

**The Better Jacksonville Plan
Financial and Project Administration Committee
Meeting Minutes
July 29, 2005**

FAC:

Dan Kleman
Helen Khert (proxy for Jim
Dickenson – also PAC)
Dan Edelman
Cindy Stover
Absent
Wendell Holmes

PAC:

Alan Mosley
Michael Blaylock
George Robbins
Absent
Charles Spencer

CITY:

Mickey Miller
Cal Ray
Richard Wallace
Mary Arditti
Janice Billy
Brad Thoburn
Dave Schneider
Alice Jones
Marcy Cook
Kortney Mosley
Ivy Johnson
Bobby Wicker

JTA:

Dan Gulliver
John Davis
Laster Walker
Jacquie Gibbs
Mike Miller

JEA:

Greg Perrine

I. Welcome and Opening Remarks

Dan Kleman

II. Approval of Previous Meeting Minutes

Dan Kleman

The previous minutes were approved unanimously with one correction - that Dan Edelman was absent from the 4-29-05 meeting.

III. FINANCE ADMINISTRATION COMMITTEE

DAN KLEMAN

A. COJ

Cal Ray

1. Transportation Program Summary (blue)

Secondary transmission of the transportation program summary documents. Revenues are improving and returning to model, and that the annual net revenue beginning to exceed the model. Earlier to market than model with bond proceeds, which accounts for some variation; variation also due to existing debt service - ended up financing earlier than relying on pay as you go. The second page provides more detail in that it presents sales tax revenues, constitutional gas taxes and discretionary transactions as well.

2. Transportation & Infrastructure Summaries (pink)

At the capital projects sub-fund level, it was reported that there were \$10.9 million dollars worth of all years expenditures – it is a negative variance, there is no budget for that. They are excess revenues and distributions that went back to JTA that are to be taken out of the project summary. It's not a project but a financial distribution based on the BJP agreement between the city and JTA.

As previously observed, we are within the budgetary control system across the board on all projects, and all systems still work – however, the budget doesn't work for the projects. Alan Mosley will discuss how to bring the project list back into alignment. Also, we've scheduled a FAC meeting

August 16, 3-5 p.m. to discuss the assets and arrangements with JTA and financial situations with other projects.

3. Infrastructure Project Summary (green)

Ray reported that the trend of sales tax revenue coming back to model continues. No recent projections have been done as to when we might come to closure, assuming the trends are in our favor. Again, bond proceeds reflect earlier than anticipated activity; also swap income, which was not anticipated in original model. Capital expenditures were ahead of model. While accelerating the build-out as caused us to rely less on pay-as-you-go and be earlier to bond market, given the spiraling escalation of materials, there is a lot of discussion as to whether it was better to start early or not. In either case, we'd likely be facing budgetary stress.

4. Revenue Trends

Seasonal trends have repeated themselves. In this year's performance we are well above the \$5 million per month trend seen previously. The data points have been adjusted to show the actual months they represent, rather than the lag in receiving the checks from the state. Therefore, we see the spike in the holiday months (December). Additionally, the actual transactions don't show an abnormal seasonal trend in February, so it appears the trend line has not been artificially raised due to the Super Bowl. Rather, the trend line illustrates what we saw in the first three years, but at a higher performance level.

Ray responded to a request for explanation for why the revenue has grown by saying we've seen economic vitality in the county. We've had some flat spots relative to previous experience in mid-90s. Set model 5-51/2 growth b/c we saw 7-9% growth in that line. The model was designed conservative, knowing that in a 30 yr program we'd have some flat spots. Did not expect the flat spots early on, but we seem to be returning to model, with indications that the sales taxes overall are encouraging.

ACTION ITEM: Dan Kleman requested comparison of the cumulative percentage growth for the first nine months of FY 04/05 with the first nine months of FY 04/05.

B. JTA

Dan Gulliver

The numbers shown are for the quarter ended May 31, 2005. The total funding available for JTA for both BJP I & II highway projects are the same as last quarter, over \$801 million. No new federal or state grants were awarded. The total amount expended and accrued by JTA on BJP I & II was \$138.4 million. This represents additional expenditures of \$1.4 million for the quarter, as compared to \$1 million in the prior quarter. Life to date expenditures of \$138.4 million represents cost percentage completion of 17.3 percent completion of total funding, up slightly from 17.1 percent as of February. Of the \$1.4 million of expenditures last quarter, \$100,000 was spent on BJP I, and \$1.3 million was spent on BJP II. Expenditures in the coming years are expected to increase dramatically as we move many projects from the design phase to construction.

C. Ernst & Young **Cal Ray / E & Y**
Ray reported that they are currently working on the Performance Audit Scope and that it will be reviewed at the 08-16-05 FAC meeting.

