

**BJP Finance and Project Administration Committees  
Meeting Minutes – July 31, 2015**

**Approved for Content October 30, 2015 (due to lack of quorum)**

**FAC:**  
Sam Mousa, COJ  
Janice Nelson, JEA (for P. McElroy)

**CITY:**  
Joey Greive  
Judie Garard  
Tom Goldsbury  
Aileen Cruz  
Laura Stagner  
Marcy Cook

**JTA:**  
Sonja Banks  
Neil Nance (by phone)  
Jack Gabriel  
Andy Rogers

**Absent:**  
*There are three vacancies on this committee*

**PAC:**  
Jim Robinson, COJ  
Brad Thoburn, JTA (for N. Ford)  
Kirk Sherman, Council Auditor (ex-officio)

**JEA:**

**Public:**

**Absent**  
Manny Papalas  
*There is one vacancy on this committee*

**I. Welcome & Introductions Sam Mousa**

Meeting called to order at 9:06 a.m.

**II. Approval of Previous Meeting Minutes Both Committees**

Approval of the 04/24/15 meeting minutes deferred to 10/30/15 due to lack of quorum

**III. FINANCE ADMINISTRATION COMMITTEE SAM MOUSA**

Prior to the start of the COJ finance report, Mr. Mousa inquired about the status of the citizen members of the FAC. Ms. Cook explained that the three citizen positions had been vacant for some time and there had been no action to have the positions filled. In response to an inquiry, Ms. Cook stated the positions are appointed by the Mayor and confirmed by City Council.

Mr. Mousa then asked if there had been any legal opinion from OGC regarding the status of the FAC and PAC. Mr. Robinson stated that he'd received a verbal opinion from prior General Counsel that the committees had to continue until the BJP sales tax sunset.

**ACTION:** *Mr. Robinson to obtain a written legal opinion about the status of the FAC and PAC.*

**A. COJ Financial Report Judith Garard**

The transportation and infrastructure sales tax performance graphs show that as of 6/30, the sales taxes are performing 7.43 and 7.39 percent 10 basis points higher, respectively, than last quarter, and 210 and 207 basis points year-to-date as of the 3<sup>rd</sup> quarter. The large spikes on both graphs show when the city receives its quarterly distribution from the state in addition to the prior month collection. In May, the transportation sales tax monthly distribution was \$6.5 million and \$2.2M for the quarter; infrastructure was \$6.2M for the month and \$1.9M for the quarter.

On the Year-To-Date (YTD) report, the total program revenues show \$3.3M after debt service transfers and interest charges on the negative cash balance. The positive number indicates that the sales tax revenues remain sufficient to cover debt. Investment earnings show negative because the cash is negative. Making up the cash deficit nets \$1M revenue.

Infrastructure has a positive cash balance with \$2M in earnings YTD. Again, overall program revenue stands at \$3.3M; this is a decrease of \$2.9M from 2<sup>nd</sup> quarter due to debt service accrual corrections made in the 3<sup>rd</sup> quarter. Net revenue is still positive and available to pay project expenses or cure the negative cash balance.

**COJ Financial Report – cont'd**

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The negative cash balance for the program stands at \$18.5M. There is \$45.5M cash on hand, which has accumulated for the October 1 interest and principal payments to bond holders.

Public Works, Finance and JTA have been working closely with the Council CIP Subcommittee to close BJP projects. The legislation discussed at the last meeting has passed City Council. The legislation closed completed projects, and transferred BJP road projects to JTA that will be financed by the Local Option Gas Tax (LOGT) extension beginning in 2016. The budget appropriation balances for projects have been transferred to a reserve account for future appropriation once positive cash flows are available.

Mr. Mousa asked when will we be in a positive cash flow position to appropriate funds to new or existing projects. Mr. Greive replied that his office prepared a draft ad hoc report for the Council CIP Subcommittee in response to the same question. Based on the return to positive cash and a number of assumptions, the program will cure the negative cash balance in a couple of years – no specific date – and start to produce funds. The report suggested a prioritization for use of those funds was in order, and the prioritization might need to be revised based on the CIP Subcommittee’s actions.

Mr. Mousa stated that he has heard that in 2016 the program will be generating cash to cure the deficit and by 2017 the program will yield cash to do projects.

