



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

Wednesday, November 17, 2010

**Opening:** The meeting was called to order by Board Chairman Brian Hamilton at 10:00 a.m. in the Executive Briefing Room, located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

**Members Present:** Frank Galloway, Brian Hamilton, and Johnnye P. Lassiter

**Members Absent:** None

**Others Present:** Debra Anderson-Burse, Leon Barkan, Peter Behrman, Joyce Brooks, Anna Brown, Joseph Bryant, William Copling, Jacquese Gary, Richard Goldstein, Reggie Haslam, Walter Jones, Barbara Lawson, Chris Leffert, Dr. Jesse Lewis, Gil Mobley, Richard Nardecchia, Guin Robinson, Alan Thrasher, Jim Thrasher, Ron Wall, Traci Williams, and Brandon Wilson.

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

### **Items for Information and/or Discussion:**

#### Commercial Property, Inland Marine, and Employee Dishonesty Insurance

Frank Galloway requested that the Staff Summary, 6.0 Recommendations, be changed to read: "Authorize the Executive Director to renew the above-mentioned insurance policies." Executive Director Peter Behrman reported that the premiums increased \$157, from \$45,641 to \$45,798, which is 0.3%. Brian Hamilton requested that information clarifying the rating on the insurance company be emailed and also provided at the board meeting.

#### Fiduciary Insurance

The amount of \$5,000 is on the current premium and is a prorated amount. The aggregate amount is expected to be over \$10,000 in April 2011.

#### Award for Bus Wash and Vacuum System

Leon Barkan of Volkert, Inc., was introduced and addressed the Board regarding the bus washer. The new system will be taller than the current washer and can be used on the entire fleet. There will be some brushing but basically it is a touch free system. The vacuum will work independently of the washer. Delivery of parts will be in six to eight weeks and installation is expected to take one week. Wiping the seats and sanitizing the bus will be an employee task.

Mr. Galloway suggested that drivers should encourage compliance to the no eating or drinking policy in the buses.

#### Budget and Cash Flow

Mr. Hamilton thanked the additional Board members who joined this meeting and all employees who have worked diligently on this serious budget issue.

Mr. Behrman presented the BJCTA budget and cash flow analysis, starting with the periods of the fiscal years of the City of Birmingham and the BJCTA and moving through budgeted amounts and actual cash received for FY2010, to date in FY2011 and expected amounts for the remaining FY2011. \$5.7 million is the amount by which the BJCTA has to cut bus service in the City for the period January 1, 2011 to June 30, 2011 to balance our service and budget expense with the total paid city revenue. However, because the fiscal year for the BJCTA ends three months after the City's fiscal year ends, \$7.0 million is the approximate amount of bus service reductions proposed for January 1, 2011 and the amount to be amended in the BJCTA FY2011 budget. Guin Robinson complimented Mr. Behrman for his presentation and then asked that the analysis be put in writing so that the Board can answer questions regarding the approach of spreading out the ad valorem revenue, rather than using it all at the beginning.

The BJCTA will recommend a proposal to the City that will affect the least amount of riders. The only routes to be affected will be those operating totally within the City of Birmingham and does not include the municipalities who have paid for FY2011 service. As time permits, there will be modifications proposed to the routes being retained in order to service the routes being eliminated.

Mr. Behrman then distributed and explained Exhibit B, the 50% Reduction Scenario. The BJCTA currently spends approximately \$2.2 million monthly, which will go to \$1.8 million in January 2011 as the budget modifications take place, assuming that there will be cuts based on the reduction of service. Mr. Hamilton did not want it lost on anyone that these decisions are impacting internal and external families in very rough times. He asked staff to provide the number of employees, the category of employees, and the number of riders to be impacted, as well as when the impact of each acton will take place.

Mr. Robinson requested a one-page timeline delineating each step of action to be taken (e.g., date of public notice, date of employee notice, etc.). Mr. Hamilton asked that it be prepared by the next Board meeting, if at all possible. Mr. Behrman added that he will prepare the document and work with legal counsel as soon as possible. Walter Jones requested a contingency plan in the case that employees should resign and then the City come forth with the funding.

All documents will be shared with the Mayor William Bell and Councilor Kim Rafferty, City of Birmingham, who will be kept apprised throughout the entire process. Mr.

Behrman and staff will remain available to answer questions and will continue to provide decision making support so that the City is fully informed of the policy decisions being made at the BJCTA.

**Resolutions for Consideration & Recommendation –**

- A. **Resolution No. 2011-03:** Authorization to Renew Commercial Property, Inland Marine, and Employee Dishonesty Insurance Coverage with Alabama Municipal Insurance Corporation was moved by Mr. Hamilton, seconded by Ms. Lassiter and recommended to the full Board for its consideration, subject to information being provided regarding the ratings of the insurance company. Mr. Galloway abstained.
  
- B. **Resolution No. 2011-04:** Authorization for the Executive Director to Renew Fiduciary Insurance Coverage from AXIS Insurance Company moved by Mr. Hamilton, seconded by Ms. Lassiter and recommended to the full Board for its consideration. Mr. Galloway abstained.
  
- C. **Resolution No. 2011-06:** Authorization for the Executive Director to Execute a Contract with Whiting Systems for the Purchase and Installation of a Bus Wash and Vacuum System was moved by Mr. Hamilton, seconded by Ms. Lassiter, and recommended to the full Board for its consideration.

**Old Business:** None

**New Business:** None

**Adjournment:** The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Administrative Assistant

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Frank Galloway, Committee Chairman