceport | Eastside Roadway | \$6,000,000 | | | \$4,000,000 | \$6,000,000 | \$16,000,000 |
| | Fabric Hangar Reskin | 175,000 | | | | | 175,000 |
| | Cecil Spaceport Small Cap | 0 | | | | | 0 |
| | | \$6,175,000 | \$0 | \$0 | \$4,000,000 | \$6,000,000 | \$16,175,000 |
| Jacksonville Executive at Craig Airport | Airfield Drainage Project | \$200,000 | | \$1,800,000 | | | \$2,000,000 |
| | Runway Incursion Mitigation | 200,000 | | 1,800,000 | | | 2,000,000 |
| | JAXEx Small Cap | 0 | | | | | 0 |
| | | \$400,000 | \$0 | \$3,600,000 | \$0 | \$0 | \$4,000,000 |
| Herlong Recreational Airport | | | | | | | \$0 |
| | Herlong Recreational Airport Small Cap | 121,000 | | | | | 121,000 |
| | | \$121,000 | \$0 | \$0 | \$0 | \$0 | \$121,000 |
| Total Capital | | \$72,893,188 | \$171,132,392 | \$61,125,108 | \$47,248,312 | \$20,600,000 | \$372,999,000 |

**COUNCIL AUDITOR'S OFFICE
EMPLOYEE INCENTIVE PLAN SUMMARY
JACKSONVILLE AVIATION AUTHORITY
PROPOSED BUDGET FY 2022/2023**

PURPOSE

The objective of the Jacksonville Aviation Authority (JAA) Employee Incentive Pay Plan (EIPP) is to reward employees for their contributions to the Authority's achievement of defined goals and to encourage exceptional performance in administering their duties. The JAA Board of Directors approved the plan on May 24, 2010 for non-bargaining unit employees only. On October 22, 2012 the JAA Board approved the revised plan to include the bargaining unit employees. The plan was suspended in FY 2020/21 and reinstated in FY 2021/22. The plan was revised again in November of 2021 by the CEO to change the payout from a percentage to a flat rate and reduced the operating margin percentage from 20% to 15% for when an incentive can be awarded.

JAA FY 2022/23 BUDGET

The amount budgeted for the EIPP in FY 2022/23 is \$408,000.

ELIGIBILITY

All full time and part-time JAA employees who have been employed for at least 180 days and work a scheduled minimum of 35 hours per week are eligible to participate in the plan. Temporary employees are not eligible. The incentive payment is discounted based on the number of days of employment between 180 and 359 days during the fiscal year. Additionally, any employee under a management contract with JAA is eligible to participate in the EIPP (the CEO is the only contracted employee).

INCENTIVE AWARD METRICS

Incentive payments will be awarded if JAA obtains an operating margin of at least 15% for the fiscal year. The operating margin and operating margin percentage are based upon the Statement of Revenues, Expenses and Changes in Net Assets as presented in JAA's Annual Comprehensive Financial Report (ACFR).

INCENTIVE AWARD FOR NON-BARGAINING EMPLOYEES:

Maximum pay per qualified employee: \$1,500.

If the operating margin percentage (rounded to the nearest percent) is:

- 30% or greater, the award is \$1,500.
- 25% or greater, but less than 30% the award is \$1,250.
- 20% or greater, but less than 25% the award is \$1,000.
- 15% or greater, but less than 20% the award is \$750.
- Less than 15% no incentive award is given.

JEA
Comparison of Budgets
Approved FY 2021/22 to Proposed FY 2022/23
Electric, Water & Wastewater and District Energy System (000s)

| | Electric | | Water & Wastewater | | District Energy | | Transfers | Total | City |
|----------------------------|------------------|----------------|--------------------|----------------|------------------|----------------|------------|-------------|--------------|
| | Operating Budget | Capital Budget | Operating Budget | Capital Budget | Operating Budget | Capital Budget | In/Out | Budget | Contribution |
| FY 2021/22 Budget | \$1,289,900 | \$240,802 | \$541,509 | \$362,402 | \$8,840 | \$5,550 | -\$417,975 | \$2,031,028 | \$121,212.37 |
| FY 2022/23 Proposed | \$1,515,782 | \$275,106 | \$603,538 | \$400,000 | \$12,852 | \$6,936 | -\$391,146 | \$2,423,068 | \$122,424.50 |
| \$ Change | \$225,882 | \$34,304 | \$62,029 | \$37,598 | \$4,012 | \$1,386 | \$26,829 | \$392,040 | \$1,212.13 |
| % Change | 17.51% | 14.25% | 11.45% | 10.37% | 45.38% | 24.97% | 6.42% | 19.30% | 1.00% |

Notes:

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

| | Budget FY 2021/22 | Proposed FY 2022/23 | Change |
|---------------------------|----------------------|------------------------|--------|
| Electric System | 1,527 | 1,583 | 56 |
| Water & Wastewater System | 650 | 705 | 55 |
| District Energy System | 6 | 6 | 0 |
| Total JEA | 2,183 | 2,294 | 111 |

(2) Detail of City Contribution:

| | Budget FY 2021/22 | Proposed FY 2022/23 | Change |
|--------------------|----------------------|------------------------|------------|
| Electric System | \$94,545.65 | \$95,491.11 | \$945.46 |
| Water & Wastewater | \$26,666.72 | \$26,933.39 | \$266.67 |
| Totals | \$121,212.37 | \$122,424.50 | \$1,212.13 |

Overall Comments:

- JEA is adding 111 new positions. The Electric System will have 56 new positions under Information Technology, Economic Development, Real Estate, Human Resources, Marketing, and Administrative. The Water and Wastewater System will have 55 new positions which will include mechanics, engineers, project management, and inspectors.
- The increase in the Electric System operating budget is primarily due to fuel revenue and expense based on the monthly adjustments for fuel costs.
- The Electric System is budgeted with a base rate increase to be effective April 2023. Board approval and a rate hearing is needed for the rate to become effective.
- The Non-Fuel Purchased Power Budget includes a \$124 million contribution to the rate stabilization fund to prepare for an increase in expense once the Vogtle units come online. JEA's budget is based on Unit 3 becoming operational by June 2023. JEA is forecasting Unit 4 becoming operational by September 2024.
- The Water and Wastewater System has two scheduled Capacity and Extension Fee increases on 10/1/2022 and 4/1/2023, which have already been approved by the Board.
- The District Energy System has proposed changes to the rate structure included in the FY 2022/23 budget. The Board approval for the new rate structure will be at the August Board meeting and a rate hearing will be scheduled in September 2022.
- The current assessment calculation of the annual contribution to the City expires on 9/30/2023. The Council may reconsider the assessment calculation after October 1, 2022. If the calculation is not reconsidered the assessment will be calculated in the current manner.
- The total estimated cost for JEA's new headquarters is approximately \$100 million.

**CALCULATION OF JEA ELECTRIC CONTRIBUTION
FOR FISCAL YEAR 2022-2023**

| Month | Total kWh Sales (1) | Less Interchange kWh Sales (2) | Net kWh Sales |
|---------------|------------------------|--------------------------------------|-----------------------|
| May 2021 | 934,118,511 | 11,889,000 | 922,229,511 |
| June | 1,098,776,371 | 5,797,000 | 1,092,979,371 |
| July | 1,159,393,010 | 600,000 | 1,158,793,010 |
| August | 1,195,990,320 | 305,000 | 1,195,685,320 |
| September | 1,232,132,883 | 60,000 | 1,232,072,883 |
| October | 1,042,098,722 | 177,000 | 1,041,921,722 |
| November | 881,354,780 | 949,000 | 880,405,780 |
| December | 928,544,740 | 458,000 | 928,086,740 |
| January 2022 | 933,568,830 | 1,015,000 | 932,553,830 |
| February | 940,259,279 | 488,000 | 939,771,279 |
| March | 970,305,530 | 750,000 | 969,555,530 |
| April | 865,542,625 | 2,663,000 | 862,879,625 |
| Totals | 12,182,085,601 | 25,151,000 | 12,156,934,601 |

(3) 0.007468

\$ 90,787,988

Notes:

- (1) kWh sales information is based on JEA's CMFTR124 monthly reports.
(2) Interchange, the sale of electricity to other utilities, is not included in the contribution formula.
(3) The current City contribution formula is based on multiplying 7.468 mills times total electric kWh sales less interchange sales for the twelve months (12) ending April of each year.
(4) One quarter of a mill or \$3,039,234 has been dedicated to the JPA for port expansion.

**CITY WATER/SEWER CONTRIBUTION FORMULA
FOR FISCAL YEAR 2022-2023**

| MONTH | Water Consumption kGals (1) | Sewer Consumption kGals (1) | Adjustments Total kGals (3) | Total Net Consumption kGals |
|---------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| May 2021 | 3,719,785 | 2,444,581 | -330,287 | 5,834,079 |
| June | 4,267,812 | 2,698,097 | -383,764 | 6,582,146 |
| July | 3,563,507 | 2,398,519 | -275,679 | 5,686,347 |
| August | 3,425,958 | 2,312,104 | -234,198 | 5,503,864 |
| September | 3,468,287 | 2,414,116 | -237,720 | 5,644,683 |
| October | 3,581,020 | 2,382,459 | -269,109 | 5,694,370 |
| November | 3,350,726 | 2,234,120 | -276,519 | 5,308,327 |
| December | 3,436,514 | 2,367,982 | -248,336 | 5,556,160 |
| January 2022 | 3,352,200 | 2,350,960 | -232,849 | 5,470,311 |
| February | 2,822,238 | 2,058,104 | -148,118 | 4,732,224 |
| March | 3,475,647 | 2,498,604 | -187,030 | 5,787,221 |
| April | 3,176,811 | 2,231,783 | -208,664 | 5,199,930 |
| Totals | 41,640,506 | 28,391,431 | -3,032,272 | 66,999,663 |

(2) 0.3892000

\$ 26,076,269

Notes:

- (1) Consumption information taken from JEA's CMFTR124 monthly reports.
(2) The current City contribution is based on multiplying 389.20 mills times total water/sewer kGal sales less reuse sales for the twelve (12) months ending April of the prior year.
(3) Adjustments include Summer Discount, Water Large (large industrial customer), Sewer LTD (wholesale sewer rate) and Water Reuse Consumption.

JEA
CALCULATION OF JEA CITY CONTRIBUTION
Proposed FY 2022/23

A - Millage Calculation

| | | |
|----------|-----------------------------|-----|
| Electric | \$90,787,988 | 78% |
| Water | 26,076,269 | 22% |
| | <u>\$116,864,256</u> | |

B - Floor Calculation

| | |
|-------------------|----------------------|
| FY 16 (Base Year) | \$114,187,538 |
| FY 17 | \$115,329,413 |
| FY 18 | \$116,482,708 |
| FY 19 | \$117,647,535 |
| FY 20 | \$118,824,010 |
| FY 21 | \$120,012,250 |
| FY 22 | \$121,212,373 |
| FY 23 | \$122,424,496 |

Recommended Budget FY 2021/22

| | | |
|-----------------|-----------------------------|------------|
| Electric | \$95,491,107 | 78% |
| Water | 26,933,389 | 22% |
| Floor | <u>\$122,424,496</u> | |

Conclusion:

The millage calculation of \$116,864,256 is less than the minimum payment of \$122,424,496; therefore, the minimum payment of \$122,424,496 is the recommended Budget for FY 2022/23 for the Electric and Water/Sewer Systems.

Notes:

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

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

The current assessment calculation expires on 9/30/2023. The Council may reconsider the assessment calculation after October 1, 2022 and changes, if any by ordinance, shall become effective October 1, 2023. If the assessment calculation is not reconsidered the assessments shall be calculated using the existing formulas, including the minimum calculated amount, which increases by 1% each year.

Although the annual transfer of available revenue from JEA to the City is based upon formulas that are applied specifically to the respective utility systems operated by JEA, JEA's Charter allows it to utilize any of its revenues regardless of source to satisfy its total annual obligation to the City.

JEA's Charter does not currently require a contribution from the District Energy System (Chilled Water).

JEA
Analysis of Proposed FY 2022/23 Electric System Operating Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change | % Change |
|--|-------------------------------|----------------------------------|--------------------------------------|-------------------------------|--|----------------|
| | | | | | 2022/23 Proposed Budget over 2021/22 Original | |
| Fuel Related Revenue & Expenses | | | | | | |
| Revenue | | | | | | |
| Fuel Related Revenue | \$368,900 | \$308,046 | 589,837 | \$671,607 | \$302,707 | 82.06% |
| Net Fuel Related Revenues | <u>\$368,900</u> | <u>\$308,046</u> | <u>589,837</u> | <u>\$671,607</u> | <u>\$302,707</u> | <u>82.06%</u> |
| Expense | | | | | | |
| Fuel Related and Purchased Power | \$375,632 | \$355,756 | 631,191 | \$670,534 | \$294,902 | 78.51% |
| Transfer To/(From) Rate Stabilization | -7,285 | -41,767 | -41,767 | 0 | 7,285 | -100.00% |
| Transfer To/(From) Other Regulatory Funds | 0 | -5,943 | 0 | 0 | 0 | 0.00% |
| Uncollectible Accts. | 553 | 0 | 413 | 1,073 | 520 | 94.03% |
| Net Fuel Related Expenses | <u>\$368,900</u> | <u>\$308,046</u> | <u>589,837</u> | <u>\$671,607</u> | <u>\$302,707</u> | <u>82.06%</u> |
| Fuel Fund Surplus (Deficit) | <u>\$0</u> | <u>\$0</u> | <u>0</u> | <u>\$0</u> | <u>\$0</u> | |
| Base Rate Revenue & Expenses | | | | | | |
| Revenues | | | | | | |
| Base Rate Revenue | \$793,366 | \$497,543 | 804,744 | \$799,222 | \$5,856 | 0.74% |
| Investment Income | 3,195 | 1,454 | 2,531 | 5,794 | 2,599 | 81.35% |
| Other Revenues | 124,439 | 117,822 | 125,968 | 39,159 | -85,280 | -68.53% |
| Total Operating Revenues | <u>\$921,000</u> | <u>\$616,819</u> | <u>933,243</u> | <u>\$844,175</u> | <u>-\$76,825</u> | <u>-8.34%</u> |
| Expenses | | | | | | |
| Operating & Maintenance | \$255,776 | \$139,504 | 229,250 | \$269,167 | \$13,391 | 5.24% |
| Environmental Charge | -1,558 | 508 | -1,039 | 15,064 | 16,622 | -1066.88% |
| Conservation Charge | 6,832 | 4,150 | 6,838 | 6,832 | 0 | 0.00% |
| Natural Gas Pass Through Expense | 918 | 945 | 1,251 | 1,595 | 677 | 73.75% |
| Non-Fuel Purchased Power | 263,361 | 131,826 | 263,361 | 245,278 | -18,083 | -6.87% |
| Emergency Contingency | 5,000 | 0 | 5,000 | 5,000 | 0 | 0.00% |
| PSC Fees | 202 | 147 | 214 | 237 | 35 | 17.33% |
| Uncollectible Accts. | 1,190 | 129 | 590 | 1,279 | 89 | 7.48% |
| Total Operating Expenses | <u>\$531,721</u> | <u>\$277,209</u> | <u>505,465</u> | <u>\$544,452</u> | <u>\$12,731</u> | <u>2.39%</u> |
| Operating Income | <u>\$389,279</u> | <u>\$339,610</u> | <u>427,778</u> | <u>\$299,723</u> | <u>-\$89,556</u> | <u>-23.01%</u> |
| Non-Operating Revenues/(Expenses) | | | | | | |
| Debt Service | -\$109,817 | -\$71,271 | -107,982 | -\$76,798 | \$33,019 | -30.07% |
| Operating Capital Outlay | -116,621 | -145,000 | -150,253 | -54,262 | 62,359 | -53.47% |
| Environmental Capital Outlay | -3,295 | -4,238 | -8,668 | -472 | 2,823 | -85.68% |
| Renewal & Replacement- Elec. Sys. | -65,000 | -44,219 | -66,329 | -72,700 | -7,700 | 11.85% |
| Interlocal Agreement | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Contribution to City's General Fund | -94,546 | -63,030 | -94,546 | -95,491 | -945 | 1.00% |
| Total Non-Operating Revenues/(Expenses) | <u>-\$389,279</u> | <u>-\$327,758</u> | <u>-427,778</u> | <u>-\$299,723</u> | <u>\$89,556</u> | <u>-23.01%</u> |
| Surplus/(Deficit) | <u>\$0</u> | <u>\$11,852</u> | <u>0</u> | <u>\$0</u> | <u>\$0</u> | |
| MWH Sales (000's) | 12,200 | 7,619 | 12,343 | 12,200 | 0 | 0.00% |
| # of Accounts | 501,049 | 505,125 | 506,859 | 509,393 | 8,344 | 1.67% |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Electric System

| | <u>\$ Change</u> <u>(000s)</u> | <u>% Change</u> |
|---|-----------------------------------|-----------------|
| Fuel Related Revenues: | \$302,707 | 82.06% |
| The increase is based on previous and projected significant increases in fuel and purchased power expenses. In December of 2021, JEA began charging its customers a variable fuel rate that is set monthly based on projected monthly fuel and purchased power expenses. Projected sales are the same as FY 2021/22 at 12,200,000 MWh. | | |
| Fuel Related Expenses: | | |
| Fuel Related and Purchased Power | \$294,902 | 78.51% |
| The increase is due to projections that Fuel and purchased power prices for all of JEA's generation will increase significantly in FY 2022/23. | | |
| Transfer To(From) Rate Stabilization | \$7,285 | -100.00% |
| The Fuel Rate Stabilization Fund was eliminated in December of 2021. | | |
| Uncollectible Accounts | \$520 | 94.03% |
| The increase is due to an increase in the in the uncollectible rate from 0.15% to 0.16% which is based on economic conditions. | | |
| Base Related Revenues: | | |
| Base Rate Revenue | \$5,856 | 0.74% |
| The increase represents the six month impact of a projected increase in base rates of 1.5% which is currently projected to go into effect in April of 2023. The specific impact of the rate increase on residential and commercial customer bills will not be known until JEA finalizes the implementation of the increase and it is approved by the JEA Board. | | |
| Investment Income | \$2,599 | 81.35% |
| The increase is a result of increases in investment yields and projected rate increases by the Federal Reserve Board. | | |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Electric System

| | <u>\$ Change</u> <u>(000s)</u> | <u>% Change</u> |
|---|-----------------------------------|-----------------|
| Other Revenues | -\$85,280 | -68.53% |
| <p>The decrease is primarily due to the removal of the one-time \$100 million payment from Florida Power and Light as part of the Scherer shutdown agreement received in FY 2021/22. The decrease is partially offset by increases of \$13.8 million in Other Revenue due to the use of Environmental Liability Reserve funds for the Kennedy Generating Station Remediation project, \$873,000 in Transmission Services Revenue due to higher market prices, \$209,971 in Miscellaneous Non-operating Income due to receipt of refunds for various miscellaneous sales invoices and earnings from JEA's 20% ownership of The Energy Authority (TEA) Solutions, and \$111,742 in Miscellaneous Customer Revenue due to receipt of reconnect and service fees.</p> | | |
| Base Related Expenses: | | |
| Operating & Maintenance | \$13,391 | 5.24% |
| <p>The increase is primarily based on increases of \$8.6 million in Other Services & Charges, \$7.4 million in Salaries due to an increase of 56 new positions, \$2.8 million in Insurance, and \$930,000 in Incentive Pay. The increased expenses are partially offset by decreases of \$2.5 million to Operating Reserve, \$2.0 million to Other Contingencies, \$461,000 to Supplies, \$299,000 to City Services, and \$100,000 to City Legal. In addition, capitalized labor credits were increased by \$602,000 and expense credits were increased by \$342,000. (DETAILED BREAKOUT PROVIDED ON THE O&M SCHEDULE AND THE EXPENDITURE VARIANCE OVERVIEW)</p> | | |
| Environmental Charge | \$16,622 | -1066.88% |
| <p>The increase includes \$14.2 million for the Kennedy Generating Station Remediation project (of which \$13.8 million will be funded through the Environmental Liability Reserve, as noted in the Other Revenues comment above). The remaining \$1.9 million increase is due to a lower budgeted withdrawal from the Environmental Rate Stabilization fund.</p> | | |
| Non-Fuel Purchased Power | -\$18,083 | -6.87% |
| <p>The decrease is primarily due to the early retirement of \$47.6 million in Scherer debt (which lowered expenses required by the Scherer purchase power agreement), and \$27.3 million in St. Johns River Power Park (SJRPP) debt in FY 2021/22 . The decrease is also due to decreases of \$1.8 million for SJRPP interest due to early debt retirement, \$1.6 million in Scherer repair & replacement, \$1.6 million in Scherer Transmission expenses, and \$1 million Scherer Operating & Maintenance expenses due to the decommissioning of Plant Scherer in early 2022. These decreases are partially offset by a \$99 million increase in the contribution to the Non-Fuel Purchased Power Rate Stabilization Fund to mitigate future rate increases related to the Vogtle Purchased Power agreement.</p> | | |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Electric System

| | <u>\$ Change</u> <u>(000s)</u> | <u>% Change</u> |
|---|-----------------------------------|-----------------|
| Debt Service | \$33,019 | -30.07% |
| The decrease is due to lower scheduled debt principal and interest payments as a result of previous early debt retirements and debt refundings. | | |
| Operating Capital Outlay | \$62,359 | -53.47% |
| The decrease in Operating Capital Outlay represents a decreased contribution due to a decrease of \$76.8 million in Operating Revenues, an increase of \$13.3 million in Operating & Maintenance expense, and an increase of \$7.7 million Renewal & Replacement expense, which reduces the amount of available funds for pay-go of capital projects. The decrease is partially offset by a savings of \$33 million in debt service expenses. | | |
| Environmental Capital Outlay | \$2,823 | -85.68% |
| The decrease in the Environmental Capital Outlay is due to a decrease in Environmental capital project costs in FY 2022/23. | | |
| Renewal and Replacement - Electric System | -\$7,700 | 11.85% |
| The increase is based on 5% of FY 2021/22's projected revenues at the time the FY 2022/23 budget was set. | | |

