

**The Better Jacksonville Plan**  
**Finance and Project Administration Committees**  
**Meeting Minutes**  
**January 26, 2007**

**FAC:**

Alan Mosley  
AJ Dunn  
Dan Edelman

Absent:

Jim Dickenson  
Janet Owens

**CITY:**

Mickey Miller  
Cal Ray  
Janice Billy  
Dave Schneider  
Marcy Cook  
Bob Dyr  
Amy Holliman

**JTA:**

Margo Smith  
Hamid Tabassian  
Ken Middleton

**PAC:**

Jacquie Gibbs (proxy for  
Michael Blaylock)  
Joey Duncan  
\*Vacancy\*

Absent:

Scott Noe

**JEA:**

Helen Kehrt  
Ken Covington  
Robert Kermitz

**I. Welcome and Opening Remarks**

**Alan Mosley  
(for Jim Dickenson)**

**II. Approval of Previous Meeting Minutes**  
*Minutes of October 27 meeting approved.*

**III. FINANCE ADMINISTRATION COMMITTEE**

**A. COJ**

**Cal Ray**

**1. Transportation Program Summary (blue)**

Recall this has been two page document, now four page as a result of the passage of the fiscal year. Note at bottom of first page we now have complete data for FY ending 9/30/06 – reflects annual net revenue (aggregate of several net revenue streams) life to date \$7.6 million-plus favorable variance. On page 2, the model annual net revenue shows \$352.6 million; it should read \$14.7 million, and the 352 figure should be on program total line in lieu of the \$690 million figure, which produces a \$19.9 million favorable variance on net revenue.

On second two pages, there is a breakout of various revenue streams. Again, we have final numbers as of end of FY 05/06 – at the top of page 4. Positive variances pretty much across the page – will observe again that the sales tax under-performed in early years compared to model, but that had less of an impact on the transportation side because of the other revenue streams involves, i.e., constitutional gas tax and the 6-cent gas tax which over-performed, and brings us to a net positive variance just about every year in the aggregate.

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Program to-date totals on page 4 – looking specifically at the sales tax, notice aggregate life-to-date negative variance of \$12 million. Comparable number one quarter ago was \$11.7 million, so we are slipping. Only received one month's disbursement of sales tax revenue from the state – recall usually two month-plus lag in getting those receipts from the state. So in order to show you some sort of a three-month picture, we've accrued two month's worth of interest and I'll provide more comment when we get to the charts. December is always the banner month of the year, so we'll see next time what comes of that.

One other comment, on the very last line – net revenue of \$19.4 million, program life to date. What will happen now is most or all of that will be disbursed to JTA to bring that to a net zero as part of the revised interlocal.

2. **Transportation & Infrastructure Summaries (pink)**  
These sheets depict how each of the projects is performing against existing budgets. No negative variances in them – while it is an accurate reflection of the performance against existing budgets, it is not intended to assure anyone that the projects are all adequately funded. That is an important distinction that the engineers would need to expound upon if you wish for more information.
3. **Infrastructure Project Summary (green)**  
Heretofore has been a single sheet, now it's two – expanding to maintain readability, may need to collapse history to focus on present. On page 2, this side of the program differs in that it is dependent on the half-cent sales tax, so there's no offsetting or other revenue streams involved. We'll focus on sales tax revenue column –two months' worth of accrual reflects positive variance in first quarter. Program life-to-date has a negative 8.9 million variance. We continue to be somewhat optimistic that picture will become whole to us over some period of time. No advance on recovering from early years of early performance in this revenue stream in this first quarter – however, November & December are usually our best performing months and all we've done so far is estimated that performance.
4. **Revenue Trends**  
Transportation sales tax revenue – to further illustrate the point, the light green line with the asterisk data points, you'll notice spacing & slope for November & December are identical to prior two years because we used those years to generate the accrued values. I hope the actual numbers we provide at the next quarterly meeting will be better.

On the second graph, the first quarter data point is hard to see – it is right below the darker green line. Nothing special to report on this one;

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performance is not remarkable one way or the other. Some degree of variability on this, particularly looking at the spike – that’s a result of when we received the disbursement from the state. They missed one month and doubled-up on another. As more jurisdictions institute local option sales taxes, it brings more players to the kitty and more variables in our receipts.

Nothing notable on the last two graphs.

Inquiry made regarding how the graphs are laid out – as years accrue, it is becoming increasingly difficult to read the data points. Decision made to adjust the graphs.

**B. JTA**

**Margo Smith**

As of November 31, 2006, accrued and expended \$266 million, \$9.9 million of that expended last quarter. Represents a cost percentage of completion of 33%, which is up from last quarter. Looking at the quarter figure of \$9.9 million, spent \$6.9 million on BJP-1 projects: \$4.1 million on Beach Blvd. ICW bridge, \$1.4 million spent on Regency Bypass phase 2, another \$1.1 million spent on Argyle Forest, and \$1.5 million [*inaudible*]. Another \$1.5 million on BJP-2 projects, \$900,000 on US17 & New Berlin Road connector; remainder on other projects.

