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Birmingham-Jefferson County Transit Authority
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BOARD MEETING MINUTES

Wednesday, October 27, 2010

Opening: The meeting was called to order by Chairman Brian Hamilton, at 12:00 p.m. in the Executive Briefing Room, located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

Members Present: Joyce Brooks, Brian Hamilton, Frank C. Galloway, Johnnye P. Lassiter, Ronald Lyas, Doris Powell, Guin Robinson, and Rev. Patrick Sellers

Members Absent: Walter Jones

Others Present: Debra Anderson-Burse, Peter Behrman, William Blackerby, Christopher Bolling, Anna Brown, William Copling, Marva Douglas, Bing Edwards, Butch Ferrell, Jacquese Gary, Richard Goldstein, Judy Gordon, Nyya Hudson, Charles Jeffries, Barbara Lawson, Chris Leffert, Dr. Jesse Lewis, Richard Nardecchia, Helen Rivas, Rhonda Siserir, and John Wright.

A moment of silence was observed.

Guin Robinson led the assembly in the recitation of the **Pledge of Allegiance**.

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

Adoption of the Minutes: The minutes were adopted by general consent.

Chairman's Report –

For the record, Walter Jones was absent due to being out of town on business.

Brian Hamilton thanked everyone for accommodating him in moving the meeting into the Executive Briefing Room for the purpose of creating a relaxed atmosphere and facilitating conversation during the transition period. The new legal team of Nyya Hudson and Bing Edwards was welcomed to the meeting and introduced.

Ribbon Cutting Ceremony:

Appreciation was expressed to all participants of the ceremony -- board members, staff, riders, and Transit Advisory Committee (TAC) members.

Transition Meetings:

Mr. Hamilton and senior staff are reading a book together to improve efficiency. The theme adopted is trust and communication.

Strategic Planning Retreat:

The Board may have to relent on 100% participation and move forward with a minimum of 50%. Board support will contact the members for weekday participation. The Board's plan should be documented and used as a tool and measuring stick for progress. Out of the plan will flow a number of items, including a measure by which the Board will evaluate the Executive Director.

Executive Director's Report -

Executive Director Peter Behrman reported the following:

- *Budget:* The FY2011 budget will be presented this day for the Board's approval. Issues for discussion may be the employee's contribution to health insurance benefits and also the janitorial services.
- *Reorganization Plan:* The plan was tabled at the Human Relations Committee and will be discussed at a future date.
- *Buses:* The BJCTA will continue to rent buses through November 2010. Once the paratransit vehicles arrive, the rental expense will go away. The buses being replaced will be stored on the Alagasco property. No rented buses have been out of service.
- *Weekday Averages of Revenue Vehicle Availability:* The new report was prepared to summarize the BJCTA meeting its daily pull out. Future reports should include percentages and on-time performance, per the request of the Board.
- *Public Hearings:* The BJCTA will proceed with two changes that were discussed at the public meetings: 1) the modified service routes in Vestavia Hills that should have taken place one year ago, and 2) the Saturday route service to Jefferson State, which has been modified to go around the City of Center Point. Mr. Hamilton requested information in written format for the Board's review and approval regarding the modified service route in Center Point.

In response to Ms. Powell regarding the Eastern Health Clinic, Planning Manager Rhonda Siserir reported that she has been working with engineers to make sure that the stop is ADA accessible. Mr. Hamilton directed that the item come before the Program Development Committee and noted that the no expenses for this item are included in the proposed BY2011 budget.

Financial Report

Chief Financial Officer Richard Nardecchia reported that as of September 30, 2010, assets were \$31,625,653.95 while total liabilities were \$9,236,393.88. The Income Statement details year-to-date revenues of \$34,255,032.10 and expenses of \$29,980,828.25, resulting in a difference of \$4,274,203.85. The total cash and cash equivalents were \$2,844,187.46 of which \$1,052,023.74 was the balance in our operating and money market accounts. Total overall variance with the budget is a positive \$6,990,782.06. The major reasons for the positive variance are the capital monies received for vehicles, along with CNG fuel usage and depreciation being down due to the late arrival of the paratransit vehicles.

The RFP for a change of auditors needs to be reviewed by legal counsel and sent out. The selection process should be completed by December 2010. Johnnye P. Lassiter reminded staff that legal counsel should review all RFPs.

Items for Information, Recommendation, and/or Approval:

Per the request of Finance Committee Chairman Frank Galloway, Mr. Behrman reported that the city of Midfield is one year behind in payments for service. He communicated with the mayor's assistant who said the payment for FY2010 will be remitted by the end of this calendar year. The cities of Brighton and Lipscomb are three years behind. There is no indication that payment will be forthcoming from these two cities. He requested the Board's pleasure on whether or not to take action toward terminating service for these cities, per BJCTA policy.

Mr. Galloway moved that the Board instruct the Executive Director to proceed with policy in respect to terminating service for cities that do not pay what they are supposed to pay. Mr. Hamilton abstained from this issue due to a conflict of interest and requested that Rev. Sellers preside over this issue. Joyce Brooks seconded the motion, and a roll call vote was taken that resulted in seven (7) ayes from Mrs. Brooks, Mr. Galloway, Ms. Lassiter, Mr. Lyas, Ms. Powell, Mr. Robinson, Rev. Sellers, and one (1) abstention from Mr. Hamilton. Ms. Lassiter requested a copy of the policy. Mr. Hamilton directed staff to send a copy of the policy to all Board members and BJCTA attorneys.