JEA
Analysis of Operating and Maintenance Expense
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
Electric System
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change 2022/23 Proposed Budget over 2021/22 Original | % Change |
|-------------------------------|--|---|---|--|--|-----------------|
| Salaries | \$146,841 | \$96,003 | \$144,850 | \$154,245 | \$7,404 | 5.04% |
| Employee Benefits | 61,054 | 37,004 | 58,700 | 61,101 | 47 | 0.08% |
| Incentive Pay | 4,320 | 53 | 4,373 | 5,250 | 930 | 21.53% |
| Supplies | 20,743 | 12,990 | 19,908 | 20,282 | -461 | -2.22% |
| City Services | 610 | 143 | 347 | 311 | -299 | -49.02% |
| Other Intercompany Charges | 82 | 180 | 207 | 44 | -38 | -46.34% |
| Other Services & Chgs. | 128,230 | 61,130 | 103,118 | 136,841 | 8,611 | 6.72% |
| Other Contingencies | 2,000 | 70 | 2,070 | 0 | -2,000 | -100.00% |
| City Legal Services | 1,600 | 515 | 1,048 | 1,500 | -100 | -6.25% |
| Insurance | 11,378 | 10,021 | 11,756 | 14,146 | 2,768 | 24.33% |
| Interest on Customer Deposits | 61 | 727 | 748 | 34 | -27 | -44.26% |
| Operating Reserve | 2,500 | 0 | 2,500 | 0 | -2,500 | -100.00% |
| Expense Credits | -91,202 | -57,714 | -88,101 | -91,544 | -342 | 0.37% |
| Trf. to WIP- Salaries | -23,563 | -15,462 | -23,042 | -23,587 | -24 | 0.10% |
| Trf. to WIP- Emp. Benefits | -8,878 | -6,156 | -9,232 | -9,456 | -578 | 6.51% |
| O & M Expense | \$255,776 | \$139,504 | \$229,250 | \$269,167 | \$13,391 | 5.24% |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed budget
Expenditure Variance Overview - Electric System

| | \$ Change (000s) | % Change |
|---|-----------------------------|-----------------|
| Operating & Maintenance | | |
| Salaries The increase is the result of the addition of 56 new positions primarily for IT, management, or specialist jobs for the Electric System totaling \$4,951,811, as well as assumed general increases of 4% for appointed employees and Professional Employees Association (PEA) members and assumed general increases of 3.5% for all other bargaining units. In addition, there are step increases of 2.5% to 5%, depending on the bargaining unit. Bargaining unit contracts for FY 2022/23 are currently being negotiated so the actual impact on salaries will not be known until negotiations are complete. | \$7,404 | 5.04% |
| Incentive Pay The increase is due to an estimated 3.5% of payroll being budgeted for the Pay for Performance Program. | \$930 | 21.53% |
| Supplies The decrease is due to decreases of \$928,000 in supplies and materials for planned outages, \$765,000 in miscellaneous supplies and tools due to reduced need for PPE related to the pandemic, and \$177,000 in direct purchases. The decrease is mostly offset by a \$1.49 million increase in non-generation fuels purchases from Gate Fleet Services. | -\$461 | -2.22% |
| City Services The decrease is due to JEA using Gate stations to refuel vehicles rather than exclusively using City of Jacksonville fueling services. This has allowed vehicles to be refueled almost anywhere in JEA's service territory and has provided flexibility that was not available when using only city owned fuel pumps. | -\$299 | -49.02% |
| Other Services & Charges The \$8.6 million increase is mainly due to a \$2.0 million increase for an additional 3 months of lease payments due to delays in interior construction for the new headquarters and a \$1.5 million increase for 12 months of storage of facilities property once the existing headquarters building is closed. Other increases include a \$4 million increase for credit card convenience fees due to a change in policy whereby JEA will pay the fee for customers starting October 1, 2022, and a \$1.3 million increase in the Microsoft Support contract. | \$8,611 | 6.72% |
| Other Contingencies JEA decided not to budget a contingency due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses. | -\$2,000 | -100.00% |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed budget
Expenditure Variance Overview - Electric System

| | \$ Change (000s) | % Change |
|---|-----------------------------|-----------------|
| Operating & Maintenance | | |
| Insurance The increase of \$2.8 million is primarily due to increases of \$1.2 million for Property Damage Insurance (general) and Property Damage Insurance for transmission and distribution assets due to market increases in claim activity related to storm losses, \$1.1 million for Cyber Liability Insurance due to increases in market claim activity related to cyber security breeches, \$146,000 for both General/ Automobile Liability Insurance and Workers Compensation Insurance based on estimated coverage costs provided by COJ, and \$106,000 for Public Officials Liability Insurance (including Director & Officer Liability) due to claims made for attorney fees associated with investigations and activities subsequent to the failed privatization of JEA. | \$2,768 | 24.33% |
| Operating Reserve JEA decided not to budget a reserve due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses. | -\$2,500 | -100.00% |

JEA
Analysis of Proposed FY 2022/23 Electric System Capital Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change 2022/23 Proposed Budget over 2021/22 Original | % Change |
|-------------------------------------|--|---|---|--|--|-----------------|
| Capital Funds | | | | | | |
| Renewal & Replacement Deposits | \$65,000 | \$44,219 | \$66,329 | \$72,700 | \$7,700 | 11.85% |
| Construction Fund Investment Income | 0 | 0 | 0 | 0 | NA | NA |
| Debt | 0 | 0 | 0 | 0 | NA | NA |
| Other Proceeds | 55,886 | 0 | 0 | 147,672 | \$91,786 | 164.24% |
| Environmental Capital Outlay | 3,295 | 4,238 | 8,668 | 472 | -\$2,823 | -85.68% |
| Operating Capital Outlay | 116,621 | 145,000 | 150,253 | 54,262 | -62,359 | -53.47% |
| Total Capital Funds | \$240,802 | \$193,457 | \$225,250 | \$275,106 | \$34,304 | 14.25% |
| Capital Projects | | | | | | |
| Generation Projects | \$40,010 | \$18,762 | \$39,647 | \$61,902 | \$21,892 | 54.72% |
| Transmission & Distribution | 119,503 | 55,206 | 110,100 | 146,086 | 26,583 | 22.24% |
| Other | 81,289 | 25,347 | 74,014 | 67,118 | -14,171 | -17.43% |
| Total Capital Projects | \$240,802 | \$99,315 | \$223,761 | \$275,106 | \$34,304 | 14.25% |
| Surplus (Deficit) | \$0 | \$94,142 | \$1,489 | \$0 | \$0 | |

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

| Electric Project Title | FY23 Proposed ('000) |
|---|----------------------------|
| GENERATION | |
| Brandy Branch Generating - CT1 Rotor Replacement | 9,794 |
| Brandy Branch Generating - B52, B53 HRSG Feedwater Heater Replacement | 8,595 |
| Kennedy Generating - CT7 Hot Gas Path Inspection | 5,923 |
| Brandy Branch Generating - CT2 Hot Gas Path Inspection | 5,745 |
| Brandy Branch Generating - CT3 Hot Gas Path Inspection | 5,745 |
| Northside Generating - Generation Support Capital Improvements | 4,000 |
| Kennedy Generating - CT7 Rotor Replacement | 3,106 |
| Northside Generating - Energy Project Management Capital Improvement | 3,000 |
| Northside Generating - CT4 Major Inspection | 2,800 |
| Brandy Branch Generating - General Capital Improvements | 2,000 |
| Northside Generating - N00 6 Fuel Oil Tank Farm Electric Heat Tracing | 1,835 |
| Brandy Branch Generating - B52, B53 Transition Duct Liner | 1,234 |
| Northside Generating - N00 Pneumatic Conveying System for Biomass | 1,178 |
| Northside Generating - N00 Nitrogen and Dry Air Layup System | 1,080 |
| Northside Generating - N02 Fuel Feeder Replacement | 1,045 |
| Northside Generating - N02 Grid Floor Nozzle Replacement | 962 |
| Kennedy Generating - MarkVIe and EX2100e Upgrade | 831 |
| Northside Generating - N01 Boiler Elevator Overhaul | 528 |
| Northside Generating - N34 Electrical Equipment Upgrades | 517 |
| Vibration Monitoring System Upgrade | 439 |
| Northside Generating - N33, N34, N35, N36 Control System Upgrade | 331 |
| Brandy Branch Generating - B52, B53 Non-Optical Flame Detection Upgrade | 264 |
| Brandy Branch Generating - CT1 Hot Gas Path Inspection | 250 |
| Brandy Branch Generating - B50 Standby Diesel Generator Integration | 213 |
| Northside Generating - N02 Duct Burner Overhaul | 163 |
| Brandy Branch Generating and Kennedy Generating - Fire Protection Updates | 110 |
| Northside Generating - N01, N02 UPS Replacement | 94 |
| Northside Generating - N02 Turbine Valve and Actuator Overhaul | 57 |
| Brandy Branch Generating - B54 Excitation Transformer Replacement | 46 |
| Northside Generating - N01 HP/IP, Generator, Valves, and Actuators Overhaul | 15 |
| GENERATION SUBTOTAL | 61,902 |
| TRANSMISSION AND DISTRIBUTION | |
| Electric Distribution Maintenance Capital Upgrades | 12,500 |
| Customer Order Management - New Electric Service Additions | 12,000 |
| Customer Order Management - Development Driven Projects | 9,750 |
| Mayo 230-138-26kV Substation | 7,110 |
| Greenland Energy to Mayo 230kV Circuit 950 Addition | 6,500 |
| Substation Repair & Replace Projects - Transformer Replacements | 5,900 |
| College St Substation 13.2kV Switchgear Replacement | 4,350 |
| Pole Replacement Program | 4,200 |
| Real Estate - North Jacksonville Transmission Corridor Acquisition | 3,625 |
| Westside 230kV Transmission Corridor and Substation Site Acquisition | 3,500 |

| Electric Project Title | FY23 Proposed ('000) |
|---|----------------------------|
| Beeghly 393 Overhead Feeder Extension–Arnold Rd | 3,450 |
| General Underground Network and Commercial Repair & Replace | 3,000 |
| CEMI-5 Electric Distribution Betterment | 3,000 |
| Eagle LNG 138-13.8 kV Substation | 2,750 |
| Steelbald T4 Spare Transformer Addition for CMC Steel | 2,435 |
| Kennedy Substation Control Cable and Protection System Replacement | 2,193 |
| Ribault 138-26 kV T2 and Circuit Breaker 452 Addition | 2,190 |
| Electric Meters - Growth | 2,100 |
| Joint Participation Electric Relocation Projects | 2,000 |
| Underground Network Improvement Plan | 1,988 |
| Transmission and Substation Class Circuit Breaker Replacement Program | 1,934 |
| 69kv - 663 line rebuild | 1,879 |
| St Johns 4kV Substation Rebuild | 1,800 |
| Normandy Substation - New Control House | 1,800 |
| Electric Distribution System Improvements | 1,690 |
| Circuits 853/822 Tower 39 Foundation Rehabilitation | 1,650 |
| Imeson 138-26kV T2 Procurement | 1,600 |
| Circuit 650 UG 69kV Reconductor Project | 1,540 |
| Georgia Street Pipe Type Cable Pump Plant Replacement | 1,400 |
| 26kV Feeder Circuit Breaker Replacement | 1,393 |
| Energy Management System - Outage Management System Integration | 1,300 |
| JP - FDOT - Circuit 917 Relocation Between 9B and I-95 | 1,141 |
| Water Street T2 Network Transformer Replacement | 1,141 |
| Mayo Substation Distribution Feeders | 1,128 |
| Ritter Park Circuit 428 Extension | 1,120 |
| Forest Sub 217 Feeder - Electric Distribution | 1,100 |
| Imeson 26kV Circuit 493 New Feeder Addition | 1,100 |
| Mayo Substation 230 kV Addition - Phase 2 | 1,012 |
| Distribution System - Pole Removal | 1,000 |
| Transmission Line Relay Replacement Project | 899 |
| Normandy Substation Protection Improvement | 840 |
| SJRPP 230 - 26kV Substation | 830 |
| Hartley Rd Substation T1 and T2 LTC Replacement | 820 |
| Electric Meters - Replacement | 810 |
| General Substation Improvements | 800 |
| Mayo 230-138-26kV Substation - Protection & Controls | 800 |
| Park and King 4kV Substation Rebuild | 763 |
| General Distribution Improvements | 750 |
| Imeson 26kv Circuit 493 Substation Breaker and Cap Bank Addition | 655 |
| Ritter Park 429 Extension - Busch Dr | 650 |
| URD-2026 Reliability Improvement | 645 |
| Transmission Outdoor Potential Device Replacement | 607 |
| Mayo Substation - 138kV Transmission Interconnects | 586 |
| Automatic Recloser Deployment | 500 |

| Electric Project Title | FY23 Proposed ('000) |
|---|----------------------------|
| Transmission Insulator Replacement | 500 |
| 4kV Rehab – Distribution Projects | 500 |
| Underground Cable Replacement Program - Existing Developments | 500 |
| Substation RTU Replacements - D20 to RTAC | 500 |
| Circuit 830 Static Wire Replacement | 493 |
| Starratt Rd Circuit 367 Reconductor Ph2 | 480 |
| Ribault 138-26 kV T2 and Circuit 452 Addition - Protection & Controls | 475 |
| Ribault 26 kV Circuit 452 Addition | 470 |
| 230 KV 138KV 69 kV Pole Refurbishment | 450 |
| West Jax Substation Protection Improvement | 444 |
| Starratt 138-26kV T2 and Circuit 368, 369 Addition - Substation | 413 |
| College St Substation 13kV Protection and Arc Flash Upgrade | 410 |
| Water Street Substation Compressor Replacement | 400 |
| Circuit 825 Static Wire Replacement | 395 |
| Transmission Capacitor Bank Controls Replacement | 395 |
| Ritter Park 429 Underground Feeder Extension - Yeager Rd | 350 |
| Greenland Energy 230kV Bay & Breaker Addition for Circuit 950 | 300 |
| General Transmission Improvements | 300 |
| Steelbald Solar Center - Protection & Controls | 287 |
| West Jax 230/69 kV Substation Reliability Improvement - Protection & Controls | 245 |
| Richmond & Shadowlawn - OH-UG Electric Conversion | 243 |
| SOCC - Console Upgrade | 240 |
| Energy Management System - Base Upgrade Project | 230 |
| 230kV Breaker Replacement - Protection & Controls | 225 |
| Capital Tools and Equipment - Underground Network and Service Centers | 220 |
| Northside Substation Improvements - Phase 2 | 220 |
| Ritter Park 429 - Cedar Bay Rd Reconductor | 210 |
| St Johns 4kV Substation Rebuild - Protection & Controls | 200 |
| Energy Management System - RTU Upgrade Project | 190 |
| Circuit 645 UG 69kV Cable Replacement Project- PART B | 182 |
| Greenland Energy 230kV Bay & Breaker Addition for Circuit 950 - Protection & Controls | 180 |
| Hamilton 312 Reconductor | 169 |
| Circuit 645 UG 69kV Cable Replacement Project- PART A | 165 |
| Distribution Breaker Telemetry Enhancements | 160 |
| Eagle LNG 138-13.8 kV Substation - Protection & Controls | 157 |
| SJRPP Substation Distribution Feeders | 150 |
| Real Estate Services - Dunn Creek Sub Property Acquisition | 150 |
| Mayo Substation 230 kV Addition - Phase 2 - Protection & Controls | 150 |
| General Protection System Improvements Transmission | 150 |
| SEL-3355 Hardware Replacement | 150 |
| West Jax 230/69 kV Substation Reliability Improvement | 127 |
| Ckt 680 UG 69kV Reconductor Project | 125 |
| Ckt 690 UG 69kV Reconductor Project | 125 |
| Georgia St 13kV UG Distribution Survey | 120 |

| Electric Project Title | FY23 Proposed ('000) |
|--|----------------------------|
| Beeghly Circuit 394 New Feeder Addition | 120 |
| Westlake 333 Cisco Dr Reconductor | 120 |
| Eagle LNG 138kV Circuit 847 Interconnect | 118 |
| Bartram 230 kV Bay and Breaker Addition for Circuit 917 - Protection & Controls | 114 |
| Dinsmore 489 Lannie Rd Reconductor | 100 |
| General Transmission Improvements | 100 |
| Imeson 26kv Circuit 493 Substation Breaker and Cap Bank Addition - Protection & Controls | 81 |
| Lane 437 Reconductor | 80 |
| Capital Tools and Equipment - T&S Maintenance | 80 |
| McDuff Substation 4kV Circuits 4, 6, and 9 Relocation | 80 |
| Georgia St 170 Distribution Feeder Addition | 60 |
| Overhead-Underground Conversion in Neighborhoods | 60 |
| Electric Customer Service Response Tools and Equipment | 55 |
| SJRPP 230-26kV Distribution Substation - Protection & Controls | 50 |
| Starratt 138-26kV T2 and Circuit 368, 369 Addition - Protection & Controls | 30 |
| St Johns 4kV Distribution Feeder Getaway Rebuild | 24 |
| Starratt T2 Circuits 368 and 369 Addition | 24 |
| Circuit 684S Pipe-Type Cable Replacement | 15 |
| Real Estate - Imeson Substation - Property Acquisition | 10 |
| TRANSMISSION AND DISTRIBUTION SUBTOTAL | 146,086 |

| ELECTRIC OTHER | |
|---|--------|
| Technology Services Projects | 18,000 |
| Fleet - Replacement | 12,100 |
| Capital Administrative Overhead | 11,100 |
| Facilities - Commonwealth - Admin Upgrades | 5,749 |
| Facilities - Southside Renovations - Phase 2 | 5,510 |
| Facilities - Industrial Training Center | 3,880 |
| Facilities - Satellite Service Center | 2,532 |
| Facilities - Emergency Ops Center Hardened Facility | 2,000 |
| Facilities - JEA Headquarters | 1,292 |
| Fleet - Expansion | 1,285 |
| Security - General Improvements | 650 |
| Facilities - Roof Replacements | 450 |
| Facilities - Heating, Ventilation, and Air | 430 |
| Facilities - Lighting for Greenland Energy Center | 315 |
| Security - Fencing | 260 |
| Facilities - Paving and Site Improvements | 250 |
| Facilities - Generators | 225 |
| Facilities - Westside Building 5 Glove Lab Upgrades | 200 |
| Facilities - Building Upgrades | 200 |
| Facilities - Southside Asphalt Pavement Upgrade | 200 |
| Facilities - Duval County Schools PV System Removal | 184 |
| Facilities - Electrical and Lighting | 100 |

| Electric Project Title | FY23 Proposed ('000) |
|--|----------------------------|
| Facilities - Plumbing Upgrades | 100 |
| Utility Locate Group - Capital Equipment | 50 |
| Laboratory Equipment Upgrades | 35 |
| Security - Fire System Sprinklers | 20 |
| Facilities - Elevators | 1 |
| ELECTRIC OTHER SUBTOTAL | 67,118 |
| ELECTRIC GRAND TOTAL | 275,106 |

