

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

FAC:

Jim Dickenson
Dave Schneider (for A. Mosley)
AJ Dunn

Absent:

Janet Owens

CITY:

Michael Givens
Janice Billy
Lesley Davidson
Marcy Cook
Doris Leach

JTA:

Thomas Cerino
Ken Middleton
Dee Dee Ellis
Sonja Banks
Mike Miller

PAC:

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

JEA:

Robert Kermitz
Helen Kehrt
Nadine Carswell

I. Welcome and Opening Remarks

Jim Dickenson

II. Approval of Previous Meeting Minutes

Both Committees

Minutes of October 30 approved.

Motion passed to proceed with Project Administration Committee first

III. PROJECT ADMINISTRATION COMMITTEE

JOHN DAVIS

A. COJ – Key Active Projects

1. Courthouse

Dave Schneider

We are nine months into the 36 mo. schedule. Working on concrete now – starting pours on 7th floor west side, fourth floor center, ground level on the east side. We'll be moving crane from west to east in February. By end of May, all three sections will be topped out.

Challenges: Union/local participation is current problem. We have hard data about the labor on the project - 55% of people on work site live in Duval. It's 62% if you look at Nassau, Clay & SJC, so we do have local representation on site. I'm sure you heard about proposed pedestrian bridge – it is proceeding. Courthouse Architectural Review Committee approved the bridge last week, and yesterday the Downtown Development Review Board gave conceptual approval. We are now working to incorporate the bridge into design. After topping, the roof will go on and we'll continue the pre-cast, so by end of year, the outside will look done. However, inside there will be a lot of work to do. Overall we are on schedule, GMP within budget.

2. COJ Road Program

Joey Duncan (for L. Davidson)

HDR has assumed all program management responsibility; this is partially due to economy and slowdown of projects because of the poor performance of the BJP half penny. We did not start any new projects in last year, but we just kicked off three: Collins, Touchton, Ft. Caroline. These were bid prior to financial impact of a year ago; we've been holding the contracts in abeyance. We are about to issue NTP on Dean Rd.

B. JEA Septic Tank Phase Out

Robert Kermitz

Virtually all STPO construction done. We're in the final punch list phase on last two projects. Program close out report should be at the next meeting. Last two areas in completion phase are in Oakwood Villas; we need to do the final paperwork, schedule town hall meeting – even though construction is complete, we don't consider project complete until

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customers are ready for connection. The current metrics don't show the numbers as complete, but they should by the next meeting. We are pleased the work is finished so we can move on to other things.

C. JTA Road Program

John Davis

Atlantic/Kernan interchange, west bridges opened just before Christmas, now working hard on eastbound. Both bridges of the Beach ICW Bridge opened before Christmas as well; there are now two, three-lane bridges. We still have work to do on the ends and under the bridges. McDuff Ave is substantially complete; doing some final traffic work.

D. EBO/JSEB

Doris Leach

The expenditures by agency to JSEBs are: COJ, \$4.4 million; JEA, \$480,000; \$2.7 million, JTA. This is a total of \$7.3 million, or 12.83% of all expenditures in BJP for this quarter.

PAC ADJOURNED

IV. FINANCE ADMINISTRATION COMMITTEE

JIM DICKENSON

A. COJ Financial Report

Michael Givens

It continues to be cash strapped program environment. We have not seen a revenue recovery yet; still down several digits this quarter over last year. Cash balances on report are indicative of what we described last year. We are bridging some of this financing, trying to borrow as little and late as possible. The result is negative cash balances. We have begun to collect from FDOT on the \$20 million advances we made some years ago. We collected \$3.5 million on Chaffee in Q1 this year. It will continue to be difficult environment until we see that sales tax recovery.

Committee member asked if COJ has authorization to cover the debt. Mr. Givens responded that COJ has only borrowed a fraction of what is allowed and there is a requirement in the authorization that Treasury provide a report to show if sales tax revenue will be enough to cover. Sales taxes don't seem to project a one-time coverage. There is a pledge on sales tax revenue, but it only becomes a pledge when we deposit it. The entire borrowing is factored into our debt affordability on our covenant side. We remain capable of borrowing the entire \$300 million without alarming credit agencies about our debt burden. We were as clear as possible that this borrow was to be repaid by sales tax.

Another committee member asked if the previous models gave some comfort that we would be able to eventually meet our obligations - were the models changing? Mr. Givens responded that the expected decline in 2009 was 9.5 down; however, quarter over quarter we saw about 11 down. So currently, without a recovery, the continued declines will continue to create issues for us. At one time, in the June/July, we thought we were leveling. Might have just been cash for clunkers, maybe now we're seeing reality - that just created a false high and now we're in a trough. We tell the agencies to stay in the projects that were authorized in the spring legislation, and looking for a bottom of sales tax decline.

The committee went on to discuss the role of the FAC, which is to ensure the BJP financials are good, and it is in that role that they will work to determine when it may be possible to move on the projects that have been put on hold because of the financial situation. The current plan will just allow for the completion of projects already in progress. Mr. Givens closed by saying they expect a bond sale in September; maybe early summer have borrowing out of this program revenue and courthouse - not borrowing out of BJP for courthouse, COJ borrowing got scheduled ahead.

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B. JTA Financial Report

Thomas Cerino

The metric we're following is unemployment – announcement last week unemployment rate in Jacksonville is 11%; including discouraged workers or underemployed, 17-18%. We're being told see lagging unemployment recovery, which means economy is getting better.

Report used to be one page, now two pages – the Countywide Miscellaneous line item has been broken out into individual projects. Numbers shown are life-to-date thru 12/31/09 – current budget is only BJP. Total commitments (expenditures and encumbrances) is \$457.3 million, up 1% from September 2009 report. Cost completion is 72.1%. Total expenditures is \$409.3 million, up \$13 million, up 3.3% from last quarter. Total encumbrances are \$48 million, down \$8.5 million or 15% from prior. Total up \$15 million from year ago. Funds spent last quarter is \$13.4 million for BJP 1 and \$13 million on BJP 2. Still seeing things get done, pace has slowed considerably.

C. General Discussion

None

V. Other Business

None

VI. Adjourn

Jim Dickenson