



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

Wednesday, November 16, 2011

Opening: The meeting was called to order by Committee Chairman Johnnye P. Lassiter at 10:02 a.m. in the Executive Briefing Room located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

Members Present: Keelon Hobbs, Johnnye P. Lassiter, and Rev. Sellers

Members Absent: None

Others Present: Debra Anderson-Burse, Robert Ballard, Peter Behrman, Joyce Brooks, Gwen DeRue, Bing Edwards, Jacquese Gary, Richard Goldstein, Lee Jackson, Barbara Lawson, Chris Leffert, Dr. Jesse Lewis, Vicki Lewis, Julie McMillan, Andre Petties, Terri Sharpley, and Solomon Wilson.

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

Items for Information and/or Discussion:

Financial Report

Chief Financial Officer McMillan reported that as of October 31, 2011, assets were \$41,900,600.33, while total liabilities were \$11,675,229.24. The Income Statement detailed year-to-date revenues of \$2,783,578.27 and expenses of \$2,629,687.60 resulting in a difference of \$153,890.67. The total cash and cash equivalents were \$8,521,427.57, of which \$6,843,366.75 was the balance in the operating and money market accounts. Total overall variance with the budget was a positive \$399,477.47.

The major factors for the positive variance in revenues were:

- Passenger revenues, \$23,000
- FTA reimbursements, \$71,000

As to Expenses, the major factors for the positive variance were:

- Labor (vacant budgeted positions) \$61,000
- Health insurance for low health claims \$85,000
- General contingency \$94,000
- Vehicle maintenance, external \$63,000

• Fuel	\$97,000
• Equipment repair parts and material	(\$55,000)
• Insurance	(\$26,000)
and settlements	\$46,000

In response to questions regarding overtime, the director of transportation Robert Ballard reported that he had met with the supervisors on Sunday, November 14, 2011, regarding training, roles, and expectations. Mr. Ballard will be holding interviews the first week in December and he is continuing efforts to reduce overtime.

After discussion, the Committee requested the following:

- The Variance Analysis Report to be reformatted to add a column for the same year-to-date figures.
- An explanation and breakdown for the increase in short-term accounts payable for the months of September and October 2011, as shown on the Financial & Investing Report.
- The elimination of the Overtime Report by Employees from the board packet. This request was placed on the agenda for the next board meeting.
- An independent forensic audit. Legal Counsel Bing Edwards suggested that if the board has concerns regarding the financial statements, then an independent forensic audit might be a good idea. If it is too expensive, there may be another type of audit directly related to the board's concerns that can be requested. Ms. Lassiter suggested that the board may have to personally review the books. Rev. Sellers directed this item to be included in the release of solicitations resolution.

Capital and Operational Carryover

The capital budget was tabled when the operational budget was passed in October 2011. The purpose of today's discussion was to determine the usage for the \$8,113,450. Mrs. McMillan confirmed that the City of Birmingham is aware that \$2.1 million had been paid by the City for capital projects during the FY2012 year.

In response to Rev. Sellers, Mrs. McMillan replied that the expenses for restoration of the first floor lobby of Central Station were not listed under capital items but under minor repairs. Director of maintenance Lee Jackson updated the Committee on the work. The first coat of paint has been applied to the walls in the lobby, some of the floor tiles have been replaced, lights have been repaired, quotes on replacing sinks are being obtained and work on the ceiling tiles is starting. The hold on the capital budget has affected some of the work, such as the passenger information sign. Conversations regarding the placement of vending machines are continuing. Consideration is also being given to the possibly of sending out an RFP regarding the percentage of revenues received from vending machines. Mrs. McMillan was instructed to include the cost of repairs for Central Station's first floor in the capital needs list.

Resolutions for Consideration & Recommendation –

- A. **Resolution No. 2012-10:** In Recognition and Appreciation of Walter Jones for His Service as a Member of the Board of Directors of the Birmingham-Jefferson County Transit Authority was duly made, seconded, and forwarded to the full board for its consideration.
- B. **Resolution No. 2012-11:** In Recognition and Appreciation of Guin Robinson for His Service as a Member of the Board of Directors of the Birmingham-Jefferson County Transit Authority was duly made, seconded, and forwarded to the full board for its consideration.
- C. **Resolution No. 2012-12:** Authorization for the Executive Director to Exercise a One-Year Option to the Contract with Petroleum Traders for the Purchase of Low Sulfur #2 Diesel and Unleaded Fuels was duly made, seconded, and forwarded to the full board for its consideration.
- D. **Resolution No. 2012-13:** Authorization for the Executive Director to Approve Ordering Repair Parts for DART Trolleys and Authorization of Payment of Invoices was duly made, seconded, and forwarded to the full board for its consideration.
- E. **Resolution No. 2012-14:** Authorization to Release Solicitations was duly made, seconded, and forwarded to the full board for its consideration.

Discussion: Rev. Sellers instructed the request for a forensic audit be added to this resolution.

- F. **Resolution No. 2012-15:** Authorization to Create a Two-Hour Pass for BJCTA Patrons was duly made, seconded, and forwarded to the full board for its consideration.

Old/New Business: None

Adjournment: The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Executive Administrative Assistant

Date: _____

Approved by: _____
Johnnye P. Lassiter, Committee Chairman