JEA
Analysis of Proposed FY 2022/23 Water & Wastewater System Operating Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change 2022/23 Proposed Budget over 2021/22 Original | % Change |
|--|--|---|---|--|--|-----------------|
| Operating Revenues | | | | | | |
| Water & Sewer Revenues | \$466,939 | \$311,606 | \$471,860 | \$477,665 | \$10,726 | 2.30% |
| Investment Income | 2,076 | 1,520 | 2,212 | 3,243 | 1,167 | 56.21% |
| Capacity & Extension Fees | 47,000 | 26,329 | 54,701 | 102,742 | 55,742 | 118.60% |
| Contributed Capital | 0 | 0 | 0 | 0 | NA | NA |
| Other Revenues | 25,494 | 18,904 | 28,602 | 19,888 | -5,607 | -21.99% |
| Total Operating Revenues | \$541,509 | \$358,359 | \$557,375 | \$603,538 | \$62,029 | 11.45% |
| Operating Expenditures | | | | | | |
| Operating & Maintenance | \$192,490 | \$113,863 | \$180,646 | \$204,940 | \$12,450 | 6.47% |
| Uncollectibles | 700 | 88 | 321 | 573 | -127 | -18.14% |
| Emergency Contingency | 1,000 | 0 | 1,000 | 1,000 | 0 | 0.00% |
| Total Operating Expenses | \$194,190 | \$113,951 | \$181,967 | \$206,513 | \$12,323 | 6.35% |
| Operating Income | \$347,319 | \$244,408 | \$375,409 | \$397,025 | \$49,706 | 14.31% |
| Non-Operating Revenues/(Expenses) | | | | | | |
| Debt Service | -\$67,135 | -\$39,604 | -\$60,156 | -\$103,138 | -\$36,003 | 53.63% |
| Interlocal Payments | -21,000 | -4,723 | -24,687 | -6,403 | 14,597 | -69.51% |
| Capacity Fee Transfer | -47,000 | -26,329 | -54,701 | -102,742 | -55,742 | 118.60% |
| Operating Capital Outlay | -160,273 | -135,774 | -180,840 | -130,075 | 30,198 | -18.84% |
| Renewal & Replacement Fund | -25,244 | -18,905 | -28,358 | -27,734 | -2,490 | 9.86% |
| Contribution to City's General Fund | -26,667 | -17,778 | -26,667 | -26,933 | -266 | 1.00% |
| Total Non-Operating Revenues/(Expenses) | -\$347,319 | -\$243,113 | -\$375,409 | -\$397,025 | -\$49,706 | 14.31% |
| Surplus/(Deficit) | \$0 | \$1,295 | \$0 | \$0 | \$0 | |
| Water Sales (kGals) | 39,000,000 | 25,289,585 | 38,912,000 | 39,504,198 | 504,198 | 1.29% |
| Sewer Sales (kGals) | 34,000,000 | 22,336,774 | 34,249,000 | 35,052,670 | 1,052,670 | 3.10% |
| Number of Accounts | 693,179 | 705,533 | 705,533 | 717,315 | 24,136 | 3.48% |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Water & Wastewater System

| | <u>\$ Change</u> | <u>% Change</u> |
|---|------------------|-----------------|
| | (000s) | |
| Revenues: | | |
| Water & Sewer Revenues | \$10,726 | 2.30% |
| The increase is due to projections for higher sales volume in FY 2022/23. | | |
| Investment Income | \$1,167 | 56.21% |
| The increase is a result of previous increases in investment yields and projected rate increases by the Federal Reserve Board. | | |
| Capacity & Extension Fees | \$55,742 | 118.60% |
| The increase is based on current construction activity and projections for FY 2022/23 as well increases in capacity fees scheduled to take effect on 10/1/2022 and 4/1/2023. | | |
| Other Revenues | -\$5,607 | -21.99% |
| The decrease is due to not budgeting the use of surplus revenue that was included in the FY 2021/22 budget at an amount of \$9.4 million, which is offset by increases in tappings, sewer connection, dumping, and late fees. | | |
| Expenses: | | |
| Operating & Maintenance | \$12,450 | 6.47% |
| The increase is primarily due to increases of \$4.4 million for salaries due to bargaining unit step increases and 55 new positions, \$4.0 million increase in additional supplies, \$2.0 million for the new Headquarters lease allocation, \$1.7 million in benefits, and \$2.0 million for new Credit Card fees. The increases are offset by a decrease of \$1.5 million due to the removal of the operating reserve. (DETAILED BREAKOUT PROVIDED ON THE O&M SCHEDULE AND THE EXPENDITURE VARIANCE OVERVIEW) | | |
| Uncollectibles | -\$127 | -18.14% |
| The decrease is due to the projected uncollectible rate changing from .014% to 0.12%. | | |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - Water & Wastewater System

| | <u>\$ Change</u> | <u>% Change</u> |
|---|------------------|-----------------|
| | <u>(000s)</u> | |
| Debt Service | -\$36,003 | 53.63% |
| The increase is due to an increase of \$29,868,130 in scheduled debt service on senior bonds and an increase of \$6,234,650 in scheduled debt service on subordinated bonds. | | |
| Interlocal Payments | \$14,597 | -69.51% |
| The decrease is due to one-time payments in FY 2021/22 of \$12.5 million for septic tank phaseouts and \$6.5 million for a 10 year pre-payment to Nassau County not being included in the FY 2021/22 budget which are partially offset by \$6.4 million in budgeted payments to Clay County, St. Johns County and the St Johns River Water Management District due under various interlocal agreements. | | |
| Capacity Fee Transfer | -\$55,742 | 118.60% |
| The increase is based on current construction activity and projections for FY 2022/23 as well increases in capacity fees scheduled to take effect on 10/1/2022 and 4/1/2023. | | |
| Operating Capital Outlay | \$30,198 | -18.84% |
| The decrease is primarily due to debt service expense in FY 2022/23 leaving less earnings to contribute to capital projects. | | |
| Renewal & Replacement Fund | -\$2,490 | 9.86% |
| Renewal & Replacement is calculated at 5% of prior year estimated revenues. The contribution has increased from FY 2021/22 due to higher estimated revenues but will be adjusted when actual data is known. | | |

JEA
Analysis of Operating and Maintenance Expense
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
Water & Wastewater System
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change 2022/23 Proposed Budget over 2021/22 Original | % Change |
|--------------------------------|--|---|---|--|--|-----------------|
| Salaries | \$62,248 | \$41,952 | \$62,886 | \$66,696 | \$4,448 | 7.15% |
| Employee Benefits | 24,632 | 14,524 | 23,698 | 26,366 | 1,734 | 7.04% |
| Incentive Pay | 1,680 | 0 | 1,611 | 2,250 | 570 | 33.93% |
| Supplies | 15,181 | 10,694 | 15,754 | 19,248 | 4,067 | 26.79% |
| Other Services & Charges | 104,313 | 62,436 | 97,211 | 108,247 | 3,934 | 3.77% |
| Contracts and Contingencies | 500 | 190 | 690 | 0 | -500 | -100.00% |
| Purchased Water & Treatment | 30 | 35 | 45 | 45 | 15 | 50.00% |
| Insurance | 4,052 | 941 | 1,558 | 5,038 | 986 | 24.33% |
| Operating Reserves | 1,500 | 0 | 1,500 | 0 | -1,500 | -100.00% |
| Interest on Customer Deposits | 23 | 242 | 249 | 13 | -10 | -43.48% |
| Expense Credits | -6,186 | -5,582 | -7,644 | -6,969 | -783 | 12.66% |
| Transfers to WIP Salaries | -11,273 | -8,730 | -12,530 | -11,342 | -69 | 0.61% |
| Transfers to WIP Emp. Benefits | -4,210 | -2,839 | -4,383 | -4,652 | -442 | 10.50% |
| Total O & M Expense | \$192,490 | \$113,863 | \$180,646 | \$204,940 | \$12,450 | 6.47% |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Expenditure Variance Overview - Water & Wastewater

| | <u>\$ Change</u> <u>(000s)</u> | <u>% Change</u> |
|--|-----------------------------------|-----------------|
| Operating & Maintenance | | |
| Salaries The increase is the result of the addition of 55 new positions in engineering, project management, inspection, mechanics, technical, scheduling, and administration for the Water & Wastewater System totaling \$3,461,227, as well as assumed general increases of 4% for appointed employees and Professional Employees Association (PEA) members and assumed general increases of 3.5% for all other bargaining units. In addition, there are step increases of 2.5% to 5%, depending on the bargaining unit. Bargaining unit contracts for FY 2022/23 are currently being negotiated so the actual impact on salaries will not be known until negotiations are complete. | \$4,448 | 7.15% |
| Employee Benefits The increase is primarily due to the addition of 55 new positions. | \$1,734 | 7.04% |
| Supplies The increase is primarily due to increases of \$3.2 million for Chemicals and Gases and \$700,000 for inventory. | \$4,067 | 26.79% |
| Other Services and Charges The increase is due to increases of \$2.0 million for the new Headquarters, \$1.3 million for the Manhole Inspection Program, and \$450,000 for the Residential & Commercial backflow prevention program. | \$3,934 | 3.77% |
| Contracts and Contingencies JEA decided not to budget a contingency due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses. | -\$500 | -100.00% |
| Insurance The increase of \$986,000 is primarily due to a \$416,000 increase for Property Damage Insurance (general) and Property Damage Insurance for transmission and distribution assets due to market increases in claim activity related to storm losses, \$388,700 increase for Cyber Liability Insurance due to increases in market claim activity related to cyber security breeches, \$52,000 increases for both General/Automobile Liability Insurance and Workers Compensation Insurance based on estimated coverage costs provided by COJ, and a \$37,700 increase for Public Officials Liability Insurance (including Director & Officer Liability) due to claims made for attorney fees associated with investigations and activities subsequent to the failed privatization of JEA. | \$986 | 24.33% |
| Operating Reserve JEA decided not to budget a reserve due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses. | -\$1,500 | -100.00% |

JEA
Analysis of Proposed FY 2022/23 Water & Wastewater System Capital Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change 2022/23 Proposed Budget over 2021/22 Original | % Change |
|--------------------------------|--|---|---|--|--|-----------------|
| Capital Funds | | | | | | |
| Debt | \$129,886 | \$0 | \$0 | \$0 | -129,886 | -100.00% |
| Other Proceeds | 0 | 0 | 0 | 139,450 | NA | NA |
| Renewal & Replacement Deposits | 25,243 | 18,905 | 28,358 | 27,734 | 2,491 | 9.87% |
| Operating Capital Outlay | 160,273 | 135,774 | 180,840 | 130,075 | -30,198 | -18.84% |
| Contributed Capital | 0 | 0 | 0 | 0 | NA | NA |
| Capacity Fees | 47,000 | 26,329 | 54,701 | 102,742 | 55,742 | 118.60% |
| Total Capital Funds | \$362,402 | \$181,008 | \$263,899 | \$400,000 | \$37,598 | 10.37% |
| Capital Projects | | | | | | |
| Water | \$96,792 | \$41,277 | \$90,633 | \$117,561 | \$20,769 | 21.46% |
| Sewer | 231,120 | 85,796 | 191,293 | 233,489 | 2,369 | 1.03% |
| Other | 34,490 | 14,953 | 35,220 | 48,950 | 14,460 | 41.92% |
| Total Capital Projects | \$362,402 | \$142,026 | \$317,146 | \$400,000 | \$37,598 | 10.37% |
| Surplus/(Deficit) | \$0 | \$38,982 | -\$53,247 | \$0 | \$0 | |

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

| Water Project Title | FY23 Proposed ('000) |
|---|----------------------------|
| WATER | |
| Water Purification Demonstration Facility | 34,756 |
| SIPS - Deerwood - Southside Blvd Intertie to Deerwood III Water Plant - New | 17,500 |
| Water Meters - AMI Conversion | 13,334 |
| SIPS - US1 Booster Station - Old St Augustine Rd to US1 Booster Station - New | 8,488 |
| Galvanized Pipe Replacement - Program | 8,054 |
| RiverTown Water Plant - New 4.7 MGD Water Plant | 6,644 |
| McDuff Water Plant - Refurbishment Project | 5,222 |
| Water Delivery System - Repair & Replace | 5,000 |
| Well Rehabilitation and Replacement Program | 4,863 |
| Lofton Oaks Water Plant - Improvements | 4,145 |
| Norwood Water Plant - Rehabilitation | 3,550 |
| Water Transmission Replacement | 2,712 |
| Pritchard Rd - Old Plank Rd to Cisco Dr W - New Transmission | 2,581 |
| Lakeshore Water Plant - Reservoir Rehabilitation - Phase 2 | 2,460 |
| Water Meters - Growth | 2,450 |
| Martin Luther King - Fairfax to Brentwood Water Main Replacement | 2,368 |
| Water Meters - Large Water Meter Replacement | 2,248 |
| Water Meters - Replacement | 2,169 |
| JP - Nassau - William Burgess Blvd - US 17 to Miner Rd - New | 2,118 |
| New World Av - Waterworks Ave to Chaffee Rd - New Transmission | 2,089 |
| SIPS - Greenland - Southside Blvd - Deerwood 3 to Greenland | 2,084 |
| Development Driven Projects | 2,040 |
| Beverly Hills Water Main Replacement | 1,775 |
| Royal Lakes Water Plant High Service Pump Expansion | 1,764 |
| Main Extensions and Taps | 1,500 |
| Water Treatment Plant Large Capital Improvements | 1,460 |
| SIPS - Main St Water Plant - 1st St to Franklin St - New Transmission | 1,291 |
| McDuff - Olga to Park - Water Main | 1,159 |
| E 1st St Main St to E 4th St - New Raw Water Main | 1,155 |
| North Grid Trihalomethane Mitigation Project | 1,052 |
| Oakridge Water Plant - High Service Pump Replacement | 913 |

| Water Project Title | FY23 Proposed ('000) |
|---|----------------------------|
| Forest Blvd - Stone Rd to T-Line - New Raw Water Main | 770 |
| Water Plant Capital Renewal & Replacement | 750 |
| JP - Joint Participation Projects | 700 |
| JP - JTA - 8th St Water Main Replacement - Mt Herman St to Boulevard St | 585 |
| Cecil Commerce Center - New Well No. 4 | 581 |
| Ridenour Water Plant - New Well No. 8 | 520 |
| Well Field Repair & Replace | 500 |
| Deerwood III Water Plant - Well 2 Replacement | 494 |
| Real Estate Services - Ridenour Water Plant - Well 9 - Property Acquisition | 475 |
| Lovegrove Water Plant - Electric System Upgrade | 400 |
| Southeast Water Plant - New Well No. 4 | 365 |
| Southeast Water Plant - Ground Storage Tank | 321 |
| Hampton Falls Dr Electrical Ease. - San Pablo to Suni Pines Connection - 12 inch Water Main Replacement | 290 |
| 301 Development - Water | 250 |
| Water Treatment Plant Reservoir Repair & Replace | 250 |
| Brierwood Water Plant - Well 1 Rehabilitation | 229 |
| Cisco Dr - Westlake Water Plant to Garden St - New Transmission | 215 |
| Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades | 200 |
| JP - COJ - McCoy's Creek – Cherokee St. to St. Johns River | 182 |
| Deerwood Water Plant - Well 5 Rehabilitation | 152 |
| Bessie Circle - Water Main Installation | 135 |
| Grid - Cost Participation - New | 100 |
| Arlington Water Plant Well No 4 Rehabilitation | 92 |
| Lofton Oaks Water Plant - Well 1 Rehabilitation | 90 |
| JP- FDOT - North Grid - Lem Turner - Capper Rd to Leonid | 80 |
| Ridenour Water Plant - Well 5 Rehabilitation | 78 |
| Beacon Hills Water Plant - Rehabilitation | 62 |
| JP - FDOT - JTB Blvd at Kernan Blvd - Water Main Replacement | 60 |
| JP - FDOT/COJ - Chaffee Rd - Westmeadows Dr S to Samaritan Wy - New Transmission | 60 |
| Community Hall Water Plant - Well 3 Rehabilitation | 58 |
| Ridenour Water Plant - Well 4 Rehabilitation | 58 |
| JP - FDOT - I95 and MLK Interchange - Water Main Replacement | 50 |
| JP - JTA - San Pablo Rd - Beach Blvd to Atlantic Blvd | 43 |

| Water Project Title | FY23 Proposed ('000) |
|---|----------------------------|
| JP - FDOT - SR212 (US90/Beach Blvd.) Southside Blvd. to Eve Dr - Water Main Replacement | 36 |
| JP - FDOT - Timuquana Rd (SR134) - Wesconnett to US17 - Water Main Replacement | 28 |
| JP - JTA - Alta Drive Roadway Improvements | 13 |
| JP - FDOT - I10 Widening - I295 to I95 - Water Main Replacement | 12 |
| JP - FDOT - Lane Ave S - Water Main Replacement - Distribution | 10 |
| JP - Pages Dairy Rd - Felmor Rd to Chester Ave - Transmission | 7 |
| JP - FDOT- SR202 - JTB at San Pablo Rd | 2 |
| Water Pipeline Crossings Resiliency | 1 |
| Market Adjustment | -40,685 |
| WATER SUBTOTAL | 117,561 |

| SEWER | |
|---|--------|
| Greenland Reclamation Facility - 4.0 MGD | 56,725 |
| Southwest Reclamation Facility - Expansion to 16 MGD | 44,528 |
| Nassau Regional Reclamation Facility - Expansion to 3 MGD | 28,239 |
| Buckman Reclamation Facility - Biosolids Conversion - Process Facility | 18,782 |
| US 1 - Greenland Reclamation Facility to CR 210 - Transmission - New - Reclaim | 18,488 |
| Nassau Regional Reclamation Facility - Effluent Management | 7,891 |
| Nassau - Radio Ave - Class III/IV - New Pump Station | 5,999 |
| Buckman Reclamation Facility - Biosolids RAW Sludge Holding Tank Restoration | 5,980 |
| Buckman Reclamation Facility - Disinfection System Replacement | 5,790 |
| Southwest - 5104 118th St - Class III/IV | 5,701 |
| Mandarin-Greenland Interconnect - Reclaim | 5,411 |
| SR200 - William Burgess Blvd to Police Lodge Rd - Transmission - Reclaim | 4,510 |
| Pumping Stations - Capital Equipment Replacement | 4,500 |
| Southwest - 6217 Wilson Bv - Class III/IV | 4,415 |
| Sewer Collection System Trenchless Repair & Replace | 4,300 |
| Sewer Collection System Repair & Replace | 4,000 |
| Manhole Inspection, Prioritization, and Rehabilitation or Replacement | 3,600 |
| Mandarin Reclamation Facility - Sludge Holding Tanks Rehabilitation | 3,477 |
| JP - SJC - CR210 - South Hampton to Ashford Mills - Transmission - Reclaim | 3,073 |
| Southwest - 5825 Robitzsch Lane - Class III/IV | 2,966 |
| Greenland - Burnt Mill Pump Station to Greenland Energy - Transmission - Force Main | 2,958 |

