

**BJP Finance and Project Administration Committees**  
**Meeting Minutes**  
**April 25, 2008**

**FAC:**

Alan Mosley

Janet Owens

Absent:

Jim Dickenson

AJ Dunn

\*Vacancy

**CITY:**

Mickey Miller

Kirk Sherman

Judie Garard

Dave Schneider

Marcy Cook

Bob Dyr

Doris Leach

**JTA:**

Thomas Cerino

Sonja Banks

Mike Miller

Dee Dee Ellis

Ken Middleton

**PAC:**

John Davis (for M. Blaylock)

Joey Duncan

Absent:

Scott Noe

*John Osborn (new member)*

**JEA:**

Robert Kermitz

Ken Covington

**I. Welcome and Opening Remarks**

**ALAN MOSLEY**

**II. Approval of Previous Meeting Minutes**

Minutes approved.

**III. FINANCE ADMINISTRATION COMMITTEE**

**A. COJ**

**Mickey Miller**

Noted that the report is in the new format. First report (green), three pages. First page is all years - capital projects expenditures line for entire BJP program totals \$1.4 billion spent against the \$2.25 billion; debt service is also shown for BJP 1 and 2.

In looking at the section titled "Other Sources and Uses," note \$402 million in transportation bonds issued to date. We have a \$954 million cap to borrow against; \$607 million has gone toward on infrastructure, leaving \$550 million.

We want to be able to do same thing on pay-go – if you have \$750 million cap, and a \$500 million bond, presume \$250 million for pay-go. But it takes quite a bit of effort to get that straight.

The information presented included transfer to JTA completed in prior years that need to be researched and reclassified for consistency and comparability in reporting. Through the cooperative efforts of the financial teams of the City and JTA these transfers will be fully researched, identified and reported accordingly.

Third page is more of a balance sheet. Shows that new construction debt needs to be issued for infrastructure projects as indicated by the negative cash balance in the infrastructure funds. The current conditions in the bond market caused by the sub-prime mortgage credit crises has affected the city's Auction Rate Bonds previously issued for transportation construction proceeds in 2003 and 2004. This has presented the need to refund these transportation bonds with 2008 Series variable rate bonds postponing the issuance of the new construction debt for infrastructure projects. The new infrastructure debt issue should be completed by August 2008.

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The white sheets show performance of BJP1 and BJP2, quarterly payments as well. First page is BJP1, shows tracking month to month; looking at lime green line, seems to be intact, though the revenues are down. Since our Q1 estimates and Q2, we've revised our estimates for the whole city. On the quarterly sheet, we eliminated the pictorial anomaly of the missed payment in 2004. Same with regard to infrastructure – other than revenues are down, tracking well. Some of these revenues are statewide, some based on county. We're less tourist-oriented than other cities – these are county numbers.

Question arose: what is the projected time frame for BJP 2 borrowing? Right now self-funding, but hope to borrow within a couple of months. Also want to let the fixed rate market settle down. City, JEA and JAA all have had to do some fixing based on the auction rate and insured rate markets.

**B. JTA**

**Thomas Cerino**

Numbers shown life-to-date. Total commitments (expended and accrued) total \$384.1 million, up \$23 million / 4% from prior q-report. Life-to-date expended and accrued represents total project completion 48.6%. Expended portion of \$303 million life-to-date is up \$63 million from prior quarter. Encumbered amount is \$80.77 million, down from prior report almost \$40 million. We see that as good – it means dollars are in the construction phase. Up \$62 million from a year ago; total committed \$302 million, project completion closer to 40%.

Funds expended are up \$63 million – \$19 million BJP1 (Beach/ICW, Heckscher Phases1 & 2). \$44 million is BJP 2 (Beach/Kernan, Atlantic/Kernan and the East-West Corridor).

Total life-to-date committed, 48.6%, compared to 46.6% prior quarter. Continue to see increases in dollars and percent completion.

Question arose: does the JTA sheet represent the project list as a result of the restructuring? The State Partnership Program from an accounting standpoint was hard to represent. That's part of what we're working through w/COJ & JTA. All the projects on JTA's list are "above the line" from the SPP work.

