

BJP Finance and Project Administration Committees
Meeting Minutes
October 29, 2010

FAC:

Helen Kehrt (for J. Dickenson)
Derek Igou (for Kerri Stewart)
AJ Dunn
Janet Owens

CITY:

Michael Givens
Janice Billy
Dave Schneider
Marcy Cook
Annette Davis

JTA:

Thomas Cerino
Ken Middleton
Dee Dee Ellis
Sonja Banks

PAC:

John Davis (for M. Blaylock)
Joey Duncan
John Osborn

JEA:

Robert Kermitz
Nadine Carswell

I. Welcome and Opening Remarks **Helen Kehrt**

II. Approval of Previous Meeting Minutes **Both Committees**
Minutes of July 30 approved

III. FINANCE ADMINISTRATION COMMITTEE **HELEN KEHRT**

A. COJ Financial Report **Michael Givens**

Proposed to consolidate the monthly and quarterly graphs for the transportation and infrastructure sales taxes – committee approved. The transportation report shows a projected 1.67% change year over year; it probably will be a little worse than that after the accruals are done, something in the down two-plus range. Same thing for infrastructure – predicted last time we’d perhaps be down two, now looking like three percent. But the good news is that we’re seeing some leveling; not ready to declare that we’re out of the decline, as we still expect to be down three percent year-over-year.

Last time we discussed planned financing; we got into the market at a good time and in August borrowed the second \$100M of the \$300M authorized BJP covenant debt (substitute financing, backed by COJ general fund) for road projects and courthouse. In late September we did a general fund borrow for the courthouse (separate from BJP) and will have a third courthouse transaction in December.

Final BJP borrow is scheduled for late spring/early summer 2011. We’re trying to get the courthouse contracts squared away; we had to ease into that maximum indebtedness. Three years ago we never would have worried about entering a contract because in six months we wouldn’t be able to sell bonds. We should get to a point where we have a minimal courthouse borrowing in summer 2011; most of that should be for transportation.

Mr. Givens and Ms. Owens discussed the amounts of transaction and types of bonds involved in the borrows.

Ms. Owens then asked if the spring 2011 borrow be enough to finish all the remaining projects. Mr. Givens responded that it would be the last of the \$300M authorized, and at that point we would not have access to additional borrowing without at least 12 months of recovery in order to re-enter the market. There is a minimum amount of revenue required for coverage and we’re not close based on the current performance of the sales taxes.

B. JTA Financial Report **Thomas Cerino**

Numbers shown have not yet been. Numbers are life-to-date through September 30. Total commitments \$463.9 million, down \$400,000. This represents project cost completion of 73%. The total expended \$434.8 million, up \$5.8 million, or 1.3% from prior quarter. Total encumbered is slowing, at \$29 million, down \$6 million or 17% from prior report. Comparing total commitments with a year ago, we’re up \$8.7 million and our project completion is up from 72%.

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Of the \$5.8 million spent this quarter, about \$1.5 million went to BJP1 projects, primarily Beach ICW Bridge and Heckscher Drive. The other \$4.3 million was spent on BJP2 such as Atlantic/Kernan, U.S.1 and JTB, and finishing the 95/Butler ramps.

In conclusion, rate of growth continues to slow due to the economic challenges, specifically the sales tax. I've prepared a brief from JTA's perspective of the first (transportation) sales tax:

The gross sales tax - before any debt service - came in at about \$63.6 million. We budgeted \$68.8 million, so we fell short about 7.5%. The net sales tax, which is receipts after debt service, came in at \$13.4 million, versus a budget \$26 million. In all we fell short about \$7 million, and coincidentally we currently have about an \$8 million shortfall. The revenues fell faster than we were able to adjust our budgets. So as we look to 2011, we're trying to improve our efficiency and contract even more so we don't get caught short again.

C. General Discussion

None.

FAC ADJOURNED.

IV. PROJECT ADMINISTRATION COMMITTEE

JOHN DAVIS

A. COJ – Key Active Projects

1. Courthouse

Dave Schneider

The courthouse is about at the midway point, on schedule and budget. Pre-cast structure is up except for front entrance; curtain wall/windows about 70% complete. Next major milestone is to close it in and get it conditioned; should happen by March. Lot of ductwork and mechanical systems, fire, prep for drywall going on. Invite the committee members for a tour.

The Old Federal Courthouse is in design for the SAO and should be out to bid early 2011. So far the project is going well and still on target for May 2012 completion.

2. COJ Road Program

Joey Duncan

We are proceeding on six projects in the field; still expect to finish most early '11. Kernan Phase 5 is out to bid right now; we've got a deal with the School Board to partner on a pond and complete an intersection. There are 15 projects approaching final design that will not proceed to construction. We're continuing to contract the work with HDR as our need for management and inspection lessens.

B. JEA Septic Tank Phase Out

Robert Kermitz

This report will be abbreviated as every project is finished. We held the last town hall meetings, so everyone who can connect knows what they have to do. We've added an additional 400 customers this quarter. After the nine years of the program, about 50% of the possible customers have connected.

Committee excused Mr. Kermitz from attending future meetings. JEA will continue to provide connection metrics.

C. JTA Road Program

John Davis

The I-95/Butler ramps are complete. We've also finished the Alta Drive / New Berlin Road widening and paving – this was an ARRA funded project, not BJP, but may be of interest to you. Continue to work on Atlantic/Kernan interchange, which should be done by late December, and the Heckscher Drive widening should be done by April 2011. Still working on some ROW

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acquisition and design; report now shows projects as unfunded because we don't anticipate any dollars for those projects.

Ms. Owens asked how much of a funding gap existed between what is available and what is needed for those projects. Mr. Davis agreed to include that information in future reports.

D. EBO/JSEB

Annette Davis

Requested feedback from committee about type(s) of information the members would like to receive. For the quarter, the city is at 19.62%, life-to-date 14.91%. JEA is at 13.59% for the quarter, life-to-date 22.34%, and JTA is at 19.51%, 18.16%. The overall percentage has gone up slightly from the last report.

Ms. Kehrt commented that JEA's numbers will decrease significantly because the majority of its projects are complete. Mr. Kermitz added that JEA still participates with the city on road projects, so JEA will still show some participation numbers.

Ms. Owens said it would be helpful to see how the current numbers compare to a goal. Ms. Davis said the goals are set per project; discussion continued about an overall goal set for the whole BJP program. Records will be reviewed to determine if such a goal was ever set.

V. Other Business

PAC ADJOURNED