| Water Project Title | FY23 Proposed ('000) |
|---|----------------------------|
| Buckman Reclamation Facility - Fine Screen Replacement | 2,935 |
| Arlington East Reclamation Facility - Parallel Sludge Line | 2,768 |
| Monterey - 3254 Townsend Rd - Class III/IV - Pump Upgrade | 2,505 |
| Water Reclamation Facilities - Capital Equipment Replacement | 2,500 |
| 5th St W - Imeson Rd to Melson Ave - Transmission - New - Force Main | 2,478 |
| Arlington East Reclamation Facility Upgrades - Influent Structure | 2,385 |
| District II - 11308 Harts Rd - Class III/IV | 2,350 |
| Resiliency - Pump Stations, Plants, Electrical Reliability | 2,227 |
| Mandarin - 106 Twin Creeks - Class III/IV - Booster Pump Station | 2,170 |
| Buckman Reclamation Facility - Biosolids Conversion - Operations/Maintenance Bldgs | 1,981 |
| Real Estate - Nassau Regional Reclamation Facility - Storage Tank and Boosters - Property Acquisition | 1,970 |
| District II - Robena Rd Booster Pump Station | 1,910 |
| Wastewater Large Capital Improvements | 1,831 |
| 9247 Baymeadows Rd - Class III/IV - Pump Upgrade | 1,799 |
| Buckman Reclamation Facility - Biosolids Dryer Rehabilitation | 1,793 |
| Southwest - 4881 Timuquana Rd - Class III/IV | 1,619 |
| Development Driven Projects - Pump Stations | 1,575 |
| Arlington East Reclamation Facility Upgrades - Aeration Basin and Blowers | 1,564 |
| Development Driven Projects - Reclaim | 1,512 |
| 25th St at Marlo St Gravy Sewer Replacement | 1,509 |
| Monterey - 5838 Pompano - Class III/IV - Pump Upgrade | 1,501 |
| SCADA RTU and Control Panel Upgrades | 1,500 |
| Main Extensions and Taps - Sewer | 1,500 |
| Large Diameter Cured In Place Piping | 1,500 |
| Buckman Relamation Facility - Biosolids Facility Rehabilitation | 1,382 |
| Nassau - Radio Av - Reclaim Water Storage Tank and Booster Pump Station - Reclaim | 1,240 |
| Ridenour Water Plant - Storage and Repump - Reclaim | 1,128 |
| Cedar Bay Backup Power System | 1,100 |
| SEQ to Gate Parkway - Transmission - New - Reclaim | 1,000 |
| SWDE - Water Purification Piloting | 1,000 |
| JP - COJ - McCoys Creek – Cherokee St. to St. Johns River – Sewer | 970 |
| Margaret St. Area Sewer Main Installation | 951 |
| JP - Nassau - Chester Rd - David Hallman to Pages Dairy Rd - Reclaim | 890 |

| Water Project Title | FY23 Proposed ('000) |
|---|----------------------------|
| Air Release Valves - Inspection, Prioritization, and Rehabilitation or Replacement | 875 |
| 4511 Spring Park Rd Lift Station | 826 |
| JP - Nassau - Wm Burgess Blvd - US 17 to Miner Rd - New - Force Main | 808 |
| Buckman Reclamation Facility - Biosolids Process Renewal and Replacement | 740 |
| Monterey - 7732 Merrill Rd - Class III/IV - Pump Station Upgrade & 2530 Mayapple Pump Station Upgrade | 718 |
| Arlington East Reclamation Facility - Secondary MCC Replacement | 663 |
| JP - Nassau - Chester Rd - David Hallman to Pages Dairy Rd - Force Main | 650 |
| Development Driven Projects - Sewer | 636 |
| Arlington East - 8331 Princeton Sq - Class III/IV - Pump Upgrade | 600 |
| McMillan St Pump Station Effluent Piping S20B - Force Main Replacement | 522 |
| Southwest Service Area Infiltration and Inflow Analysis and Remediation | 500 |
| Wastewater Odor Control - All Plants and Pump Stations | 500 |
| Buckman Reclamation Facility - Blower System Improvements | 481 |
| Norwood Ave. Sewer Main Installation | 441 |
| RiverTown Booster Pump Station - Reclaim | 405 |
| Arlington East - 8751 Bayleaf Dr - Class III/IV - Pump Upgrade | 402 |
| JP - Joint Participation Projects - Sewer | 400 |
| Pirates Cove Rd 8" Force Main Replacement | 379 |
| District II - 10800 Key Haven Bv - Class III/IV | 367 |
| South Shores Sub-Aqueous Force Main Rehabilitation | 353 |
| Nocatee South Reclaim Improvements | 350 |
| Buckman Reclamation Facility -1636 Talleyrand Av - Class III/IV | 336 |
| District II - Reclaimanch Rd - Tradeport Dr to DUV-14491 Master Pump Station - Force Main | 304 |
| SWDE - Deep Injection Exploratory Wells | 300 |
| Arlington East Reclamation Facility - Reclaim Filter - Increase Capacity from 8 to 10 MGD | 300 |
| SCADA Renewal & Replacement | 268 |
| 301 Development - Sewer | 250 |
| SWDE - Arlington East Reclamation Facility - Disinfection Conversion to High Level UV | 250 |
| SWDE - Planning, Zoning, and Land Acquisition | 250 |
| Clark and Main: Kentucky St to Gun Club Rd - Force Main | 247 |
| Buckman Reclamation Facility Outfall Improvements- Phase 1 | 200 |
| Davis - Gate Pkwy to RG Skinner - Transmission - Reclaim | 191 |
| Twin Creeks Reclaim Storage Tank and Booster Pump Station - Reclaim | 190 |

| Water Project Title | FY23 Proposed ('000) |
|--|----------------------------|
| Ponte Vedra Additional SBR, Influent Jet Headers, & UV replacement | 157 |
| Monterey - 8043 Carlotta Rd - Class III/IV - Pump Upgrade | 152 |
| JP - COJ - Six Mile Bridge and Utilities Replacement | 107 |
| Buckman Reclamation Facility - Aeration Basin Air Header and Diffuser Replacement | 107 |
| Waste Water Pumping Station Safety Improvements - Guard Rail Installation | 100 |
| Grid - Cost Participation - New - Force Main | 100 |
| Grid - Cost Participation - New - Reclaim | 100 |
| JP - COJ - Old Middleburg Rd - Argyle Forest Blvd to Maynard Place - Transmission - New - Force Main | 56 |
| Reuse Delivery Repair & Replace | 55 |
| JP - FDOT - Timuquana Rd (SR134) - Wesconnett to US17 - Force Main Replacement | 54 |
| Monterey Reclamation Facility Improvements - Phase 1 | 50 |
| Southwest - POW MIA Memorial Pkwy - Normandy Blvd to Parkland Master Pump Station - Force Main | 50 |
| Southwest - 103rd Street at Piper Glen Blvd - Force Main | 50 |
| Diesel-driven Backup Pump Repair & Replace | 50 |
| Manhole SCADA Repair & Replace | 50 |
| Reuse Facility - Capital Equipment Replacement | 50 |
| JP- FDOT - District II - Lem Turner - Capper Rd to Leonid - Force Main | 47 |
| Nassau Regional Reclamation Facility - SR200 West of I-95 RW Storage Tank and Booster Pump Station - Reclaim | 44 |
| Nocatee North Reclaim Storage Tank | 18 |
| CR210 - Longleaf Pine Pkwy to Shearwater Rd - Trans – Reclaim | 12 |
| JP - FDOT - I10 Widening - I295 to I95 - Force Main Replacement | 12 |
| Holiday Road Master Pump Station Rehabilitation - Phases 1 and 2 | 10 |
| JP - JTA - Alta Drive Roadway Improvements - Sewer | 7 |
| Sewer Pipeline Crossings Resiliency | 1 |
| JP - FDOT - Copper Circle Lift Station Replacement | -218 |
| Market Adjustment | -80,804 |
| SEWER SUBTOTAL | 233,489 |

| WATER OTHER | |
|---------------------------------|--------|
| Technology Services Projects | 14,000 |
| Fleet - Replacement | 8,600 |
| Capital Administrative Overhead | 7,500 |
| Fleet - Expansion | 4,219 |
| Facilities - Generators | 2,253 |

| Water Project Title | FY23 Proposed ('000) |
|--|----------------------------|
| Facilities - Main St Lab Emergency Generator Project | 1,513 |
| Facilities - Blacks Ford Reclamation Facility New Parking and Storage Building | 1,486 |
| Facilities - District II Reclamation Facility New Plant Entrance | 1,390 |
| Facilities - Satellite Service Centers | 844 |
| Facilities - Mandarin Reclamation Facility - Facility Parking and Storm Water Upgrades - Phase 2 | 711 |
| Security Improvements | 650 |
| Laboratory Instrumentation - PFAS | 650 |
| Facilities - Heating, Ventilation, and Air | 520 |
| Facilities - Arlington East Reclamation Facility Storage Building | 518 |
| Facilities - Fleet Service Operations Building Renovations | 500 |
| Facilities - District II Reclamation Facility - New Storage Building and Site Upgrades | 469 |
| Facilities - Roof Replacements | 435 |
| Facilities - Blanding Blvd Lift Station Entrance Drive | 413 |
| Facilities - Building Upgrades | 400 |
| Facilities - Electric and Lighting Systems | 400 |
| Security - Fencing | 260 |
| Facilities - Plumbing Upgrades | 250 |
| Facilities - Paving and Site Improvements | 250 |
| Facilities - Elevators | 250 |
| Laboratory Equipment Upgrades | 250 |
| Real Estate - Easement Location and Acquisitions | 150 |
| Utility Locate Group - Capital Equipment | 50 |
| Security - Fire Alarm and Sprinkler Systems | 20 |
| WATER OTHER SUBTOTAL | 48,950 |
| WATER GRAND TOTAL | 400,000 |

JEA
Analysis of Proposed FY 2022/23 District Energy System Operating Budget
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change 2022/23 Proposed Budget over 2021/22 Original | % Change |
|--|--|---|---|--|--|-----------------|
| OPERATING BUDGET: | | | | | | |
| Operating Revenues | | | | | | |
| Revenues | \$8,840 | \$5,243 | \$8,527 | \$12,852 | \$4,012 | 45.39% |
| Investment Income | 0 | 1 | 1 | 0 | 0 | |
| Total Operating Revenues | \$8,840 | \$5,244 | \$8,528 | \$12,852 | \$4,012 | 45.39% |
| Operating Expenditures | | | | | | |
| Operating and Maintenance | \$5,128 | \$2,779 | \$4,948 | \$6,449 | \$1,321 | 25.76% |
| Total Operating Expenditures | \$5,128 | \$2,779 | \$4,948 | \$6,449 | \$1,321 | 25.76% |
| Operating Income | \$3,712 | \$2,465 | \$3,580 | \$6,403 | \$2,691 | 72.51% |
| Non-Operating Revenues/(Expenses) | | | | | | |
| Debt Service | -\$3,171 | -\$2,022 | -\$3,039 | -\$3,242 | -\$71 | 2.24% |
| Rate Stabilization - Debt Management | 0 | 0 | 0 | 0 | NA | NA |
| Renewal & Replacement | -427 | -268 | -402 | -415 | 12 | -2.81% |
| Operating Capital Outlay | -114 | 0 | -139 | -2,746 | -2,632 | 2308.77% |
| Total Non-Operating Revenues/(Expenses) | -\$3,712 | -\$2,290 | -\$3,580 | -\$6,403 | -\$2,691 | 72.49% |
| Surplus/(Deficit) | \$0 | \$175 | \$0 | \$0 | \$0 | |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Revenue and Expense Variance Overview - District Energy System

| | <u>\$ Change</u> | <u>% Change</u> |
|--|------------------|-----------------|
| | <u>(000s)</u> | |
| Operating Revenue | | |
| Revenues | \$4,012 | 45.39% |
| The increase is primarily due to proposed changes to DES rate structure for FY 2022/23, including changes to demand rates and variable rates in order to better recover the cost of providing service. If the proposed changes are approved by the Board in August 2022, a rate hearing is planned for September 30, 2022. | | |
| Operating Expenditures | | |
| Operating and Maintenance | \$1,321 | 25.76% |
| The increase is due to an increase of \$1.67 million in Other Services and Charges, an increase of \$24,000 to Salaries due to bargaining unit increases, and \$38,000 to Insurance expenses partially offset by the elimination of the Operating Reserve of \$100,000, and an increase in Expense Credits of \$269,000. (DETAILED BREAKOUT GIVEN ON NEXT TWO PAGES) | | |
| Non- Operating Revenues/ (Expenses) | | |
| Operating Capital Outlay | -\$2,632 | 2308.77% |
| The increase is due to the additional revenue from proposed rate changes exceeding the increase in expenses. This will provide more cash to transfer to Operating Capital Outlay. | | |

JEA
Analysis of Operating and Maintenance Expense
FY 2021/22 Budget Compared to FY 2022/23 Proposed Budget
District Energy System
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change 2022/23 Proposed Budget over 2021/22 Original | % Change |
|--------------------------|--|---|---|--|--|-----------------|
| Salaries | \$605 | \$388 | \$606 | \$629 | \$24 | 3.97% |
| Employee Benefits | 228 | 141 | 225 | 220 | -8 | -3.51% |
| Supplies | 116 | 42 | 69 | 90 | -26 | -22.41% |
| Other Services & Chgs. | 3,882 | 2,182 | 3,987 | 5,554 | 1,672 | 43.07% |
| Intercompany Charges | 70 | 44 | 69 | 60 | -10 | -14.29% |
| Insurance | 156 | 53 | 73 | 194 | 38 | 24.36% |
| Operating Reserve | 100 | 0 | 0 | 0 | -100 | -100.00% |
| Expense Credits | -29 | -71 | -81 | -298 | -269 | 927.59% |
| O & M Expense | \$5,128 | \$2,779 | \$4,948 | \$6,449 | \$1,321 | 25.76% |

JEA
FY 2021/22 Original Budget Vs. FY 2022/23 Proposed Budget
Expenditure Variance Overview - District Energy System

| | <u>\$ Change</u> | <u>% Change</u> |
|---|------------------|-----------------|
| Operating & Maintenance | (000s) | |
| Other Services and Charges | \$1,672 | 43.07% |
| The increase is due to increases of \$1.16 million due to rising fuel costs for electricity generation impacting Utilities Expense and a \$550,000 increase in Industrial Services for scheduled thermal storage tank rehabilitation. | | |
| Operating Reserve | -\$100 | -100.00% |
| JEA decided not to budget a reserve due the overall increase in the O&M budget and to encourage the use of any potential O&M savings gained during the year to pay for any unforeseen O&M expenses. | | |
| Expense Credits | -\$269 | 927.59% |
| Increase in Expense Credits is primarily due to the addition of Capitalized Administrative Overhead credit for \$237,000 to reimburse other systems for work done. | | |

JEA
Analysis of FY 2022/23 Proposed Capital Budget
District Energy System
(000s)

| | 2021/22 Original Budget | 8 Months Actual FY 2021/22 | 12 Months Projected FY 2021/22 | 2022/23 Proposed Budget | \$ Change 2022/23 Proposed Budget over 2021/22 Original | % Change |
|---------------------------------|--|---|---|--|--|-----------------|
| Capital Funds | | | | | | |
| Debt | \$3,967 | \$0 | \$0 | \$3,500 | -\$467 | -11.77% |
| Other Proceeds | 1,042 | 1,798 | 5,227 | 275 | -767 | -73.64% |
| Renewal & Replacement | 427 | 268 | 402 | 415 | -12 | -2.81% |
| Operating Capital Outlay | 114 | 0 | 139 | 2,746 | 2,632 | 2308.77% |
| Total Capital Funds | \$5,550 | \$2,066 | \$5,768 | \$6,936 | \$1,386 | 24.97% |
| Capital Projects | | | | | | |
| District Energy System Projects | \$5,550 | \$2,066 | \$5,768 | \$6,936 | \$1,386 | 24.97% |
| Surplus/(Deficit) | \$0 | \$0 | \$0 | \$0 | \$0 | |

CAPITAL BUDGET:

| Description | FY 2022/23 |
|---|-------------------|
| Hogans Creek - Line Extension - Jags Performance Facility | 6,432 |
| District Energy System - Repair & Replace Improvements | 450 |
| Security - District Energy System | 50 |
| Capital Administrative Overhead | 4 |
| District Energy Total | \$6,936 |

**JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2023**

| | Electric System | Water System | District Energy System | Total |
|--|----------------------------|-------------------------|-----------------------------------|------------------------|
| FUEL RELATED REVENUES & EXPENSES: | | | | |
| FUEL REVENUES: | \$671,607,062 | \$0 | \$0 | \$671,607,062 |
| Total Net Revenues | <u>671,607,062</u> | <u>0</u> | <u>0</u> | <u>671,607,062</u> |
| FUEL EXPENSES: | | | | |
| Fuel & Purchased Power | \$671,607,062 | \$0 | \$0 | \$671,607,062 |
| FUEL SURPLUS/(DEFICIT) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| BASE RELATED REVENUES & EXPENSES | | | | |
| BASE OPERATING REVENUES: | | | | |
| Base Rate Revenues | \$791,048,000 | \$450,442,215 | \$12,851,763 | \$1,254,341,978 |
| Environmental Charge Revenue | 7,442,000 | 27,223,026 | 0 | 34,665,026 |
| Conservation Charge & Demand Side Revenue | 732,000 | 0 | 0 | 732,000 |
| Other Revenues | 37,660,665 | 19,887,497 | 0 | 57,548,162 |
| Natural Gas Pass Through Revenue | <u>1,498,857</u> | <u>0</u> | <u>0</u> | <u>1,498,857</u> |
| Total Base Related Revenues | <u>\$838,381,522</u> | <u>\$497,552,738</u> | <u>\$12,851,763</u> | <u>\$1,348,786,023</u> |
| BASE OPERATING EXPENSES: | | | | |
| Operating and Maintenance | \$269,166,868 | \$198,437,566 | \$6,449,156 | \$474,053,590 |
| Environmental | 16,998,000 | 6,501,783 | 0 | 23,499,783 |
| Conservation & Demand-side Management | 7,111,667 | 0 | 0 | 7,111,667 |
| Natural Gas Pass Through Expense | 1,595,137 | 0 | 0 | 1,595,137 |
| Non-Fuel Purchased Power | 245,277,616 | 0 | 0 | 245,277,616 |
| Non-Fuel Uncollectibles & PSC Tax | 1,515,596 | 573,198 | 0 | 2,088,794 |
| Emergency Reserve | <u>5,000,000</u> | <u>1,000,000</u> | <u>0</u> | <u>6,000,000</u> |
| Total Base Related Expenses | <u>\$546,664,884</u> | <u>\$206,512,547</u> | <u>\$6,449,156</u> | <u>\$759,626,587</u> |
| BASE OPERATING INCOME: | \$291,716,638 | \$291,040,191 | \$6,402,607 | \$589,159,436 |
| NON-OPERATING REVENUE: | | | | |
| Investment Income | \$5,793,688 | \$3,242,935 | \$0 | \$9,036,623 |
| Transfer To/From Fuel Recovery | 0 | 0 | 0 | 0 |
| Capacity Fees | <u>0</u> | <u>102,742,334</u> | <u>0</u> | <u>102,742,334</u> |
| Total Non Operating Revenues | <u>\$5,793,688</u> | <u>\$105,985,269</u> | <u>\$0</u> | <u>\$111,778,957</u> |
| NON-OPERATING EXPENSES: | | | | |
| Debt Service | \$76,798,079 | \$103,138,134 | \$3,241,758 | \$183,177,971 |
| Demand-side Management - Rate Stabilization | -279,667 | 0 | 0 | -279,667 |
| Environmental - Rate Stabilization | <u>-1,933,468</u> | <u>0</u> | <u>0</u> | <u>-1,933,468</u> |
| Total Non Operating Expenses | <u>\$74,584,944</u> | <u>\$103,138,134</u> | <u>\$3,241,758</u> | <u>\$180,964,836</u> |
| BASE INCOME BEFORE TRANSFERS | \$222,925,382 | \$293,887,326 | \$3,160,849 | \$519,973,557 |
| City Contribution Expense | \$95,491,107 | \$26,933,389 | \$0 | \$122,424,496 |
| Interlocal Payments | 0 | 6,403,033 | 0 | 6,403,033 |
| Renewal and Replacement Fund | 72,700,000 | 27,734,150 | 415,355 | 100,849,505 |
| Operating Capital Outlay | 54,262,275 | 117,953,177 | 2,745,494 | 174,960,946 |
| Environmental Capital Outlay | 472,000 | 12,121,243 | 0 | 12,593,243 |
| Capacity Fees | 0 | 102,742,334 | 0 | 102,742,334 |
| Operating Contingency | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Non-Fuel Expenses | <u>\$222,925,382</u> | <u>\$293,887,326</u> | <u>\$3,160,849</u> | <u>\$519,973,557</u> |
| SURPLUS/(DEFICIT) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| TOTAL REVENUES | \$1,515,782,272 | \$603,538,007 | \$12,851,763 | \$2,132,172,042 |
| TOTAL APPROPRIATIONS | \$1,515,782,272 | \$603,538,007 | \$12,851,763 | \$2,132,172,042 |
| BUDGETED EMPLOYEE POSITIONS | 1,583 | 705 | 6 | 2,294 |
| BUDGETED TEMPORARY HOURS | 104,000 | 20,800 | 0 | 124,800 |

**JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2023**

| | Electric System | Water System | District Energy System | Total |
|--------------------------------------|----------------------------|-------------------------|-----------------------------------|-----------------------|
| CAPITAL FUNDS: | | | | |
| Renewal & Replacement Deposits | \$ 72,700,000 | \$ 27,734,150 | \$ 415,355 | \$ 100,849,505 |
| Operating Capital Outlay | 54,262,275 | 117,953,177 | 2,745,494 | 174,960,946 |
| Environmental Capital Outlay | 472,000 | 12,121,243 | - | 12,593,243 |
| Capacity Fees | - | 102,742,334 | - | 102,742,334 |
| Debt Proceeds | - | - | 3,500,000 | 3,500,000 |
| Other Proceeds | 147,671,725 | 139,449,096 | 275,151 | 287,395,972 |
| Total Capital Funds | <u>\$ 275,106,000</u> | <u>\$ 400,000,000</u> | <u>\$ 6,936,000</u> | <u>\$ 682,042,000</u> |
| CAPITAL PROJECTS: | | | | |
| Generation Projects | \$ 61,902,000 | \$ - | \$ - | \$ 61,902,000 |
| Transmission & Distribution Projects | 146,086,000 | - | - | 146,086,000 |
| District Energy Projects | - | - | 6,936,000 | 6,936,000 |
| Water Projects | - | 117,561,000 | - | 117,561,000 |
| Sewer Projects | - | 233,489,000 | - | 233,489,000 |
| Other Projects | 67,118,000 | 48,950,000 | - | 116,068,000 |
| Total Capital Projects Subtotal | <u>\$ 275,106,000</u> | <u>\$ 400,000,000</u> | <u>\$ 6,936,000</u> | <u>\$ 682,042,000</u> |
| Capital Reserve | - | - | - | - |
| Total Capital Projects | <u>\$ 275,106,000</u> | <u>\$ 400,000,000</u> | <u>\$ 6,936,000</u> | <u>\$ 682,042,000</u> |

**COUNCIL AUDITOR'S OFFICE
JEA PAY FOR PERFORMANCE PLAN SUMMARY
PROPOSED BUDGET FY 2022/2023**

PURPOSE

The purpose of the JEA Pay for Performance plan is to “focus employees and managers on key corporate measures and objectives, as well as to push the organization toward a continuous improvement culture with resulting operational excellence” and reward exceptional performance as measured against pre-established goals. The JEA Board of Directors shall review and approve the program each fiscal year. The Pay for Performance plan for FY 2021/22 was approved by the JEA Board of Directors on August 24, 2021. The JEA Board has not yet reviewed and approved the Pay for Performance Plan parameters and payouts for FY 2022/23, but the Board is expected to take it up at the Board Meeting on September 20, 2022.

JEA FY 2022/23 BUDGET

The amount budgeted for the JEA Pay for Performance plan is \$7,500,000. This represents approximately 70% of the maximum potential payout. The current total estimated cost for FY 2022/23 may not exceed \$10,715,000 or 5% of budgeted payroll. The budgeted Pay for Performance amount is listed as “incentive pay” within Operating & Maintenance expense.

ELIGIBILITY

All full time and part-time JEA appointed, and union employees are eligible to participate in the program, except for the Managing Director/Chief Executive Officer. The annual program cost shall not exceed 5% of total payroll in any given year. In addition, all plan participants shall be eligible for the same percentage of payout based on the achievement of the metrics, not to exceed the lesser of 5% of base salary or \$20,000.

PERFORMANCE GOALS

These will not be determined by the JEA Board of Directors until September 20, 2022, at the earliest.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
PUBLIC WORKS
STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (10401)**

PROPOSED BUDGET BOOK – Page # 30

BACKGROUND:

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

REVENUE:

1. State Shared Revenue:

- The budgeted amount of \$4,508,448 represents 50% of the Constitutional Fuel Tax (2 cents) revenues. These revenues are impacted by the consumption of gasoline, which is directly affected by the state of the economy, tourism, and the infusion of more gasoline-efficient vehicles and hybrids.

2. Contribution From Local Units:

- This budgeted amount represents the City's portion that is distributed from the fiscal agent to the City and is used to fund capital projects.

EXPENDITURES:

1. Capital Outlay:

- This expenditure represents the City's portion of the Constitutional Fuel Tax (2 cents) that is used to fund capital projects. This funding is proposed to be used to fund a portion of the FY 2022/23 Capital Improvement Projects as noted below.

| Project Name in CIP | FY 2022/23 Proposed |
|----------------------------|--------------------------------|
| Roadway Resurfacing | \$ 4,508,448 |

2. Grants, Aids & Contributions:

- Per the interlocal agreement with JTA, 50% of the Constitutional Fuel Tax (2 cents) is transferred to a fiscal agent for distribution to JTA.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
PUBLIC WORKS
LOCAL OPTION ½ CENT TRANSPORTATION (10402)**

PROPOSED BUDGET BOOK – Page # 31

BACKGROUND:

The local option half-cent sales tax for transportation was approved by referendum in 1988. The sales tax is first used to make all debt service payments due on Transportation Sales Tax Revenue bonds and then is distributed pursuant to the terms and conditions of the interlocal agreement, as amended, between the City and the Jacksonville Transportation Authority (JTA). The funding provides for the construction and maintenance of the City's roads and bridges as well as the operation and maintenance of the City's mass transit system.

REVENUE:

1. Local Option Sales Tax:

- The budgeted amount represents the revenues estimated to be generated from the local option half-cent sales tax. The increase of \$14,414,469 is based on recent actuals.

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 fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (10403)**

PROPOSED BUDGET BOOK – Page # 32

BACKGROUND:

The Local Option Gas Tax is the tax of six cents on every gallon of motor fuel and diesel sold in Duval County. The gas tax revenue is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement. In FY 2013/14, City Council approved an extension of the Local Option Gas Tax until August 31, 2036 with Ordinance 2013-820-E in which the City receives one cent and JTA receives the remaining five cents of the gas tax. In FY 2021/22, City Council approved an extension of the Local Option Gas Tax until August 31, 2046 with Ordinance 2021-223-E, which beginning September 1, 2036, the City and JTA will each receive three cents of the gas tax. Eligible uses of funding are: public transportation operations and maintenance, pedestrian safety improvements, drainage projects, street lighting, traffic signs and signals, bridge maintenance and operation, and debt service for transportation capital projects. This is an “all years” fund.

REVENUE:

1. Local Option Fuel Tax:
 - The budgeted amount represents 100% of the revenues (six of the six cents) estimated to be generated from the local option gas tax.
2. Contribution from Local Units:
 - This line represents the City’s portion (one of the six cents) that is distributed from the fiscal agent back to the City and is used to fund capital projects.

EXPENDITURES:

1. Capital Outlay:
 - This expenditure represents the one cent of Local Option Gas Tax retained for City use. The amounts below represent the proposed funding by project from the local option gas tax.

| Fund | Dept. | Project Name | Expenditures |
|-------------|--------------|--|---------------------|
| 10403 | PW | Roadway Resurfacing | \$4,335,808 |
| 10403 | PW | Sidewalk Construction – New | 1,000,000 |
| 10403 | PW | Roadway Safety Project – Pedestrian Crossing | 83,952 |
| Total | | | \$5,419,760 |

2. Grants Aids & Contributions:
 - This expenditure represents the transfer of 100% of Local Option Gas Tax to the fiscal agent that remits the City portion (one of the six cents) back to the City. The remaining portion (five of the six cents) are remitted to JTA.

SERVICE LEVEL CHANGES:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
PUBLIC WORKS
LOCAL OPTION GAS TAX (10403)**

PROPOSED BUDGET BOOK – Page # 32

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
5 – CENT LOCAL OPTION GAS TAX (10404)**

PROPOSED BUDGET BOOK – Page # 33

BACKGROUND:

The 5 - Cent Local Option Gas Tax is the tax of five cents on every gallon of motor fuel sold in Duval County per F.S. 206.41(1)(e). Diesel fuel is not subject to this tax. In FY 2021/22, City Council approved Ordinance 2021-223-E which enacted the levy of the 5 – Cent Local Option Gas Tax (LOGT) commencing January 1, 2022, through December 31, 2051. The 5 – Cent LOGT revenue is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement with each receiving two and one-half cents (\$0.025). The tax proceeds are used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan or expenditures needed to meet immediate local transportation problems and other transportation-related expenditures that are critical for building comprehensive roadway networks by local governments. Eligible uses of funding are: construction of new roads, the reconstruction or resurfacing of existing roads, or the paving of existing graded roads are deemed to increase capacity, and such projects can be included in the capital improvements element of an adopted comprehensive plan.

REVENUE:

1. Local Option Fuel Tax:
 - The budgeted amount represents 100% of five-cent local option gas tax from motor fuel sales. The increase is mostly due to the current year's budget being budgeted for only nine months based on the new tax taking effect January 1, 2022.
2. Contribution from Local Units:
 - The budgeted amount represents 50% of five-cent local option gas tax that is distributed from the fiscal agent back to the City and is used to fund capital projects.

EXPENDITURES:

1. Capital Outlay
 - This expenditure represents 50% of five-cent local option gas tax retained by the City and spent on roadway resurfacing.
2. Grants, Aids & Contributions
 - This expenditure represents the transfer of 100% of five-cent local option gas tax to the fiscal agent that remits 50% of the funds back to the City and 50% of the funds to JTA.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2022/23 BUDGET
NINTH-CENT FUEL TAX (10405)**

PROPOSED BUDGET BOOK – Page # 34

BACKGROUND:

The Ninth-Cent Fuel Tax is the tax of one cent on every gallon of motor fuel sold in Duval County. In FY 2021/22, City Council approved Ordinance 2021-223-E which enacted the levy of the Ninth-Cent Fuel Tax commencing January 1, 2022, through December 31, 2051. This tax was already charged on diesel fuel per F.S. 206.87(1)(b) and deposited into the General Fund/GSD. The portion on diesel is 100% the City's. The Ninth-Cent Fuel Tax revenue from motor fuel is split between the City and the Jacksonville Transportation Authority (JTA) in accordance with the Interlocal Agreement with each receiving one-half cent (\$0.005). Eligible uses of funding are: public transportation operations and maintenance, roadway and right-of-way maintenance, roadway and right-of-way drainage, streetlight installation, operation, maintenance, and repair, traffic signs, traffic engineering, signalization, and pavement markings installation, operation, and repair, bridge maintenance and operation, and debt service for capital projects including construction or reconstruction of roads and sidewalks.

REVENUE:

1. Local Option Fuel Tax:
 - The budgeted amount represents 100 % of Ninth-Cent Fuel Tax from motor fuel sales. The increase is mostly due to the current year's budget being budgeted for only nine months based on new tax being effective January 1, 2022.
2. Contribution from Local Units:
 - The budgeted amount represents 50% of Ninth-Cent Fuel Tax that is distributed from the fiscal agent back to the City and is used to fund capital projects.

EXPENDITURES:

1. Capital Outlay
 - This expenditure represents 50% of Ninth-Cent Fuel Tax retained by the City and spent on roadway resurfacing.
2. Grants, Aids & Contributions
 - This expenditure represents the transfer of 100% of Ninth-Cent Fuel Tax to the fiscal agent that remits 50% of the funds back to the City and 50% of the funds to JTA.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

None.

**Jacksonville Transportation Authority
Comparison of Budgets
2021/22 to 2022/23
Operating and Capital Budgets**

| | Bus | | Connexion | | Skyway | | Ferry | | General Fund | | Transfers Out | Total Budget |
|---------------------------------------|---------------|---------------|--------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|---------------|---------------|
| | Operations | Capital | Operations | Capital | Operations | Capital | Operations | Capital | Operations | Capital | | |
| Approved FY2022 | \$117,854,162 | \$45,684,830 | \$17,788,892 | \$1,723,414 | \$6,915,013 | \$5,665,777 | \$2,859,594 | \$6,342,916 | \$2,507,561 | \$9,344,748 | -\$18,960,847 | \$197,726,060 |
| Proposed FY2023 | \$128,622,873 | \$14,382,834 | \$21,606,141 | \$1,716,000 | \$9,141,136 | \$1,265,014 | \$3,219,594 | \$4,199,250 | \$3,478,106 | \$12,553,111 | -\$25,267,190 | \$174,916,869 |
| Dollar Increase/(Decrease) | \$10,768,711 | -\$31,301,996 | \$3,817,249 | -\$7,414 | \$2,226,123 | -\$4,400,763 | \$360,000 | -\$2,143,666 | \$970,545 | \$3,208,363 | -\$6,306,343 | -\$22,809,191 |
| Percentage Increase/(Decrease) | 9.14% | -68.52% | 21.46% | -0.43% | 32.19% | -77.67% | 12.59% | -33.80% | 38.70% | 34.33% | 33.26% | -11.54% |

| Employee Headcount | | | |
|-----------------------------|-----------------------|-----------------------|-----------|
| Budget | Original FY2022 FT | Proposed FY2023 FT | Change |
| Union | | | |
| Bus Operators | 368 | 368 | 0 |
| Bus Supervisors/Dispatchers | 24 | 24 | 0 |
| Bus Maintenance | 122 | 124 | 2 |
| Skyway Maintenance | 24 | 22 | -2 |
| Connexion Maintenance | 15 | 14 | -1 |
| Customer Service | 6 | 6 | 0 |
| Ferry Maintenance | 0 | 0 | 0 |
| Total | 559 | 558 | -1 |
| Non-Union | | | |
| Engineering (CCP) | 11 | 11 | 0 |
| Automation | 7 | 8 | 1 |
| Corporate | 130 | 160 | 30 |
| Bus | 85 | 82 | -3 |
| Skyway | 19 | 15 | -4 |
| Connexion | 7 | 6 | -1 |
| Ferry | 0 | 0 | 0 |
| Total | 259 | 282 | 23 |

| | | | |
|--------------------|------------|------------|-----------|
| Grand Total | 818 | 840 | 22 |
|--------------------|------------|------------|-----------|

| Amounts flowing through the City of Jacksonville to Jacksonville Transportation Authority: | |
|---|----------------------|
| City Contribution (Connexion)* | \$1,735,395 |
| Sales Tax (General Fund)* | 3,000,000 |
| Local Option Gas Tax (Bus)* | 14,878,344 |
| Local Option Gas Tax (Capital)* | 12,553,111 |
| Sales Tax (Bus)* | 89,500,560 |
| | \$121,667,410 |

*Amounts are before any Recommendations

| JTA Vehicle Fleet Totals (@ year-end) | | |
|---------------------------------------|------------|------------|
| Vehicle Type | FY2022 | FY2023 |
| Buses* | 236 | 217 |
| Connexion (CTC) | 106 | 100 |
| Non-Revenue Support | 84 | 85 |
| Total | 426 | 402 |

| * Bus Fleet Breakdown | | |
|---------------------------|------------|------------|
| Bus Type | FY2022 | FY2023 |
| Fixed Route Fleet | 148 | 139 |
| First Coast Flyers | 58 | 58 |
| Community Shuttle | 0 | 0 |
| Active Fleet Total | 206 | 197 |
| Contingency | 30 | 20 |
| Total Buses | 236 | 217 |

Overall Comments:

- JTA is adding 30 positions under Administration/Corporate for customer service, recruiting, facilities, and procurement.
- Operating Revenues under the Bus Division is driven by an increase for the half cent sales tax, along with debt service savings of \$11.2 million from a prepayment of Better Jacksonville Program debt.
- For Operating Expenses under all divisions Services Expense is increasing due to contractual increases and an increase in the corporate allocation to the divisions.
- The Capital Budget includes a full year of the 5 cents and 9th cent Local Option Gas Taxes.