***ACTIONS:*** *Mr. Greive is to update the report provided to the CIP Subcommittee and schedule a meeting with Mr. Mousa, to include Mike Weinstein, Ms. Garard, Marc Stickney, and Mr. Sherman. Mr. Mousa asked that Mr. Greive also be prepared to discuss the status of the 5<sup>th</sup> and 6<sup>th</sup> gas tax and the current and future interlocal agreements with JTA*

Ms. Garard continued her report:

At last quarter’s meeting four pieces of legislation were discussed, which all passed. The bills closed completed BJP projects with no balance; closed completed projects with excess authorization, which yielded \$18M moved to a Special Council contingency to be used on current projects; closed Council District projects and returned the funds to the accounts of origin; and closed the BJP road projects that are now in the LOGT program.

There have been two project reports typically distributed at the meeting that have been held in abeyance pending the clean-up effort. Once all the entries are made resulting from the Council actions, Finance will resume the reports.

***ACTION:*** *Mr. Mousa asked that Finance complete the “clean up” entries as soon as possible.*

**B. JTA Financial Report**

**Sonja Banks**

JTA’s report is based on both BJP and the LOGT/MobilityWorks program. The BJP report side shows the JTA program budget of \$555M, which is a result of a true-up completed with the city last December and is reflective of the BJP budget in FAMIS [city’s financial system]. The JTA went through an extensive audit with Public Works, the city Accounting office, and the Council Auditor, beginning in 2000. JTA’s books showed a program budget of \$634M, but following the audit closed out the program at \$555M.

Ms. Garard explained that JTA’s BJP financial reporting had included funding in projects from non-BJP sources such as state and federal funds, and confusion resulted from projects being transferred back and forth between the city and JTA. Ms. Garard and Ms. Banks confirmed for Mr. Mousa that

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**JTA Financial Report – cont'd**

the result of the effort was that JTA's BJP budget stood at \$555,883,225, as shown on JTA's report in the column headed "Original BJP Budget per FAMIS."

Ms. Banks continued her report, stating the last four columns on the BJP side of the handout were dated 3/31/15, because that was the date the figures were solid following the audit. Did not present figures as of 6/30/15 because JTA is still working to close out projects; there remain project management costs, and invoices and bill yet to be paid on projects.

**ACTION:** *Mr. Mousa asked that the JTA Finance handout heading be changed to read as of 3/31/15 and not 6/30/15.*

Mr. Mousa asked what JTA would do if the program were completed and there remained a balance of \$98M as shown on the handout. Mr., Thoburn stated that JTA has not proceeded with the expectation of having those funds available. Mr. Mousa then asked what JTA is permitted to do with whatever balance is left. Ms. Banks explained that the \$98M shown on the handout is just the budget balance.

Ms. Banks reported that three of the JTA's BJP projects moved to the LOGT program: Tinseltown Intersections, Southside/Atlantic Intersection, and Blanding Blvd. Intersections. Those projects were put on the LOGT list as design only with the anticipation that FDOT would construct.

Discussion ensued regarding the history of the three projects in the BJP program and appearance on both the BJP and LOGT lists. Mr. Thoburn explained that the 2005 BJP road program reorganization yielded new projects. And because the LOGT scope was design only, it might be possible that BJP funds would be used for construction should they be available.

**ACTIONS:** *The JTA Finance handout to be modified to denote which projects on the BJP list are or potentially will be designed and/or constructed by others/other sources. Mr. Thoburn to provide Mr. Mousa a more detailed JTA BJP project status report.*

Mr. Mousa inquired whether the transportation penny was discussed at the FAC meeting. Mr. Thoburn replied that there is no action on that fund because of the market and nature and flow of funds. Mr. Mousa asked if they are in a negative cash position. Ms. Banks replied that revenues are getting better and they are expecting \$77-78M, but that there is no pay-go being generated as funds are routing to transit and debt service.

Ms. Banks continued to the MobilityWorks program report. JTA has started issuing contracts for the projects and have \$14.9M obligated, shown in the encumbrance column. Contracts and bids are pending, with \$12M for the Girvin project. Debate ensued regarding the difference between encumbrance and appropriation, with JTA's interpretation of encumbrance meaning that the funds are committed for a known future use and not necessarily under contract. JTA has spent \$647,000 to-date, with a remaining program balance of \$88M, which JTA hopes to spend in the next five to six years.