Inquiry about JTA’s report showing negative balances – what is the policy on going negative on these projects? Decided the JTA report does not reflect the Council action from a year ago (2005-898) – current Beach ICW project budget should show \$80 million, not \$60 million. Mathews Bridge funding was reduced in that legislation.

***ACTION ITEM: JTA to revise report to reflect budgets established by 2005-898 & sent to members.***

**C. Ernst & Young**

**Cal Ray / E & Y**

Been a protracted process getting the audit completed and responses in to E&Y. Had a good outcome that was documented in the full report, which was distributed to all the FAC members. FAC members present said they did not receive the full report.

***ACTION ITEM: E&Y Report to be re-sent to all the FAC members.***

The executive summary provided to the members in the packets does not reflect the responses we provided, which is peculiar and does not give an accurate picture of the complete audit. The findings and respective responses are included in the full report and have also been provided at the meeting.

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Observe that some of our budgets are challenged – we didn't need a performance audit to tell us that, but this audit did have a series of findings dealing with how the projects are progressing, particularly in Public Works, with respect to how much is left to complete versus available funding. The first effort did not discover those tracking mechanisms in operations; in response to the draft report, Public Works provided necessary documentation. That is reflected in the responses & body of the document, but the executive summary was not adjusted to reflect the effect of those responses. Don't believe it was a credibility issue; E&Y just didn't rewrite the summary in the final draft, which they should have.

Committee member Edelman noted that we'd postponed doing the audit, because we wanted to get done building some of the projects that had already been audited. Asked about the possibility of the FAC speaking directly to the auditors after the members had a chance to read the whole report.

Mr. Ray noted that during the new member orientation, the FAC members requested more information about how the model was developed and how it may be updated, and that he was working to set something up. Offered to also arrange a call with E&Y to discuss the audit when the FAC met to discuss the model.

***ACTION ITEM: Cal Ray to schedule meeting with FAC to discuss sales tax model & hold telephone conversation with the E&Y auditors.***

**D. General Discussion**  
*None.*

**IV. PROJECT ADMINISTRATION COMMITTEE**

**JOEY DUNCAN**

**A. Project Status Reports**

**1. COJ - Courthouse**

**Dave Schneider**

Courthouse project is tracking according to the new plan developed about a year ago. New site master plan should be done within next month or so look at whole courthouse complex through 2035, then carve out what we want to build first with the funds available now. Three options – one is just a criminal courthouse, second is combined criminal/civil phased, third is to build the whole thing with a lot of shelled space.

Expect decision/announcement within next month or two, then we'll take the master plan and early renderings to the architectural review committee maybe March/April for their approval, then move to schematic design and break ground late summer or early fall.

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Finishing up the roofing project on the Old Federal Courthouse and have a package out to bid clean the exterior. Doing a study to put the public defender in the Ed Ball Building to ensure that is the best option, also to work out logistical concerns.

**COJ - Road Projects**

**Bob Dyr**

Mr. Dyr introduced himself. Report shows 31 projects completed, since last meeting started construction on St. Augustine Road and Kernan phases 1, 2 and 3. Lenox will start next week. We've received bids on Durkeeville and Cahoon – Cahoon bid came in a bit above estimate, Durkeeville was well below. Good response from bidders – had 5 on Cahoon and 8 on Durkeeville, hope that is a trend that will continue.

Holding the line on the budgets and hopefully some of these escalations will cusp. We are doing a budget review to re-evaluate the estimates since it's been about a year since the reorganization – see how we're tracking and how we move forward. Projects to start in 2007 are in the report; average more than one a month in the first half of 2007.

**2. Septic Tank Phase Out (yellow)**

**Robert Kermitz**

Couple of highlights – re-bid Scott Mill project, came in \$3 million lower than the previous bid but still about \$500,000 over estimate. Had more bidders the second time than the first time – we bid the project differently and it worked in our favor. We're encouraged by how it turned out.

Mentioned before that we are budget challenged and that as a result we've had to eliminate phase 2 of Oakwood Villa. We're about halfway done with the program based on expenditures - over the next year we'll see how we're doing.

On third page you'll note negatives in the "increase" column – when we run this report, sometimes based on contractor's reports it takes time for the numbers to true up – it's not like we actually removed pipe to make this negative.

**4. JTA**

**Hamid Tabassian**

Jacque Gibbs noted that Michael Blaylock was sent home sick and John Davis must be at another engagement.

JTA has fifteen completed projects, ten under construction, six projects in design, thirteen projects in development – you'll note we also show our bond projects on this report, not just BJP projects.

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**B. EBO/JSEB**

**Amy Holliman**

At 17.12% participation; when Dave gets the courthouse going we should see that number go up significantly.

Inquiry regarding what comprises the number – whether it is commitments that contractors submitted as part of their bids or actual work. Ms. Holliman noted that the reports provided to PAC is based on work; Committee member Mosley noted that contractors sometimes may use a JSEB on their bid and then don't use them to work. Ms. Holliman added that sometimes JSEBs go out of business before they can do the work they were committed to do.

**V. Other Business**

**VI. Adjourn**

**Joey Duncan**