



Birmingham-Jefferson County Transit Authority
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Report to the Board Finance Committee

Wednesday, October 19, 2011

Opening: The meeting was called to order by Committee Member Rev. Patrick Sellers at 3:38 a.m. in the Executive Briefing Room located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

Members Present: Keelon Hobbs and Rev. Patrick Sellers

Members Absent: Johnnye P. Lassiter

Others Present: Debra Anderson-Burse, Robert Ballard, Martin Edwards-Clark, Mindy Falkner, Butch Ferrell, Jacquese Gary, Lawton Higgs, Sr., James O. Hill, Lee Jackson, Mark Johnson, Laura Land, Barbara Lawson, Chris Leffert, Dr. Jesse Lewis, Ronald Lyas, Julie McMillan, Andre Petties, Charles Ridley, Guin Robinson, and Terri Sharpley.

Adoption of the Agenda: The agenda was adopted by general consent.

Items for Information and/or Discussion:

Chairman's Report

Rev. Sellers welcomed everyone and announced that Ms. Lassiter would not be in attendance, due to the passing of her brother.

Financial Audit

Chief Financial Officer Julie McMillan announced that the BJCTA received the independent auditor's report for FY 2010. Auditor Jeff White of Banks, Finley, White & Co., had a prior commitment and could not attend this meeting; however, he will be present at the October 26, 2011 board meeting to speak to the board. Per the auditor's written report, the financial statements portion is unqualified, or "clean." On internal controls, no deficiencies in internal controls or compliance were identified; on each major grant program, unqualified. Staff recommended that the board accept the audit.

Mr. Lyas suggested that each member have an opportunity to review the audit before the Finance Committee forwards it to the full board and requested that the audit be included in the next board packet. Mr. Robinson suggested that all funding partners receive a copy of the audit, once it has been adopted by the board.

Financial Report

Mrs. McMillan reported that as of September 30, 2011, assets were \$40,282,655.76, while total liabilities were \$10,211,175.34. The Income Statement detailed year-to-date

revenues of \$40,127,207.13 and expenses of \$31,439,850.78 resulting in a difference of \$8,687,356.35. The total cash and cash equivalents were \$8,037,908.43, of which \$6,273,658.95 was the balance in the operating and money market accounts. Total overall variance with the budget was a positive \$3,957,908.30.

The major factor for the positive variance in revenues was approximately \$484,000 in ad valorem taxes and \$1,009,000, in FTA reimbursements for preventative maintenance.

As to Expenses, the major factors for the positive variance were reduced salary expense of \$643,000, favorable health claims of \$300,000, \$1,689,000 set aside for vehicle maintenance. Other favorable factors included \$105,000 due to the decreasing of our use of diesel and \$125,000 budgeted for the production of the new Transit Development Plan.

Restoration of 8th Avenue Facilities

Procurement Officer Jacquese Gary reported that the board had approved a resolution to let an RFP for the restoration of the 8th Avenue facilities in the last regular meeting. An invitation to bid was released on October 11; the responses were due on October 25, 2011; and the lowest bid was anticipated to be accepted. A new resolution would be proposed to the board at the October meeting for repairs to the facilities so that employees may return to their offices.

Resolutions for Consideration & Recommendation –

- A. **Resolution No. 2012-06:** Authorization to Rescind Resolution No. 2009-31 and Adopt a New Transit Agreement for Services was duly made, seconded, and forwarded to the full board for its consideration.

Discussion: Legal Counsel Bing Edwards that it is time to execute a contract with each municipality. The current form memorandum of understanding did not take into account municipalities that pay through ad valorem taxes, which caused the municipality to be in default under the agreement. The policy of the board regarding procedures toward termination had also now been incorporated in the new agreement.

- B. **Resolution No. 2012-07:** Authorization to Accept the Fiscal Year 2010 Independent Auditor's Report was duly made, seconded, and forwarded to the full board for its consideration.

Old/New Business:

Student Passes

Executive Director Peter Behrman requested permission to allow college students to be included in the student half fare rate. Legal counsel advised any fare changes that require board approval also be forwarded to the city and county for approval. If the current policy did not distinguish "students" by category, then the intent of the board to include college students is requested.

New Business: - None

Adjournment: The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Executive Administrative Assistant

Date: _____

Approved by: _____
Rev. Patrick Sellers