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Bus Division**

| | FY 2021/22 Original Budget | 6 Months Actuals FY 2021/22 | 12 Months Projected FY 2021/22 | FY 2022/23 Proposed Budget | FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change % Change | |
|--------------------------------------|---|--|---|---|--|--------------|
| Operating Revenues | | | | | | |
| Federal, State & Local Grants | \$18,783,669 | \$18,039,211 | \$23,178,422 | \$9,569,099 | -\$9,214,570 | -49.06% |
| Local Option Gas Tax | 14,658,748 | 7,812,355 | 14,724,710 | 14,878,344 | 219,596 | 1.50% |
| Net Sales Tax - Operating | 73,073,556 | 41,421,420 | 78,042,840 | 89,500,560 | 16,427,004 | 22.48% |
| Passenger Fares | 8,545,927 | 2,889,850 | 5,779,700 | 6,808,898 | -1,737,029 | -20.33% |
| Federal Preventative Maintenance | 1,750,000 | 875,000 | 1,750,000 | 6,780,000 | 5,030,000 | 287.43% |
| Non-Transportation Revenue | 1,040,275 | 553,941 | 1,107,882 | 1,084,868 | 44,593 | 4.29% |
| Interest Earnings | 1,987 | 2,064 | 4,128 | 1,104 | -883 | -44.44% |
| Total Operating Revenues | \$117,854,162 | \$71,593,841 | \$124,587,682 | \$128,622,873 | \$10,768,711 | 9.14% |
| Operating Expenditures | | | | | | |
| Salaries and Wages | \$40,464,875 | \$18,245,813 | \$40,691,626 | \$42,699,057 | \$2,234,182 | 5.52% |
| Fringe Benefits | 18,175,581 | 11,561,504 | 21,723,008 | 22,122,174 | 3,946,593 | 21.71% |
| Fuel and Lubricants | 3,498,523 | 2,121,959 | 4,543,918 | 4,279,925 | 781,402 | 22.34% |
| Materials and Supplies | 5,035,291 | 2,215,423 | 4,530,846 | 5,483,127 | 447,836 | 8.89% |
| Services | 21,501,651 | 10,520,195 | 22,040,390 | 23,737,161 | 2,235,510 | 10.40% |
| Insurance | 998,400 | 323,371 | 746,742 | 1,018,040 | 19,640 | 1.97% |
| Travel/Training/Dues & Subscriptions | 528,254 | 268,211 | 526,422 | 849,137 | 320,883 | 60.74% |
| All Other/Miscellaneous | 2,258,059 | 2,428,203 | 3,486,406 | 1,963,349 | -294,710 | -13.05% |
| Contingency | 6,432,681 | 0 | 0 | 1,203,713 | -5,228,968 | -81.29% |
| Transfer to Connexion | 12,729,376 | 6,899,484 | 13,583,777 | 15,518,365 | 2,788,989 | 21.91% |
| Transfer to Skyway | 4,680,402 | 2,985,701 | 4,571,402 | 7,870,727 | 3,190,325 | 68.16% |
| Transfer to Ferry | 1,551,069 | 741,106 | 1,265,212 | 1,878,098 | 327,029 | 21.08% |
| Total Operating Expenditures | \$117,854,162 | \$58,310,970 | \$117,709,749 | \$128,622,873 | \$10,768,711 | 9.14% |
| Surplus/(Deficit) | \$0 | \$13,282,871 | \$6,877,933 | \$0 | \$0 | N/A |

Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Bus Division - Operating Variance Overview

| Revenues | \$ Change | % Change |
|---|------------------|-----------------|
| Federal, State & Local Grants The decrease is primarily due to The American Rescue Plan (ARP) Act funding of \$10.3 million budgeted in FY 2021/22, that is not budgeted for FY 2022/23. | -\$9,214,570 | -49.06% |
| Local Option Gas Tax The increase is based on JTA estimates for the six cent Local Option Gas Tax. | \$219,596 | 1.50% |
| Net Sales Tax - Operating The increase is based on JTA estimates for the 1/2 Cent Sales and Constitutional Gas Taxes, along with additional debt service savings from the scheduled prepayment of the BJP debt. This is the net amount after paying the debt service on the BJP debt. | \$16,427,004 | 22.48% |
| Passenger Fares The decrease is based on actuals for the current fiscal year. | -\$1,737,029 | -20.33% |
| Federal Preventative Maintenance The increase represents a larger allocation going to the Bus Division. These funds are from the Section 5307 Urbanized Area Formula Program Grant and can be used for both operating and capital expenses. | \$5,030,000 | 287.43% |

Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Bus Division - Operating Variance Overview

| Expenditures | \$ Change | % Change |
|--|------------------|-----------------|
| Salaries and Wages The increase is primarily due to an increase in negotiated union employee contracts and a 5% performance based increase for non-union staff. This is partially offset by the reclassification of accounts from Salaries and Wages to Fringe Benefits done in FY 2021/22. | \$2,234,182 | 5.52% |
| Fringe Benefits The increase is primarily due to increased pension contributions for both FRS and Union pensions, as well as a reclassification of accounts that were previously budgeted in Salaries and Wages. | \$3,946,593 | 21.71% |
| Fuel and Lubricants The increase is due to anticipated increases in fuel prices. | \$781,402 | 22.34% |
| Materials and Supplies The increase is primarily due to anticipated price increases for tires and the replenishment of JTA's STAR card inventory. | \$447,836 | 8.89% |
| Services The increase is primarily due to the following: (1) facility maintenance contractual rate increases for janitorial services and bus stop cleaning & maintenance, (2) ReadIRide and Express Select contractual rate increases from the service providers, and (3) expected advertising cost increases. | \$2,235,510 | 10.40% |
| Travel/Training/Dues & Subscriptions The increase is primarily due to increased travel for JTA personnel to present at national and international conferences, travel and training returning to normalized levels, and increases in dues and subscriptions. | \$320,883 | 60.74% |
| All Other/Miscellaneous The decrease is primarily due to COVID related expenses (i.e. personal protective equipment) budgeted in FY 2021/22, that are not budgeted for in FY 2022/23. | -\$294,710 | -13.05% |
| Contingency The decrease is primarily due to a higher contingency amount that was budgeted in FY 2021/22 to cover estimated salary increases expected from Collective Bargaining negotiations with the Unions. The \$1.2 million budget for FY 2022/23 is to cover unforeseen expenses. | -\$5,228,968 | -81.29% |
| Transfer to Connexion This funding is necessary to balance the Connexion budget and support expenses in Connexion operations. | \$2,788,989 | 21.91% |
| Transfer to Skyway This funding is necessary to balance the Skyway budget and support expenses in Skyway operations. | \$3,190,325 | 68.16% |
| Transfer to Ferry This funding necessary to balance the Ferry budget and support expenses in Ferry operations. | \$327,029 | 21.08% |

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Connexion Division**

| | FY 2021/22 Original Budget | 6 Months Actuals FY 2021/22 | 12 Months Projected FY 2021/22 | FY 2022/23 Proposed Budget | FY 2022/23 Proposed Budget over FY 2021/22 Original | |
|---|---|--|---|---|--|-----------------|
| | | | | | \$ Change | % Change |
| Operating Revenues | | | | | | |
| Federal, State & Local Grants | \$347,327 | -\$21,253 | \$368,580 | \$1,760,175 | \$1,412,848 | 406.78% |
| Passenger Fares | 1,109,380 | 355,040 | 710,080 | 800,124 | -309,256 | -27.88% |
| State Transportation Disadvantaged Funds | 1,826,890 | 550,533 | 1,101,066 | 1,592,082 | -234,808 | -12.85% |
| City of Jacksonville (Paratransit Contribution) | 1,525,919 | 781,417 | 1,525,919 | 1,735,395 | 209,476 | 13.73% |
| Federal Preventative Maintenance | 250,000 | 125,000 | 250,000 | 200,000 | -50,000 | -20.00% |
| Non-Transportation Revenue | 0 | 150 | 300 | 0 | 0 | N/A |
| Transfer from Bus Operations | 12,729,376 | 6,899,484 | 13,583,777 | 15,518,365 | 2,788,989 | 21.91% |
| Total Operating Revenues | \$17,788,892 | \$8,690,371 | \$17,539,722 | \$21,606,141 | \$3,817,249 | 21.46% |
| Operating Expenditures | | | | | | |
| Salaries and Wages | \$2,633,342 | \$1,268,332 | \$2,536,664 | \$2,955,238 | \$321,896 | 12.22% |
| Fringe Benefits | 1,082,210 | 642,610 | 1,135,220 | 1,570,984 | 488,774 | 45.16% |
| Fuel and Lubricants | 890,010 | 544,946 | 839,892 | 818,318 | -71,692 | -8.06% |
| Materials and Supplies | 865,676 | 207,030 | 729,346 | 885,935 | 20,259 | 2.34% |
| Services | 12,061,666 | 5,897,769 | 12,045,538 | 14,751,304 | 2,689,638 | 22.30% |
| Insurance | 1,174 | 1,706 | 1,706 | 5,260 | 4,086 | 348.04% |
| Travel/Training/Dues & Subscriptions | 67,509 | 36,045 | 67,490 | 123,819 | 56,310 | 83.41% |
| All Other/Miscellaneous | 187,305 | 91,933 | 183,866 | 205,283 | 17,978 | 9.60% |
| Contingency | 0 | 0 | 0 | 290,000 | 290,000 | N/A |
| Total Operating Expenditures | \$17,788,892 | \$8,690,371 | \$17,539,722 | \$21,606,141 | \$3,817,249 | 21.46% |
| Surplus/(Deficit) | \$0 | \$0 | \$0 | \$0 | \$0 | N/A |

Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Connexion Division - Operating Variance Overview

JTA is designated as the Duval County Transportation Coordinator, which JTA has named the Connexion Division. The Americans with Disabilities Act (ADA) of 1990 requires public transit agencies that provide fixed-route service to provide "complementary para-transit" services to people with disabilities who cannot use the fixed-route bus or rail service because of a disability. The ADA regulations specifically define a population of customers who are entitled to this service as a civil right.

| Revenues | \$ Change | % Change |
|--|------------------|-----------------|
| Federal, State & Local Grants The increase is based on anticipated Section 5307 Urbanized Area Formula Program grant funding for ADA related operating expenses. | \$1,412,848 | 406.78% |
| Passenger Fares The decrease is based on actuals for the current fiscal year for Connexion. This is partially offset by an increase in projected ridership for the Connexion Plus service. | -\$309,256 | -27.88% |
| State Transportation Disadvantaged Funds The decrease is primarily due to an anticipated reduction in ridership eligible for Transportation Disadvantaged Grant funding. | -\$234,808 | -12.85% |
| City of Jacksonville (Paratransit Contribution) Pursuant to a January 2006 agreement (Ordinance 2005-1516) between the City of Jacksonville and JTA, this is an annual subsidy contributed by the City, indexed for inflation, for JTA's paratransit service. The budget amount of \$1,735,395 will need to change to \$1,657,216. (See Recommendations) | \$209,476 | 13.73% |
| Transfer from Bus Operations This funding is necessary to balance the Connexion budget and support expenses in Connexion operations. | \$2,788,989 | 21.91% |
| Expenditures | \$ Change | % Change |
| Salaries and Wages The increase is primarily due to an increase in negotiated union employee contracts and a 5% performance based increase for non-union staff. This is partially offset by the reclassification of accounts from Salaries and Wages to Fringe Benefits in FY 2021/22. | \$321,896 | 12.22% |
| Fringe Benefits The increase is primarily due to increased pension contributions for both FRS and Union pensions, as well as a reclassification of accounts that were previously budgeted in Salaries and Wages. | \$488,774 | 45.16% |
| Services The increase is primarily due to an anticipated contract rate increase with MV Transportation for Connexion services and increased costs for the Connexion Plus service due to projected increased ridership. | \$2,689,638 | 22.30% |
| Contingency The budgeted Contingency is for anticipated increases in transportation costs. | \$290,000 | N/A |

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Skyway Division**

| | FY 2021/22 Original Budget | 6 Months Actuals FY 2021/22 | 12 Months Projected FY 2021/22 | FY 2022/23 Proposed Budget | FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change % Change | |
|--------------------------------------|---|--|---|---|--|---------------|
| Operating Revenues | | | | | | |
| Federal, State & Local Grants | \$234,611 | \$62,967 | \$245,934 | \$240,578 | \$5,967 | 2.54% |
| Federal Preventative Maintenance | 2,000,000 | 1,000,000 | 2,000,000 | 1,020,000 | -980,000 | -49.00% |
| Non-Transportation Revenue | 0 | 775 | 1,550 | 9,831 | 9,831 | N/A |
| Transfer from Bus Operations | 4,680,402 | 2,985,701 | 4,571,402 | 7,870,727 | 3,190,325 | 68.16% |
| Total Operating Revenues | \$6,915,013 | \$4,049,443 | \$6,818,886 | \$9,141,136 | \$2,226,123 | 32.19% |
| Operating Expenditures | | | | | | |
| Salaries and Wages | \$2,903,521 | \$1,367,883 | \$2,735,766 | \$2,845,228 | -\$58,293 | -2.01% |
| Fringe Benefits | 1,398,747 | 707,399 | 1,334,798 | 1,684,734 | 285,987 | 20.45% |
| Fuel and Lubricants | 7,798 | 3,088 | 6,176 | 8,500 | 702 | 9.00% |
| Materials and Supplies | 1,041,018 | 737,318 | 924,636 | 2,043,718 | 1,002,700 | 96.32% |
| Services | 697,860 | 622,452 | 744,904 | 1,291,235 | 593,375 | 85.03% |
| Insurance | 496,947 | 391,800 | 783,600 | 729,493 | 232,546 | 46.79% |
| Travel/Training/Dues & Subscriptions | 30,378 | 14,583 | 29,166 | 56,001 | 25,623 | 84.35% |
| All Other/Miscellaneous | 338,744 | 204,920 | 259,840 | 348,227 | 9,483 | 2.80% |
| Contingency | 0 | 0 | 0 | 134,000 | 134,000 | N/A |
| Total Operating Expenditures | \$6,915,013 | \$4,049,443 | \$6,818,886 | \$9,141,136 | \$2,226,123 | 32.19% |
| Surplus/(Deficit) | \$0 | \$0 | \$0 | \$0 | \$0 | N/A |

Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Skyway Division - Operating Variance Overview

| Revenues | \$ Change | % Change |
|--|------------------|-----------------|
| Federal Preventative Maintenance The decrease is due to a reduced allocation going to the Skyway Division. These funds are from the Section 5307 Urbanized Area Formula Program Grant and can be used for both operating and capital expenses. | -\$980,000 | -49.00% |
| Transfer from Bus Operations This funding is necessary to balance the Skyway budget. The increase is due to the reduced allocation of Federal Preventative Maintenance grant revenue and increased expenses in Skyway operations. | \$3,190,325 | 68.16% |
| Expenditures | \$ Change | % Change |
| Fringe Benefits The increase is primarily due to increased pension contributions for both FRS and Union pensions, as well as a reclassification of accounts that were previously budgeted in Salaries and Wages. | \$285,987 | 20.45% |
| Materials and Supplies The increase is due to anticipated needed repairs to the Skyway system, which includes the replacement of motors and other components of the Skyway vehicles, as well as ongoing repairs and maintenance to the Skyway structure. | \$1,002,700 | 96.32% |
| Services The increase is primarily due to increased corporate allocated expenses for the following: (1) advertising/marketing cost increases, (2) consulting services, (3) sustainability assessments and (4) required regulatory inspections. | \$593,375 | 85.03% |
| Insurance The increase is based on projections received from JTA's insurance broker. | \$232,546 | 46.79% |
| Contingency The budgeted contingency is to cover unforeseen expenses during FY 2022/23. | \$134,000 | N/A |

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Ferry Division**

| | FY 2021/22 Original Budget | 6 Months Actuals FY 2021/22 | 12 Months Projected FY 2021/22 | FY 2022/23 Proposed Budget | FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change % Change | |
|--------------------------------------|---|--|---|---|--|---------------|
| Operating Revenues | | | | | | |
| Federal, State & Local Grants | \$127,823 | \$104,467 | \$208,934 | \$78,879 | -\$48,944 | -38.29% |
| Passenger Fares | 1,180,702 | 655,131 | 1,310,262 | 1,262,617 | 81,915 | 6.94% |
| Non-Transportation | 0 | 0 | 0 | 0 | 0 | N/A |
| Transfer from Bus Operations | 1,551,069 | 741,106 | 1,265,212 | 1,878,098 | 327,029 | 21.08% |
| Total Operating Revenues | \$2,859,594 | \$1,500,704 | \$2,784,408 | \$3,219,594 | \$360,000 | 12.59% |
| Operating Expenditures | | | | | | |
| Salaries and Wages | \$222,375 | \$104,459 | \$208,918 | \$297,099 | \$74,724 | 33.60% |
| Fringe Benefits | 63,376 | 50,995 | 101,990 | 152,190 | 88,814 | 140.14% |
| Fuel and Lubricants | 213,593 | 197,446 | 204,892 | 213,593 | 0 | 0.00% |
| Materials and Supplies | 10,210 | 4,636 | 9,272 | 10,506 | 296 | 2.90% |
| Services | 2,182,832 | 1,058,648 | 2,117,296 | 2,363,747 | 180,915 | 8.29% |
| Insurance | 55,210 | 27,374 | 54,748 | 78,847 | 23,637 | 42.81% |
| Travel/Training/Dues & Subscriptions | 9,278 | 5,218 | 8,436 | 18,908 | 9,630 | 103.79% |
| All Other/Miscellaneous | 102,720 | 51,928 | 78,856 | 34,704 | -68,016 | -66.21% |
| Contingency | 0 | 0 | 0 | 50,000 | 50,000 | N/A |
| Total Operating Expenditures | \$2,859,594 | \$1,500,704 | \$2,784,408 | \$3,219,594 | \$360,000 | 12.59% |
| Surplus/(Deficit) | \$0 | \$0 | \$0 | \$0 | \$0 | N/A |

Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
Ferry Division - Operating Variance Overview

| Revenues | \$ Change | % Change |
|---|------------------|-----------------|
| Passenger Fares The increase is based on actuals from the current fiscal year, which is partially offset by the Ferry haul out required by the U.S. Coast Guard. The ferry is anticipated to be out of service for approximately ten weeks. | \$81,915 | 6.94% |
| Transfer from Bus Operations This funding is necessary to balance the Ferry budget and support increased expenses in Ferry operations. | \$327,029 | 21.08% |
| Expenditures | \$ Change | % Change |
| Salaries and Wages The increase is due to a larger portion of the corporate allocated expenses being allocated to the Ferry. | \$74,724 | 33.60% |
| Fringe Benefits The increase is due to a larger portion of the corporate allocated expenses being allocated to the Ferry. | \$88,814 | 140.14% |
| Services The increase is primarily due to an anticipated cost increase based on a five-year extension for the HMS Ferries contract. The current contract expires on September 30, 2022. | \$180,915 | 8.29% |
| All Other/Miscellaneous The decrease is due to the FY 2021/22 budget including the expense of \$92,600 on the ferry office space which included teardown, delivery, setup charges with reconnection services that is not budgeted for in FY2022/23. This is partially offset by bank fees for ferry credit card transactions that was not budgeted in FY 2021/22. | -\$68,016 | -66.21% |
| Contingency The budgeted contingency is to cover unforeseen expenses during FY 2022/23. | \$50,000 | N/A |

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
General Fund**

| | FY 2021/22 Original Budget | 6 Months Actuals FY 2021/22 | 12 Months Projected FY 2021/22 | FY 2022/23 Proposed Budget | FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change % Change | |
|--------------------------------------|---|--|---|---|--|---------------|
| Operating Revenues | | | | | | |
| Net Sales Tax - Operating | \$2,032,848 | \$1,016,424 | \$2,032,848 | \$3,000,000 | \$967,152 | 47.58% |
| Non-Transportation Revenue | 124,098 | 11,088,728 | 12,477,456 | 159,674 | 35,576 | 28.67% |
| Interest Earnings | 350,615 | -1,104,575 | -1,309,150 | 318,432 | -32,183 | -9.18% |
| Total Operating Revenues | \$2,507,561 | \$11,000,577 | \$13,201,154 | \$3,478,106 | \$970,545 | 38.70% |
| Operating Expenditures | | | | | | |
| Salaries & Wages | \$1,493,493 | \$484,004 | \$968,008 | \$1,251,312 | -\$242,181 | -16.22% |
| Fringe Benefits | 418,807 | 271,533 | 543,066 | 628,442 | 209,635 | 50.06% |
| Materials and Supplies | 10,721 | 11,632 | 13,264 | 12,517 | 1,796 | 16.75% |
| Services | 503,738 | 695,738 | 791,476 | 1,155,831 | 652,093 | 129.45% |
| Insurance | 220 | 124 | 248 | 392 | 172 | 78.18% |
| Training/Travel/Dues & Subscriptions | 49,787 | 18,240 | 26,480 | 83,177 | 33,390 | 67.07% |
| All Other/Miscellaneous | 30,795 | 18,191 | 21,382 | 24,148 | -6,647 | -21.58% |
| Contingency | 0 | 0 | 0 | 322,287 | 322,287 | N/A |
| Total Operating Expenditures | \$2,507,561 | \$1,499,462 | \$2,363,924 | \$3,478,106 | \$970,545 | 38.70% |
| Surplus/(Deficit) | \$0 | \$9,501,115 | \$10,837,230 | \$0 | \$0 | N/A |

Jacksonville Transportation Authority
FY 2021/22 Original Budget vs. FY 2022/23 Budget
General Fund - Operating Variance Overview

| Revenues | \$ Change | % Change |
|--|------------------|-----------------|
| Net Sales Tax - Operating The increase is due to an increase in projects and JTA initiatives which has increased costs for this division. The administrative portion of the sales tax allocation is used to cover the costs for this division. | \$967,152 | 47.58% |
| Non-Transportation Revenue The increase is based on average rental revenues received over the last 3 years. | \$35,576 | 28.67% |
| Expenditures | \$ Change | % Change |
| Salaries & Wages The decrease is due to the reclassification of accounts from Salaries and Wages to Fringe Benefits, this is partially offset by a 5% performance based increase for non-union staff. | -\$242,181 | -16.22% |
| Fringe Benefits The increase is due to increased pension contributions, as well as a reclassification of accounts previously budgeted in Salaries and Wages. | \$209,635 | 50.06% |
| Services The increase is primarily due to professional services which include consulting for construction and engineering projects/programs. | \$652,093 | 129.45% |
| Contingency The budgeted contingency is to cover unforeseen expenses during FY 2022/23. | \$322,287 | N/A |