**C. General Discussion**

*None.*

**IV. PROJECT ADMINISTRATION COMMITTEE**

**JOHN DAVIS**

(for M. Blaylock)

**A. Project Status Reports**

**1. COJ - Courthouse**

**Dave Schneider**

On Tuesday, City Council approved the courthouse bill, which does two things – authorized unified courthouse versus criminal only; also committed additional \$86.5 million in COJ general funds to supplement original funding from BJP and others. Includes funding for State Attorney, Public Defender, etc. Whole program cost is \$350 million.

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Now going to amend contract with Turner/KBJ to do a unified facility – authorize them to proceed rapidly to 60%. We will then put major packages out for bid, get firm prices from contractors, then see where we stand on budget. If they're within budget, then we move forward. If bids are above, we go through value engineering. Hoping to get thru process this fall and get GMP late this year or early next year, break ground early next year, and have it built by June 2011.

Question arose: what about the reports of a potential site relocation? The team did an independent analysis of the Prime Osborn site specifically and concluded that the cost difference is marginal between building at LaVilla and renovating at the convention center. They did not factor in the financial impact of losing the convention center, but it is certain there would be one. That's the only discussion related to different location.

**COJ - Road Projects**

**Bob Dyr**

Continue to move at a good clip, with 44 projects complete and 21 under way. Last time we had 14 in construction. The following projects started within the last three months: Kernan Phase 4, Collins/295 bridge, Shindler Phase 1, Harts Road and New Kings RR. We are in contract execution on Old Middleburg Road, Starratt and Crystal Springs.

Received bids for McDuff Phase 2. Overall bid climate still good, 10-15-20% below where we were a year ago. Anticipate completing 4-5 projects within the next couple of months. Everything still scheduled to be complete in 2010 except Kernan Phase 6 by UNF – that project wasn't part of original scope anyway.

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

**Robert Kermitz**

All of the projects are under construction. Lake Forest Phase 3 water complete, vacuum sewer is 60% complete. Had anticipated finishing ahead of schedule, however the contractor got some city projects and has fallen back to original schedule. Scott Mill is substantially complete; finished 3 months ahead of schedule. Customers can't connect yet because the vacuum station is still under construction. It should be done this summer.

Oakwood Villas Phase 1 is in construction; Phase 3 started in January. We held Phase 2 out because of funding, but we are about to sign agreement with WSEA so Phase 2 can start within next month or so - the bid has already been let. As a result, we will be able to complete all six of the originally scoped BJP areas.

Pulled 3 vacuum stations, has worked out well for us from cost perspective.

Scheduling report – notice Oakwood Villas Phase 2 doesn't have a date. Once we have WSEA agreement in place, we'll set schedules.

Last page is program metrics – middle of page, % funds expended \$9 million worth of work (8%); lower section results of an audit. We found 335 connections that hadn't been reported (they were getting billed) up over 12%. We've made 60% of possible connections.

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- 3. JTA Road Program** **John Davis**  
Overall, JTA has finished 23 total projects (16 BJP); 10 in construction – Beach/ICW Bridge opened April 2, other bridge is being removed. All four lanes of Beach are on the new bridge. At completion, there will be 3 lanes each direction.

Construction on East-West Connector involves clearing & grubbing. On Wonderwood Phase 3 from Monument to St. Johns Bluff we opened new northern lanes and now working on the south lanes. JTA board authorized award of Atlantic/Kernan project. We have some right of way to clear before we start.

Heckscher will advertise next Tuesday. I-95/JTB design-build package should go out in two weeks. Expect board to vote to award Heckscher in June then I-95-JTB in August. Anticipate starting \$95 million of projects w/in next few months.

With the contract awards we talked about, plus commitments and expenditures, sometime in 90 days will have committed and expended 85% of BJP funds toward JTA.

- B. EBO/JSEB** **Ivy Johnson**  
At the conclusion of Q2, the life-to-date expenditures to small businesses is at 18.7%. We're seeing a steady trend around 19% for BJP program.

- V. Other Business**  
Mr. Mosley commented that there has been some discussion about doing less of these meetings. He said that considering the economic concerns and impacts, and courthouse and other major projects ongoing, he believes the committees should continue on a regular schedule. Mrs. Owens stated that she appreciated the more user-friendly nature of the financial report.

- VI. Adjourn** **JOHN DAVIS**