D. General Discussion **Dan Kleman**
No questions were raised

IV. PROJECT ADMINISTRATION COMMITTEE **ALAN MOSLEY**
Mosley mentioned that a separate packet was sent out to committee members earlier in the week of the proposed road legislation before the City Council.

A. Project Status Reports

1. COJ - Road Projects **Dave Schneider**
17 project are complete and 10 projects are under construction. When FAC/PAC meets again three other projects will have gone to bid. 40 projects are now in the design phase.

COJ - Libraries

The Library program is coming to a conclusion. Two library branches, the Southeast branch and the West branch is scheduled to open in the next 30 days. The balances are open and renovations are complete. The main library will be finished on November 12th. There were some budget challenges in that \$60 million was used for the garage and the library itself. There was also more discussion and pending changes with some of the contractors in which additional dollars were allocated to proceed with the construction. It was also reported that some of the other branches will bring money back into the main library. The final budget numbers will be available at the next FACPAC meeting.

COJ - Courthouse

The Mayor's Courthouse Committee recommended building a criminal facility at the LaVilla location. CIP document is moving through City Council to design and build the facility. The plan is to renovate the existing Courthouse in order to allow the civil court to continue and the Federal Courthouse to convert for use as part of the Courthouse complex. This also includes the Ed Ball facility.

There was a correction made by Dan Kleman: There was a typo in which it should read \$3 million for existing repairs on the courthouse facility instead of reading \$33 million.

Mosley explained the transaction on the Ed Ball has not been completed. The outstanding issues are expected to be resolved. Some of the issues are that they have a tenant that has a lease agreement with the previous owner that they are trying to get amended in the city's favor. There has been an extension of the closing date to the fall of this year to work through some

issues. Wachovia is the tenant. There are some structural issues with the garage and environmental issues as well. Question posed as to how we can solve the courthouse issue before we are sure the other issues are solved. Mosley responded by saying that we are moving in confidence that the Ed Ball issue will close. If it does not, then they will have to regroup.

COJ - Roadway & Infrastructure Program

Mosley reported that they have been beset with challenges with availability of labor, construction materials, a spike in construction and real estate cost that were unseen at the beginning of the program.

They are in the process of developing a model to bring equilibrium back to the program. The JTA board has signed off on the model. Legislation is in City Council and the theme of the model is to fund the local road program. Completed projects and those in construction are not impacted by prioritization decisions made in the restructuring of the program. The result is the development of State Partnership Program with a \$800 million-plus budget. It includes JTA's corridor study.

The current model shows a restructured BJP I and II contributing about \$325 million dollars into the SPP, with a combined total of \$140 million from JTA and other funding sources. The purpose was to fund projects in BJP I and II that had no other funding options, then use the \$470 million or so to attract additional state and federal dollars to applicable projects. Developed in partnership with the MPO.

Brad Thoburn explained they have increased the scope of the number of projects like Kernan and Collins, and at the same time looked at all the projects and identify where we could modify scopes to save dollars, which resulted in six or so projects in BJP I in which we can save about \$35 million. With regard to partnership program, again, we've discussed opportunities with the MPO and FDOT to identify candidates for state funding and get projects listed on FDOT's work program.

Michael Blaylock added that there was a tremendous effort to make the biggest impact with dollars available. JTA strongly supports what has taken place, then recompute to see what projects can be accelerated. Additionally, there have been many discussions with the Mayor's Office and the state to ensure we will be able to continue the program and compete for state dollars.

2. JEA - Septic Tank Phase Out

Greg Perrine

Murray Hill II project has reached completion. Phase I was completed on July 1st and Phase IV part 1, completed in June. Since last meeting, installed 4.7 miles of sanitary sewer lines and a quarter mile of storm drainage pipe have been installed – equates to 46 percent of the planed pipeline have been installed at 42 percent of the money. One hundred

forty-nine new customers have been hooked up since the last meeting. Approximately 51 percent of potential customers have signed up.

3. JEDC – Cecil Commerce Center

Alan Mosley

Andy Eckert was called away to another meeting. Mosley reported on behalf of Eckert, who has taken a job in the private. He has one job remaining, which had the pre-construction conference and construction is to begin in September. That project will be moved over to Public Works.

4. JTA

John Davis

Directed audience to review the JTA update sheet in the packet that provided a summary of the activities. The major activities happening are Butler Blvd. has been completed, and Branam Field-Chaffee Rd. from Argyle Forest to 103rd construction began on the past Monday. It is a design-build project; design began two months ago. JTA will let \$70 million worth of construction by the end of this following year.

B. EBO/JSEB

Ivy Johnson

As of June 30th, they are at 18 percent participation.

V. Other Business

VI. Adjourn

Alan Mosley