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Capital Budget
All Divisions**

| | FY 2021/22 Original Budget | FY 2022/23 Proposed Budget | FY 2022/23 Proposed Budget over FY 2021/22 Original | |
|-------------------------------|---|---|--|-----------------|
| Capital Funds | | | \$ Change | % Change |
| Federal Contributions | \$45,955,481 | \$19,096,696 | -\$26,858,785 | -58.45% |
| JTA Local Match | 22,806,204 | 15,019,513 | -7,786,691 | -34.14% |
| Total Capital Funds | \$68,761,685 | \$34,116,209 | -\$34,645,476 | -50.38% |
| Capital Projects | | | | |
| Bus Division | \$45,684,830 | \$14,382,834 | -\$31,301,996 | -68.52% |
| Connexion Division | 1,723,414 | 1,716,000 | -7,414 | -0.43% |
| Skyway Division | 5,665,777 | 1,265,014 | -4,400,763 | -77.67% |
| Ferry Division | 6,342,916 | 4,199,250 | -2,143,666 | -33.80% |
| General Fund | 9,344,748 | 12,553,111 | 3,208,363 | 34.33% |
| Total Capital Projects | \$68,761,685 | \$34,116,209 | -\$34,645,476 | -50.38% |
| Surplus/(Deficit) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | |

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Capital Budget
All Divisions**

| Capital Funds | \$ Change | % Change |
|--|------------------|-----------------|
| Federal Contributions The decrease is primarily due to CARES Act funding of \$14.4M, Section 5339b Bus and Bus Facilities Grant funding of \$13.7M, and Transit Oriented Development funding of \$2.2M budgeted in FY 2021/22, that is not budgeted for in FY 2022/23. The decrease is partially offset by anticipated new grants consisting of the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant of \$3.5M, Federal Lands Access Program grant of \$1.7M, and Renewable Energy Generation for Electric Vehicles grant of \$1.6M being budgeted in FY 2022/23. | -\$26,858,785 | -58.45% |
| JTA Local Match The decrease is primarily due to JTA not budgeting for the Section 5339b Bus and Bus Facilities grant, the Transit Oriented Development grant, and the Capital Projects Fund in FY 2022/23. This is partially offset by the required match percentage for requested grant revenues and JTA's portion of the Local Option Gas Taxes (5 cent and 9th cent). | -\$7,786,691 | -34.14% |
| Capital Projects | \$ Change | % Change |
| Bus Division The decrease is primarily due to JTA not receiving the CARES Act, 5339b Bus and Bus Facilities, and Transit Oriented Development grants totaling \$30.3M in FY 2022/23. | -\$31,301,996 | -68.52% |
| Skyway Division The decrease is primarily due to the cost for the rehabilitation of the Skyway trains budgeted in FY 2021/22, that is not budgeted for in FY 2022/23. | -\$4,400,763 | -77.67% |
| Ferry Division The decrease is primarily due to the construction costs of the St. Johns River Ferry gantry system budgeted in FY 2021/22, that is not budgeted for in FY 2022/23. This is partially offset by funding for the ferry haul out that is required two out of every five years as well as improvements on the Ft. George Island ferry landing. | -\$2,143,666 | -33.80% |
| General Fund The increase is due to budgeting a full year of JTA's portion of the new Local Option Gas Taxes (5 cent and 9th cent) to be received in FY 2022/23. Project costs include the planning and/or design of 17 projects, including the Emerald Trail and the Skyway Rehabilitation & Downtown Service Expansion. | \$3,208,363 | 34.33% |

**Jacksonville Transportation Authority
FY 2022/23 Capital Budget - Projects**

| Capital Projects | Federal Portion | State Cash | JTA Cash | JTA/Other In-Kind | Project Costs |
|--|---------------------|------------|--------------------|-------------------|---------------------|
| Bus Division | | | | | |
| Agency-Wide Fire Alarm Upgrade | \$194,961 | \$0 | \$0 | \$0 | \$194,961 |
| Building 9 Generator | 350,000 | 0 | 0 | 0 | 350,000 |
| Bus Related - Shop Equipment | 60,000 | 0 | 0 | 0 | 60,000 |
| Bus Stop Amenities | 150,000 | 0 | 0 | 0 | 150,000 |
| Bus Stop Shelter Sitework | 150,000 | 0 | 0 | 0 | 150,000 |
| CCTV Upgrades | 50,000 | 0 | 0 | 0 | 50,000 |
| Desktop Computer Hardware | 100,000 | 0 | 0 | 0 | 100,000 |
| Electric Charging Infrastructure @ Armsdale | 1,200,000 | 0 | 378,000 | 0 | 1,578,000 |
| Electrical Upgrades | 200,000 | 0 | 0 | 0 | 200,000 |
| Electronic Vehicle Key Box | 24,229 | 0 | 0 | 0 | 24,229 |
| Emergency Blue Light Stations | 75,000 | 0 | 0 | 0 | 75,000 |
| Escalator Modernization | 2,000,000 | 0 | 0 | 0 | 2,000,000 |
| Facilities - Shop Equipment | 46,400 | 0 | 0 | 0 | 46,400 |
| Fixed Route Vehicle Replacement (CNG) | 4,991,500 | 0 | 0 | 0 | 4,991,500 |
| HVAC Replacements | 100,000 | 0 | 0 | 0 | 100,000 |
| Hybrid DPIM | 236,816 | 0 | 0 | 0 | 236,816 |
| Mobile Anti-Vehicle Barriers | 100,000 | 0 | 0 | 0 | 100,000 |
| Myrtle Bldg 6 Maintenance - Steam Pit | 50,000 | 0 | 0 | 0 | 50,000 |
| Myrtle Unleaded Fuel Tank Improvements | 60,000 | 0 | 0 | 0 | 60,000 |
| Network Computer Hardware | 200,000 | 0 | 0 | 0 | 200,000 |
| Renovate Armsdale PNR and Test & Learn Facility Bathrooms/Breakroom Area | 60,000 | 0 | 0 | 0 | 60,000 |
| Travel/Inspection - Fixed Route Replacement Vehicles | 23,824 | 0 | 0 | 0 | 23,824 |
| Ultimate Urban Circulator (U ² C) | 1,728,552 | 0 | 1,728,552 | 0 | 3,457,104 |
| Upgrade transformer - Armsdale PNR and Test N Learn Facility | 125,000 | 0 | 0 | 0 | 125,000 |
| Bus Division Total | \$12,276,282 | \$0 | \$2,106,552 | \$0 | \$14,382,834 |
| Connexion Division | | | | | |
| Rolling Stock - Paratransit | \$1,716,000 | \$0 | \$0 | \$0 | \$1,716,000 |
| Connexion Division Total | \$1,716,000 | \$0 | \$0 | \$0 | \$1,716,000 |
| Skyway Division | | | | | |
| Acosta Bridge Railing Project | \$250,000 | \$0 | \$0 | \$0 | \$250,000 |
| Inventory Parts | 1,015,014 | 0 | 0 | 0 | 1,015,014 |
| Skyway Division Total | \$1,265,014 | \$0 | \$0 | \$0 | \$1,265,014 |

**Jacksonville Transportation Authority
FY 2022/23 Capital Budget - Projects**

| Capital Projects | Federal Portion | State Cash | JTA Cash | JTA/Other In-Kind | Project Costs |
|--|---------------------|------------|---------------------|-------------------|---------------------|
| Ferry Division | | | | | |
| Timucuan Preserve Access/St. Johns Ferry | \$1,439,400 | \$0 | \$359,850 | \$0 | \$1,799,250 |
| Ferry Enhancements and Structural Improvements | 2,400,000 | 0 | 0 | 0 | 2,400,000 |
| Ferry Division Total | \$3,839,400 | \$0 | \$359,850 | \$0 | \$4,199,250 |
| General Fund Division | | | | | |
| Jobs for Jax Projects | | | | | |
| U2C | \$0 | \$0 | \$6,262,194 | \$0 | \$6,262,194 |
| Emerald Trail | 0 | 0 | 3,348,767 | 0 | 3,348,767 |
| Complete Streets | 0 | 0 | 1,057,931 | 0 | 1,057,931 |
| Transit Enhancements | 0 | 0 | 880,586 | 0 | 880,586 |
| Ferry | 0 | 0 | 410,643 | 0 | 410,643 |
| NW Corridor | 0 | 0 | 352,039 | 0 | 352,039 |
| Commuter Rail | 0 | 0 | 85,254 | 0 | 85,254 |
| Unassigned amount | 0 | 0 | 155,697 | 0 | 155,697 |
| General Fund Division Total | \$0 | \$0 | \$12,553,111 | \$0 | \$12,553,111 |
| Total Capital Projects | | | | | |
| | \$19,096,696 | \$0 | \$15,019,513 | \$0 | \$34,116,209 |

**Jacksonville Transportation Authority
Analysis of FY 2022/23 Operating Budget
Administration/Corporate**

| | FY 2021/22 Original Budget | 6 Months Actuals FY 2021/22 | 12 Months Projected FY 2021/22 | FY 2022/23 Proposed Budget | FY 2022/23 Proposed Budget over FY 2021/22 Original \$ Change % Change | |
|--|---|--|---|---|--|---------------|
| Operating Expenditures | | | | | | |
| Salaries and Wages (2) | \$11,118,728 | \$5,222,945 | \$10,245,890 | \$11,883,971 | \$765,243 | 6.88% |
| Fringe Benefits (3) | 3,168,793 | 2,549,736 | 4,999,472 | 6,087,616 | 2,918,823 | 92.11% |
| Materials and Supplies | 510,500 | 145,613 | 291,226 | 420,241 | -90,259 | -17.68% |
| Services (4) | 7,153,945 | 3,503,514 | 6,207,028 | 8,144,494 | 990,549 | 13.85% |
| Insurance | 10,486 | 5,883 | 11,765 | 13,999 | 3,513 | 33.50% |
| Travel/Training/Dues & Subscriptions (5) | 463,919 | 260,883 | 371,766 | 756,338 | 292,419 | 63.03% |
| All Other/Miscellaneous | 504,510 | 312,614 | 425,228 | 548,161 | 43,651 | 8.65% |
| Total Operating Expenditures | \$22,930,881 | \$12,001,187 | \$22,552,374 | \$27,854,820 | \$4,923,939 | 21.47% |

Corporate Operating Variance Overview

- 1) Contains functional areas such as Finance, Human Resources, Procurement, Grants, Customer Service, Information Technology, Business Intelligence, Marketing, Government Relations, Audit & Compliance, Payroll, etc.
- 2) The increase in Salaries and Wages is primarily due to corporate job reclassifications and promotions along with a 5% JTA administration performance-based increase, which is partially offset by the reclassification of accounts from Salaries and Wages to Fringe Benefits.
- 3) Fringe Benefits are budgeted at 51% of Salaries & Wages primarily due to the reclassification of accounts from Salaries and Wages to Fringe Benefits.
- 4) The increase in Services is primarily due to anticipated increases in advertising & marketing services, consulting services, and required sustainability assessments.
- 5) The increase is primarily due to increased travel for JTA personnel to present at national and international conferences and travel returning to normalized levels, as well as an increase in dues and subscriptions.

| JTA Operations Budget | |
|------------------------------|----------------------|
| Total Operating Budget | \$166,067,850 |
| Total Transfers Out | -25,267,190 |
| Operating Contingency | -2,000,000 |
| Total | \$138,800,660 |

Percentage Dedicated to
Corporate Operations

20.07%

| Division Allocation | | |
|----------------------------|---------------------|---------------|
| Bus | 20,473,293 | 73.5% |
| CTC | 4,038,949 | 14.5% |
| Skyway | 1,866,273 | 6.7% |
| Ferry | 696,371 | 2.5% |
| Engineering | 779,935 | 2.8% |
| Total | \$27,854,821 | 100.0% |

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2022/2023**

| | <u>Bus</u> | <u>Connexion</u> | <u>Skyway</u> | <u>Ferry</u> | <u>General Fund</u> | <u>Total</u> |
|---|-----------------------------|----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| <u>Estimated Operating Revenues</u> | | | | | | |
| Federal, State & Local Grants | \$9,569,099 | \$1,760,175 | \$240,578 | \$78,879 | \$0 | \$11,648,731 |
| Local Option Gas Tax | 14,878,344 | 0 | 0 | 0 | 0 | 14,878,344 |
| Net Sales Tax - Operating | 89,500,560 | 0 | 0 | 0 | 3,000,000 | 92,500,560 |
| Passenger Fares | 6,808,898 | 800,124 | 0 | 1,262,617 | 0 | 8,871,639 |
| State Transportation Disadvantaged Funds | 0 | 1,592,082 | 0 | 0 | 0 | 1,592,082 |
| City of Jacksonville (Paratransit Contribution) | 0 | 1,735,395 | 0 | 0 | 0 | 1,735,395 |
| Federal Preventative Maintenance | 6,780,000 | 200,000 | 1,020,000 | 0 | 0 | 8,000,000 |
| Non-Transportation Revenue | 1,084,868 | 0 | 9,831 | 0 | 159,674 | 1,254,373 |
| Interest Earnings | 1,104 | 0 | 0 | 0 | 318,432 | 319,536 |
| Transfer from Bus Operations to Connexion | 0 | 15,518,365 | 0 | 0 | 0 | 15,518,365 |
| Transfer from Bus Operations to Skyway | 0 | 0 | 7,870,727 | 0 | 0 | 7,870,727 |
| Transfer from Bus Operations to Ferry | 0 | 0 | 0 | 1,878,098 | 0 | 1,878,098 |
| Total Estimated Operating Revenues | <u>\$128,622,873</u> | <u>\$21,606,141</u> | <u>\$9,141,136</u> | <u>\$3,219,594</u> | <u>\$3,478,106</u> | <u>\$166,067,850</u> |

SCHEDULE O

Operating Expenditures

| | | | | | | |
|--------------------------------------|-----------------------------|----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| Salaries and Wages | \$42,699,057 | \$2,955,238 | \$2,845,228 | \$297,099 | \$1,251,312 | \$50,047,934 |
| Fringe Benefits | 22,122,174 | 1,570,984 | 1,684,734 | 152,190 | 628,442 | 26,158,524 |
| Fuel and Lubricants | 4,279,925 | 818,318 | 8,500 | 213,593 | 0 | 5,320,336 |
| Materials and Supplies | 5,483,127 | 885,935 | 2,043,718 | 10,506 | 12,517 | 8,435,803 |
| Services | 23,737,161 | 14,751,304 | 1,291,235 | 2,363,747 | 1,155,831 | 43,299,278 |
| Insurance | 1,018,040 | 5,260 | 729,493 | 78,847 | 392 | 1,832,032 |
| Travel/Training/Dues & Subscriptions | 849,137 | 123,819 | 56,001 | 18,908 | 83,177 | 1,131,042 |
| All Other/Miscellaneous | 1,963,349 | 205,283 | 348,227 | 34,704 | 24,148 | 2,575,711 |
| Contingency | 1,203,713 | 290,000 | 134,000 | 50,000 | 322,287 | 2,000,000 |
| Transfer to Connexion | 15,518,365 | 0 | 0 | 0 | 0 | 15,518,365 |
| Transfer to Skyway | 7,870,727 | 0 | 0 | 0 | 0 | 7,870,727 |
| Transfer to Ferry | 1,878,098 | 0 | 0 | 0 | 0 | 1,878,098 |
| Total Operating Expenditures | <u>\$128,622,873</u> | <u>\$21,606,141</u> | <u>\$9,141,136</u> | <u>\$3,219,594</u> | <u>\$3,478,106</u> | <u>\$166,067,850</u> |
| Full Time Positions | <u>729</u> | <u>45</u> | <u>49</u> | <u>0</u> | <u>17</u> | <u>840</u> |
| Temporary Employee Hours | <u>36,550</u> | <u>5,640</u> | <u>2,026</u> | <u>0</u> | <u>2,403</u> | <u>46,619</u> |

SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2022/2023**

| | <u>Bus</u> | <u>Connexion</u> | <u>Skyway</u> | <u>Ferry</u> | <u>General Fund</u> | <u>Total</u> |
|----------------------------------|----------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| <u>ESTIMATED REVENUES</u> | | | | | | |
| Federal Grants | \$12,276,282 | \$1,716,000 | \$1,265,014 | \$3,839,400 | \$0 | \$19,096,696 |
| Local Match (JTA) | 2,106,552 | 0 | 0 | 359,850 | 12,553,111 | 15,019,513 |
| Total Estimated Revenues | <u>\$14,382,834</u> | <u>\$1,716,000</u> | <u>\$1,265,014</u> | <u>\$4,199,250</u> | <u>\$12,553,111</u> | <u>\$34,116,209</u> |

SCHEDULE Q

APPROPRIATIONS

| | | | | | | |
|--|----------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| Computer Equipment | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$300,000 |
| Electric Charging Infrastructure | 1,578,000 | 0 | 0 | 0 | 0 | 1,578,000 |
| Facilities Improvements | 3,338,785 | 0 | 0 | 0 | 0 | 3,338,785 |
| Ferry Enhancements and Structural Improvements | 0 | 0 | 0 | 2,400,000 | 0 | 2,400,000 |
| Lot & Facility Improvements | 0 | 0 | 0 | 1,799,250 | 0 | 1,799,250 |
| Miscellaneous Construction Projects | 0 | 0 | 0 | 0 | 12,553,111 | 12,553,111 |
| Miscellaneous Support Equipment | 261,045 | 0 | 0 | 0 | 0 | 261,045 |
| Rehab/Renov Stations | 0 | 0 | 250,000 | 0 | 0 | 250,000 |
| Rolling Stock - Fixed Route | 4,991,500 | 0 | 0 | 0 | 0 | 4,991,500 |
| Rolling Stock - Paratransit | 0 | 1,716,000 | 0 | 0 | 0 | 1,716,000 |
| Security Equipment | 50,000 | 0 | 0 | 0 | 0 | 50,000 |
| Shop Equipment | 106,400 | 0 | 1,015,014 | 0 | 0 | 1,121,414 |
| Transit Satellite Amenities | 300,000 | 0 | 0 | 0 | 0 | 300,000 |
| Ultimate Urban Circulator (U ² C), Planning | 3,457,104 | 0 | 0 | 0 | 0 | 3,457,104 |
| Total Appropriations | <u>\$14,382,834</u> | <u>\$1,716,000</u> | <u>\$1,265,014</u> | <u>\$4,199,250</u> | <u>\$12,553,111</u> | <u>\$34,116,209</u> |

SCHEDULE R

**COUNCIL AUDITOR'S OFFICE
RECOMMENDATIONS
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2022/23**

JTA concurs with all recommendations.

Recommendations:

1. We recommend attaching Revised Schedules O, P, Q, and R to reflect the following changes:
 - a) We recommend increasing the "Local Option Gas Tax" revenue under Bus on Schedule O by \$1,005,953 from \$14,878,344 to \$15,884,297. This will bring JTA's budget in agreement with the City for this revenue stream.
 - b) We recommend increasing the "Net Sales Tax – Operating" revenue under Bus on Schedule O by \$6,349,975 from \$89,500,560 to \$95,850,535. This will bring JTA's budget in agreement with the City for this revenue stream.
 - c) We recommend increasing the "Contingency" expenditure line under Bus on Schedule P by \$7,355,928 from \$1,203,713 to \$8,559,641. This will balance JTA's revenues and expenditures.
 - d) We recommend decreasing the "City of Jacksonville (Paratransit Contribution)" revenue under Connexion on Schedule O by \$78,179 from \$1,735,395 to \$1,657,216. We also recommend increasing the "Federal, State, & Local Grants" revenue under Connexion on Schedule O by \$78,179 from \$1,760,175 to \$1,838,354. This will bring JTA's budget in agreement with the City for this revenue stream and will balance JTA's revenues and expenditures.
 - e) We recommend increasing the "Local Match (JTA)" revenue line under Bus on Schedule Q by \$1,096,448, from \$2,106,552 to \$3,203,000. We also recommend increasing the "Ultimate Urban Circulator (U2C), Planning" expenditure line under Bus on Schedule R by \$1,096,448 from \$3,457,104 to \$4,553,552. This will balance JTA's Capital Budget under the Bus Division.
 - f) We recommend increasing the "Local Match (JTA)" revenue line under General Fund on Schedule Q by \$280,342 from \$12,553,111 to \$12,833,453. We also recommend increasing the "Miscellaneous Construction Projects" expenditure line under General Fund on Schedule R by \$280,342 from \$12,553,111 to \$12,833,453. This will bring JTA's budget in agreement with the City for this revenue stream and will balance JTA's Capital Budget under the General Fund.
2. We recommend amending the Budget Ordinance language related to JTA to reflect revised schedules and a revised sales tax revenue budget amount of \$98,850,535.