Per Mr. Lyas' inquiry, Board support was instructed to add committee reports on future board meeting agendas.

Resolutions for Consideration and Approval:

- A. **Resolution No. 2010-30:** Authorization for the Executive Director to Execute a Contract with ESC fine Janitorial Service to Provide Janitorial Services was moved by Guin Robinson, seconded by Joyce Brooks. Mr. Robinson amended his motion to include a provision in the contract for the services to be thoroughly reviewed in six months and terminated if not satisfactory, Ms. Brooks agreed to the amendment. A roll call vote was taken that resulted in six (6) ayes from Mrs. Brooks, Mr. Galloway, Mr. Hamilton, Ms. Lassiter, Mr. Lyas, Mr. Robinson, and two (2) noes from Doris Powell and Rev. Patrick Sellers.

Discussion: Rev. Sellers distributed the attached document that described the pros and cons of having the services provided internally versus externally. Mr. Galloway acknowledged the benefits as described by Rev. Sellers and requested to know the quality of service currently being provided. Director of Operations William Copling reported that it was acceptable. Ms. Lassiter commented that "acceptable" meant the services were satisfactory. Mrs. Brooks asked if some of the pros and cons could be included in the contract with ESC. Rev. Sellers replied there was one only. Mr. Robinson moved to end the discussion,

seconded by Ms. Brooks and approved by general consent. Rev. Sellers voted no.

- B. **Resolution No. 2010-41:** Authorization for the Executive Director to Bring Janitorial Services In-House was tabled at a prior meeting and there was no need go any further with it.
- C. **Resolution No. 2011-01:** Authorization to Adopt and Approve the Fiscal Year 2011 Operating and Capital Budgets, with stated changes, was moved by Guin Robinson, seconded by Rev. Patrick Sellers, and approved by general consent. Doris Powell abstained.

Discussion: The staffing plan for the budget is the already authorized staffing plan for the BJCTA. The reorganization plan presented by the executive director is not appropriate for this discussion. In response to Mr. Lyas' concerns regarding the vote for the budget and the proposed reorganization plan, Mr. Hamilton answered that if there are any changes to the current staffing plan that should have a financial impact, the Board must amend the budget to reflect the new staffing plan. If the executive director wants a reorganization plan, the Board will need to approve the new staffing plan and amend the budget accordingly.

Mr. Nardecchia confirmed that there were no funds in the proposed budget for salary reductions, salary raises or new employee positions.

Mrs. Brooks requested to know if the budget would be amended to reflect the change for janitorial services and if the employee contributions for health benefits are reflected in the budget. In response, Mr. Behrman distributed the attached summary of the BJCTA's administrative health benefits. The original plan was for the administrative employees to contribute 14% for family coverage and 21% for single coverage, which amounted to a total of \$112,000. If the savings of contracting the janitorial services with ESC is applied to the employees' share, the new amount needed is 5.84% for family coverage and 8.77% for single coverage, or a total of \$46,847.52.

Two directors made statements for the record: 1) Ms. Lassiter requested that staff wait for the six-month review of the janitorial services before the savings is spent. 2) Rev. Sellers stated that the budget had been lined a certain percentage so there were dollars somewhere else and it should not be put on the back of the janitorial services. Mr. Hamilton answered that he did not want to characterize it as hiding money somewhere or else he would not have supported it. His understanding was that this was a bare bone budget and that there is a true savings of contracting the janitorial services.

- D. **Resolution No. 2011-02:** Declaration of Continued Emergency and Waiver of the Competitive Bid Process in Connection with the Procurement of Temporary Janitorial Services was withdrawn.

Old/New Business –

Ms. Powell questioned whether the BJCTA has applied for any new federal grants. Mr. Behrman answered in the negative.

Ms. Lassiter thanked the Ribbon Cutting Ceremony Committee for an excellent job. The members applauded.

Rev. Sellers commented on the Magic City Classic that is held annually in the City of Birmingham, the largest contributor and supporter of the BJCTA. He asked that the Board find a solution to moving people around the City, even if temporary route changes are required, and not be a part of the problem. Mr. Hamilton instructed that this item also be added to Program Development Committee agenda.

Ms. Powell requested to add transparency and accountability to the trust and communication theme adopted at the BJCTA.

Public Comments –

Judy Gordon, transit advocate, presented a proposal of taking one new bus to Montgomery to show it off and make a big deal of all the great things that MAX has accomplished this year, like paying off the debt. The goal is to get legislators on board and help find the money to bring transit dollars for our system.

Mr. Hamilton requested that Ms. Gordon's proposal be discussed in the Program Development Committee meeting.

The **Meeting Adjourned** at 1:28 p.m. The next **Regular Meeting of the Board of Directors** will be held **Monday, November 22, 2010 at 12:00 PM** at Central Station, 1735 Morris Avenue, Birmingham, AL.

Minutes submitted by: Barbara Lawson, Administrative Assistant

Date: _____

Approved by: _____
Brian Hamilton, Chairman

Attest: _____
Frank C. Galloway, Jr., Secretary/Treasurer