**ACTION:** *JTA to provide Mr. Mousa with a larger-scale version of the current handout and make future handouts bigger.*

**C. General Discussion**  
None

**IV. FAC ADJOURNED – 9:51 a.m.**

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V. **PROJECT ADMINISTRATION COMMITTEE (PAC)** **JIM ROBINSON**

A. **COJ – Courthouse/State Attorney’s Office** **Tom Goldsbury**

There are fewer than 100 items left on the project punch list. Two major items are carpet and rusting on the exterior windows; waiting for sub to return to work on those. Retainages are being paid off as requests come in as the project close out continues. Mr. Mousa asked if anyone had submitted claims, to which Mr. Goldsbury replied that there have been no project claims, just claims that retainages haven’t been paid. Mr. Goldsbury said that he recently heard a claim might be coming from one sub but that nothing has been formally submitted. Without seeing a formal claim Mr. Goldsbury couldn’t provide a cost but estimated it at a few thousand dollars.

Mr. Mousa requested a briefing on the status of the 1<sup>st</sup> floor. Mr. Goldsbury explained that when the bids came back they were well over budget, requiring a reduction in scope. The cost was reduced by about \$5M by leaving out ¾ of the 1<sup>st</sup> floor; the ¼ that remained in the project scope was the far west end security area. Over time, additional funds became available in the program, particularly when the main Courthouse contract was closed with Turner. This allowed the middle half of the 1<sup>st</sup> floor to be change-ordered into the project. The far east quarter remains the only part unfinished and unfunded. The work there involves the postal corridor, which runs the length of the building; two large multi-purpose rooms; a few smaller rooms and a small kitchen/prep area. Mr. Mousa asked if the unfinished portion is for the SAO’s use, and Mr. Goldsbury replied that indeed the whole first floor is for SAO use.

Mr. Mousa then asked how the unfinished portion related to the current pending legislation. Mr. Goldsbury replied that the value contemplated in the legislation is based on costs from the contractor to complete the 1<sup>st</sup> floor plus contingencies. Mr. Mousa asked for the funding source, to which Mr. Goldsbury responded that former Council Member Daniels filed the legislation and there is no funding source. Mr. Sherman interjected to say that it would probably come from capital projects. Mr. Sherman confirmed for Mr. Mousa that the funding wasn’t general fund reserves or carry over.

Discussion ensued regarding the city’s obligations to complete the 1<sup>st</sup> floor with respect to the MOA [Memorandum of Agreement between the city and State Historic Preservation Officer]. Mr. Mousa stated that the MOA only required the city to refurbish the three postal tables. Mr. Goldsbury thought it might include the corridor, but Mr. Mousa reiterated that it was just the postal tables. Mr. Robinson suggested that while the MOA specified the historical preservation of the three postal tables, they should be made accessible or usable. Mr. Mousa disagreed. Mr. Robinson stated that the Office of General Counsel had affirmed that the work was not time dependent, just that it needed to meet the historic preservation guidelines whenever it was done. Mr. Mousa agreed, and stated that no one in the Administration should be conveying a message that the entire remainder of the 1<sup>st</sup> floor had to be completed to meet the city’s obligations in the MOA.

**ACTION:** *Mr. Goldsbury to re-read the MOA and obtain a hard quote on refurbishing the three postal tables only.*

Mr. Goldsbury continued, stating that the only other outstanding issue involved the property where the construction trailers currently sit. He has notified the DIA [Downtown Investment Authority] that the property is available; though the contractor is still using the trailers, they would be able to move out if necessary. The property is also used for parking city vehicles for Code Enforcement, Building Inspection and others. Mr. Mousa asked who owned the trailers and on whose inventory they are reported. Mr. Goldsbury replied the city owns the trailers and he was not aware of the inventory status.

**ACTION:** *Mr. Goldsbury to find out where the trailers are recorded in the city’s inventory.*

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*COJ – Courthouse/State Attorney's Office – cont'd*

Mr. Goldsbury stated that JSO [Jacksonville Sheriff's Office] had expressed interest in the trailers and confirmed Mr. Sherman's statement that the intent would be use at the JSO shooting range. Mr. Mousa said if JSO has the ability to disconnect the utilities, haul the trailers and reconnect them at their expense, JSO should be permitted to take them.

Mr. Mousa then asked who is responsible for the utilities, to which Mr. Goldsbury replied that utilities are not addressed in the contract, and that they are being paid for by the city. Mr. Mousa reminded Mr. Goldsbury that he was responsible for ensuring the utilities are shut off.

#### **B. JTA Road Program/JTA Mobility Works**

**Andy Rogers**

Old St. Augustine project is currently out to bid; hope to have the project at the August board meeting for approval. They have issued a design Notice to Proceed to Arcadis for the Kernan project; there are issues with the pond design that need to be resolved. They are working with FDOT to develop a scope on the Southside project.