**Jacksonville Transportation Authority
Jacksonville, Florida
Operations Budget
Fiscal Year 2022/2023**

| | <u>Bus</u> | <u>Connexion</u> | <u>Skyway</u> | <u>Ferry</u> | <u>General Fund</u> | <u>Total</u> |
|---|-----------------------------|----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| <u>Estimated Operating Revenues</u> | | | | | | |
| Federal, State & Local Grants | \$9,569,099 | \$1,838,354 | \$240,578 | \$78,879 | \$0 | \$11,726,910 |
| Local Option Gas Tax | 15,884,297 | 0 | 0 | 0 | 0 | 15,884,297 |
| Net Sales Tax - Operating | 95,850,535 | 0 | 0 | 0 | 3,000,000 | 98,850,535 |
| Passenger Fares | 6,808,898 | 800,124 | 0 | 1,262,617 | 0 | 8,871,639 |
| State Transportation Disadvantaged Funds | 0 | 1,592,082 | 0 | 0 | 0 | 1,592,082 |
| City of Jacksonville (Paratransit Contribution) | 0 | 1,657,216 | 0 | 0 | 0 | 1,657,216 |
| Federal Preventative Maintenance | 6,780,000 | 200,000 | 1,020,000 | 0 | 0 | 8,000,000 |
| Non-Transportation Revenue | 1,084,868 | 0 | 9,831 | 0 | 159,674 | 1,254,373 |
| Interest Earnings | 1,104 | 0 | 0 | 0 | 318,432 | 319,536 |
| Transfer from Bus Operations to Connexion | 0 | 15,518,365 | 0 | 0 | 0 | 15,518,365 |
| Transfer from Bus Operations to Skyway | 0 | 0 | 7,870,727 | 0 | 0 | 7,870,727 |
| Transfer from Bus Operations to Ferry | 0 | 0 | 0 | 1,878,098 | 0 | 1,878,098 |
| Total Estimated Operating Revenues | <u>\$135,978,801</u> | <u>\$21,606,141</u> | <u>\$9,141,136</u> | <u>\$3,219,594</u> | <u>\$3,478,106</u> | <u>\$173,423,778</u> |

REVISED SCHEDULE O

Operating Expenditures

| | | | | | | |
|--------------------------------------|-----------------------------|----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| Salaries and Wages | \$42,699,057 | \$2,955,238 | \$2,845,228 | \$297,099 | \$1,251,312 | \$50,047,934 |
| Fringe Benefits | 22,122,174 | 1,570,984 | 1,684,734 | 152,190 | 628,442 | 26,158,524 |
| Fuel and Lubricants | 4,279,925 | 818,318 | 8,500 | 213,593 | 0 | 5,320,336 |
| Materials and Supplies | 5,483,127 | 885,935 | 2,043,718 | 10,506 | 12,517 | 8,435,803 |
| Services | 23,737,161 | 14,751,304 | 1,291,235 | 2,363,747 | 1,155,831 | 43,299,278 |
| Insurance | 1,018,040 | 5,260 | 729,493 | 78,847 | 392 | 1,832,032 |
| Travel/Training/Dues & Subscriptions | 849,137 | 123,819 | 56,001 | 18,908 | 83,177 | 1,131,042 |
| All Other/Miscellaneous | 1,963,349 | 205,283 | 348,227 | 34,704 | 24,148 | 2,575,711 |
| Contingency | 8,559,641 | 290,000 | 134,000 | 50,000 | 322,287 | 9,355,928 |
| Transfer to Connexion | 15,518,365 | 0 | 0 | 0 | 0 | 15,518,365 |
| Transfer to Skyway | 7,870,727 | 0 | 0 | 0 | 0 | 7,870,727 |
| Transfer to Ferry | 1,878,098 | 0 | 0 | 0 | 0 | 1,878,098 |
| Total Operating Expenditures | <u>\$135,978,801</u> | <u>\$21,606,141</u> | <u>\$9,141,136</u> | <u>\$3,219,594</u> | <u>\$3,478,106</u> | <u>\$173,423,778</u> |
| Full Time Positions | <u>729</u> | <u>45</u> | <u>49</u> | <u>0</u> | <u>17</u> | <u>840</u> |
| Temporary Employee Hours | <u>36,550</u> | <u>5,640</u> | <u>2,026</u> | <u>0</u> | <u>2,403</u> | <u>46,619</u> |

REVISED SCHEDULE P

**Jacksonville Transportation Authority
Jacksonville, Florida
Capital Budget
Fiscal Year 2022/2023**

| | <u>Bus</u> | <u>Connexion</u> | <u>Skyway</u> | <u>Ferry</u> | <u>General Fund</u> | <u>Total</u> |
|----------------------------------|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| <u>ESTIMATED REVENUES</u> | | | | | | |
| Federal Grants | \$12,276,282 | \$1,716,000 | \$1,265,014 | \$3,839,400 | \$0 | \$19,096,696 |
| Local Match (JTA) | 3,203,000 | 0 | 0 | 359,850 | 12,833,453 | 16,396,303 |
| Total Estimated Revenues | <u>\$15,479,282</u> | <u>\$1,716,000</u> | <u>\$1,265,014</u> | <u>\$4,199,250</u> | <u>\$12,833,453</u> | <u>\$35,492,999</u> |

REVISED SCHEDULE Q

APPROPRIATIONS

| | | | | | | |
|--|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Computer Equipment | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$300,000 |
| Electric Charging Infrastructure | 1,578,000 | 0 | 0 | 0 | 0 | 1,578,000 |
| Facilities Improvements | 3,338,785 | 0 | 0 | 0 | 0 | 3,338,785 |
| Ferry Enhancements and Structural Improvements | 0 | 0 | 0 | 2,400,000 | 0 | 2,400,000 |
| Lot & Facility Improvements | 0 | 0 | 0 | 1,799,250 | 0 | 1,799,250 |
| Miscellaneous Construction Projects | 0 | 0 | 0 | 0 | 12,833,453 | 12,833,453 |
| Miscellaneous Support Equipment | 261,045 | 0 | 0 | 0 | 0 | 261,045 |
| Rehab/Renov Stations | 0 | 0 | 250,000 | 0 | 0 | 250,000 |
| Rolling Stock - Fixed Route | 4,991,500 | 0 | 0 | 0 | 0 | 4,991,500 |
| Rolling Stock - Paratransit | 0 | 1,716,000 | 0 | 0 | 0 | 1,716,000 |
| Security Equipment | 50,000 | 0 | 0 | 0 | 0 | 50,000 |
| Shop Equipment | 106,400 | 0 | 1,015,014 | 0 | 0 | 1,121,414 |
| Transit Satellite Amenities | 300,000 | 0 | 0 | 0 | 0 | 300,000 |
| Ultimate Urban Circulator (U ² C), Planning | 4,553,552 | 0 | 0 | 0 | 0 | 4,553,552 |
| Total Appropriations | <u>\$15,479,282</u> | <u>\$1,716,000</u> | <u>\$1,265,014</u> | <u>\$4,199,250</u> | <u>\$12,833,453</u> | <u>\$35,492,999</u> |

REVISED SCHEDULE R

**COUNCIL AUDITOR'S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2022/2023**

INCENTIVE BACKGROUND

JTA has four unions which have pay for performance incentives. The four unions are the Amalgamated Transit Union (ATU), the American Federation of State, County, and Municipal Employees (AFSCME), the International Association of Machinists (IAM), and the International Association of Machinists – Customer Service (IAM – Customer Service). The four unions each have their own team incentive metrics. In addition, the ATU, AFSCME, and IAM Union members each have individual metrics for Safety and Attendance. The JTA Board approves the IAM – Customer Service and AFSCME contracts as these are state employees. The Jax Transit Management (JTM) Board approves the IAM and ATU contracts as these are private employees. The union contracts were approved as follows: ATU – 10/1/2021, IAM – 11/3/2020, AFSCME – 5/21/2019, and IAM-Customer Service – 12/2/2019. Each contract has a three-year term. JTA will begin negotiations on the IAM – Customer Service contract in September 2022. The AFSCME contract is currently in negotiations with JTA for a new contract and until a new contract is signed the provisions of the old contract will be followed.

JTA FY 2022/23 BUDGET

The total payout for FY 2022/23 would be \$302,057 if all the employees earned the maximum incentive available. JTA budgets these incentives in the Bus, Connexion, and Skyway Divisions' salary line. JTA states that it does not have pay for performance incentive plans for employees company wide.

ELIGIBILITY

The ATU, AFSCME, and IAM Union eligibility for incentives are the same: All full-time employees are eligible to participate in the plan. Newly hired employees with less than one full year of service will receive the performance incentive on a pro-rated basis, depending on the start date. Employees must be on the payroll as of December 31st of the calendar year, except retirees or employees on lay-off who will receive pro-rated benefits for the months worked in the calendar year.

The IAM – Customer Service Union employee is eligible for incentives once the 180-day probation period has been successfully completed and both full-time and part-time employees are eligible.

TEAM INCENTIVES for ATU, AFSCME, and IAM

Union members are eligible to receive 0.50% of annual gross wages. If the minimum percentage goals are met, then the minimum allocation of 0.25% of gross wages will be divided proportionally for each measurement. If the maximum percentage goals are met, then the maximum allocation of 0.50% of gross wages will be divided proportionally for each measurement.

| Performance Goal | ATU (Bus Operator Team) | AFSCME (Supervisors/Dispatchers Team) | IAM (Maintenance Workers) |
|-------------------------------------|--------------------------------|--|----------------------------------|
| Fixed Route On Time Performance | Min 79% - Max 81% | Min 79% - Max 81% | Min 79% - Max 81% |
| Fixed Route off the Lot Performance | Min 91% - Max 93% | Min 91% - Max 93% | N/A |
| Fixed Route Customer Satisfaction | Min 81% - Max 83.5% | Min 81% - Max 83.5% | N/A |

**COUNCIL AUDITOR'S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2022/2023**

| Performance Goal | ATU (Bus Operator Team) | AFSCME (Supervisors/Dispatchers Team) | IAM (Maintenance Workers) |
|--|--------------------------------|--|-------------------------------------|
| Fixed Route Mean Distance Between Vehicle Failures | N/A | N/A | Min 13,500 miles – Max 14,000 miles |
| Connexion Mean Distance Between Vehicle Failure | N/A | N/A | Min 26,000 miles – Max 27,000 miles |
| Fixed Route Bus Stop Cleanliness | N/A | N/A | Min 73% - Max 75% |
| Connexion Vehicle Cleanliness | N/A | N/A | Min 88% - Max 90% |
| Fixed Route Vehicle Cleanliness | N/A | N/A | Min 80% - Max 82% |
| Skyway Vehicle On Time PM Inspections | N/A | N/A | Min 88% - Max 90% |
| Skyway Vehicle Cleanliness | N/A | N/A | Min 80% - Max 82% |
| Skyway Station Cleanliness | N/A | N/A | Min 78% - Max 80% |

TEAM INCENTIVE FOR IAM – CUSTOMER SERVICE

Only three classifications of employees fall under this union, Customer Experience Coordinators, Customer Service Representatives and Media Delivery Specialists. The IAM – Customer Service union does not have individual safety or attendance incentives in their contract.

All union members are eligible to receive 1% of annual gross wages if they receive a score of successful or higher. The scoring range for the union members is outstanding, exceeds expectations, successful, developing, and unsatisfactory. Below are the categories the three classifications of employees are rated on.

| Customer Experience Coordinators | Customer Service Representatives | Media Delivery Specialists |
|---|---|-----------------------------------|
| Communication and Collaboration | Communication and Collaboration | Customer Focus |
| Company Advocacy and Adaptability | Company Advocacy and Adaptability | Personal Effectiveness |
| Initiative | Initiative | Adherence |
| Job Knowledge | Job Knowledge | Training |
| Problem Solving/Decision Making | Problem Solving/Decision Making | N/A |
| Professional Accountability | Professional Accountability | N/A |
| Quality of Work | Quality of Work | N/A |

**COUNCIL AUDITOR'S OFFICE
PAY FOR PERFORMANCE PLAN SUMMARY
JACKSONVILLE TRANSPORTATION AUTHORITY
PROPOSED BUDGET FY 2022/2023**

INDIVIDUAL INCENTIVES for ATU, AFSCME and IAM

Individual performance goals are based on attendance and safety and are earned or paid on a quarterly basis and are only for ATU, AFSCME and IAM.

Attendance Goal

Each quarter, union members can earn a day or half-day of leave for each thirteen-week period no sick leave is taken as shown below. If the day or half-day is not used within a nine-month period, the union members will be paid for the day or half-day at the member's regular straight hourly rate.

| Performance Goal | ATU (Bus Operator Team) | AFSCME (Supervisors/Dispatchers Team) | IAM (Maintenance Workers) |
|-----------------------------|--|--|---|
| Attendance Performance Goal | Earn one-half day for each thirteen weeks no sick leave is taken | Earn one-half day for each thirteen weeks no sick leave is taken | Earn one day for each thirteen weeks no sick leave is taken |

Safety Incentive Goal

Union members are eligible to receive 0.50% of annual gross wages for the quarterly period for the safety incentive. Members will be disqualified from receiving a quarterly safety incentive payment under the following conditions:

- An employee who incurs a recordable on the job injury (in which the employee's rule violation contributed to the injury).
- Employees who incur a loss of time of one or more full days as a result of an on-the-job injury in which they were at fault.
- An employee who causes a property damage claim.
- An employee who causes a vehicular accident.
- An employee who fails to timely report an on-the-job injury, a property damage, or a vehicle accident.
- An employee who receives a disciplinary suspension for a safety related infraction.
- An employee who tests positive for drugs or alcohol pursuant to the Employer's Substance Abuse Policy, shall forfeit his/her safety incentive payment for four consecutive quarters.

Jacksonville Transportation Authority
Union Contractual Incentives
FY19 - FY22

| | | Perfect Attendance - Employees | | | Perfect Attendance - Days | | | Safety - \$ | | | Safety - # * | | | Performance Incentive** | | |
|------|---------------|--------------------------------|------------|----------|---------------------------|--------------|------------|---------------------|--------------------|-------------------|--------------|------------|------------|-------------------------|---------------|---------------|
| | | ATU | IAM | AFSCME | ATU | IAM | AFSCME | ATU | IAM | AFSCME*** | ATU | IAM | AFSCME*** | ATU | IAM | AFSCME |
| FY19 | | | | | | | | | | | | | | | | |
| | 1st Qtr | 46 | 83 | | 23.0 | 83.0 | 0.0 | | | | | | | | | |
| | 2nd Qtr | 32 | 67 | | 16.0 | 67.0 | 0.0 | | | | | | | | | |
| | 3rd Qtr | 44 | 65 | | 22.0 | 65.0 | 0.0 | | | | | | | | | |
| | 4th Qtr | 47 | 65 | | 23.5 | 65.0 | 0.0 | | | | | | | | | |
| | Totals | 169 | 280 | | 84.5 | 280.0 | 0.0 | \$64,193.05 | \$40,040.00 | N/A | 934 | 527 | N/A | \$0.00 | \$0.00 | N/A |
| FY20 | | | | | | | | | | | | | | | | |
| | 1st Qtr | 40 | 66 | | 20.0 | 66.0 | 0.0 | | | | | | | | | |
| | 2nd Qtr | 39 | 73 | | 19.5 | 73.0 | 0.0 | | | | | | | | | |
| | 3rd Qtr | 0 | 54 | 0 | 0.0 | 54.0 | 0.0 | | | | | | | | | |
| | 4th Qtr | 84 | 58 | 0 | 42.0 | 58.0 | 0.0 | | | | | | | | | |
| | Totals | 163 | 251 | 0 | 81.5 | 251.0 | 0.0 | \$107,830.00 | \$54,927.95 | \$6,632.20 | 1,228 | 528 | 66 | \$0.00 | \$0.00 | \$0.00 |
| FY21 | | | | | | | | | | | | | | | | |
| | 1st Qtr | 40 | 58 | 0 | 20.0 | 58.0 | 0.0 | | | | | | | | | |
| | 2nd Qtr | 33 | 37 | 8 | 16.5 | 37.0 | 4.0 | | | | | | | | | |
| | 3rd Qtr | 20 | 49 | 0 | 10.0 | 49.0 | 0.0 | | | | | | | | | |
| | 4th Qtr | 33 | 53 | 0 | 16.5 | 53.0 | 0.0 | | | | | | | | | |
| | Totals | 126 | 197 | 8 | 36.5 | 95.0 | 4.0 | \$114,734.69 | \$75,337.41 | \$7,546.95 | 1,113 | 508 | 88 | \$0.00 | \$0.00 | \$0.00 |
| FY22 | | | | | | | | | | | | | | | | |
| | 1st Qtr | 63 | 44 | 0 | 31.5 | 44.0 | 0.0 | | | | | | | | | |
| | 2nd Qtr | 20 | 57 | 0 | 10.0 | 57.0 | 0.0 | | | | | | | | | |
| | Totals | 83 | 101 | 0 | 41.5 | 101.0 | 0.0 | \$44,809.45 | \$23,884.99 | \$6,150.41 | 508 | 248 | 19 | N/A | N/A | N/A |

* # represents cumulative number of individuals awarded over all quarters for the year

** Performance incentives are only paid at year-end. The incentive was not earned in FY19, FY20 or FY21.

*** AFSCME incentives began December, 2019

TRANSIT OPERATIONS

FY21 Annual Union Performance Incentive Tracking

| IAM PERFORMANCE | | FY 21 ACTUAL | FY 21 GOAL |
|-----------------|---|-----------------|---------------|
| | Fixed Route OTP | 79.1% | 80% |
| | Mean Distance Between Vehicle Failures | | |
| | Fixed Route | 15,144 | 13,750 |
| | Connexion | 23,879 | 26,500 |
| | Skyway Vehicle Completed On-Time Preventive Maintenance Inspections | 90% | 89% |
| | Cleanliness | | |
| | Fixed Route Bus Stops | 65.4% | 74% |
| | Fixed Route Vehicles | 77.9% | 81% |
| | Connexion Vehicle Cleanliness | 92.9% | 89% |
| | Skyway Stations* | | 79% |
| | Skyway Vehicles* | | 81% |
| | Skyway Track PM Inspections | 95% | 89% |
| | Tag Count | | |
| | Fixed Route/Connexion | 98.0% | 97% |
| | Skyway | 98.0% | 98% |
| ATU PERFORMANCE | | YTD | GOAL |
| | Fixed Route OTP | 79.1% | 80% |
| | Customer Survey Courteousness, Friendliness and Helpfulness | 73.0% | 82% |
| | Fixed Route Off the Lot Performance | 95.0% | 92% |
| | *Measures below were included in chart but not agreement* | | |
| | Mean Distance Between Vehicle Failures | | |
| | Fixed Route | 15,100 | 13,750 |
| | Cleanliness | | |
| | Fixed Route Bus Stops | 65.4% | 74% |
| | Fixed Route Vehicles | 77.9% | 81% |

*Annual survey was not conducted for FY21