The Parramore Road project is approaching 30 percent design. JTA staff met with the developer that is doing the north end, about which the FDOT had expressed concerns; that project is on schedule to be issued as a design/build later this year. In response to a question by Mr. Mousa, it was reported that the FDOT concerns were with the traffic impacts at Collins/295. Discussion ensued about the status of the development and FDOT, and Mr. Mousa disclosed his firm's involvement in the traffic study for developments in the area. The understanding is that all issues have been addressed. Mr. Thoburn stated that JTA is working with the developer to ensure the timing of the projects line up.

Mr. Rogers continued his report, stating that the Girvin design/build contract is pending and that JTA is in negotiations with the top two respondents. Bids came in 30 percent over budget. Mr. Mousa again disclosed his firm's involvement in the design/build proposal, and that he has divested all interest in Coxwell.

Mr. Rogers reported the Blanding project had been wrapped into the BRT [Bus Rapid Transit] program, and that JTA was working through a scope of work and coordinating with FDOT. Mr. Thoburn explained that the project could be part of the federal funding for the BRT.

Mr. Rogers stated JTA was holding public meetings to help develop the scope of the countywide mobility improvements, which is comprised of transit enhancements to address ADA issues at sidewalks and bus stops, and complete streets. The goal is to have four corridors under construction by the end of the fiscal year; two are on target and two may not make that schedule. The Soutel hub should be issued for bid within the next week, to be presented at the September JTA board meeting.

Mr. Rogers reported Alta Drive was initially a city fair share project, and that it had reached 50 percent design. It has not been transferred to JTA yet, and the city had an additional supplemental agreement with Adkins to continue some level of design, which was described as coordination with the railroad crossing and alignment/profile changes. Mr. Mousa explained he was familiar with this project from his previous position and that there were considerable issues with the right of way. As the project is currently scoped, the right of way may be unobtainable. Mr. Thoburn explained that when the LOGT was extended, this project was made a priority by City Council, and suggested that the city and JTA work on a joint strategy.

***ACTION:*** *Mr. Robinson is to get involved in the Alta Drive project.*

The JTA report continued with Tinseltown, which JTA is working with FDOT to advance. Mr. Thoburn said the Atlantic and Tinseltown projects have been moved down in priority because JTA does not want to commit design funds without some idea about the potential for construction.

***JTA Road Program/JTA Mobility Works – cont'd***

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The Collins Road project was reported to have new limits, now Old Middleburg Road to Rampart. The funded scope of Collins from Blanding to Pineverde was changed to PD&E [project development and environment study] and the rest of Collins funded through construction. The San Pablo project was moved up on the list to allow design earlier; should issue design contract late this year or early next year. Known issues are the pond design was not accepted and the right of way was not purchased. These issues will be addressed once design begins again. The McDuff project has a limited scope, as it was an unfunded part of a larger project already constructed. Mr. Thoburn expressed concerns about the scope of the project and suggested a meeting with the city to discuss.

**C. EBO/JSEB**

**Aileen Cruz**

Total expenditures total \$1M, with \$41,067 going to African-American businesses and \$1,458 to women-owned businesses, totaling \$42,525, or 4.12 percent, to small and emerging businesses. All expenditures were in capital improvements; no expenses this quarter for professional services or contractual supply and services. Mr. Robinson asked if the life-to-date percentage of 15 percent was the goal for the program, to which Ms. Cruz replied yes.

Mr. Thoburn asked if the figures would include MobilityWorks. Ms. Banks said JTA turns in numbers to the city, and have only been turning in BJP.

***ACTION:** Ms. Banks to work with Ken Middleton to add MobilityWorks figures, to be tracked and reported separately.*

Mr. Mousa stated that he and Council Member Gulliford had recently discussed the JSEB [Jacksonville Small and Emerging Business] program and bonding requirements. Mr. Mousa explained that a state statute passed in 2005 specifically for Jacksonville gave the city discretionary rights to raise the bond limit to \$500,000, and that local code says the JSEB shall not exceed the state's discretionary limit. CM Gulliford asked, and the Administration agreed, to move the limit back down to \$200,000. Legislation is forthcoming that will require JSEBs as prime contractors to have payment and performance bonds on work over \$200,000. The city has been hurt when a prime fails and with no bond, the city had to step in as bonding agent.

**D. General Discussion/Other Business**

*None*

**VI. Public Comment pursuant to §286.0114, F.S.**

*None*

**VII. PAC ADJOURNED – 10:29 a.m.**