



Birmingham-Jefferson County Transit Authority  
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**Report to the Board  
Finance Committee  
Friday, April 17, 2009**

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

**Members Present:** Walter Jones and Chris Lewis

**Members Absent:** Guin Robinson

**Others Present:** William Copling, Jacquese Gary, Barbara Lawson, Chris Leffert, Richard Nardecchia, Joi C. Scott, and Collina Washington

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

**Items for Information and/or Discussion**

Financial Report

Richard Nardecchia, Chief Financial Officer, reported that as of March 31, 2009, assets were \$31,800,053.22 while total liabilities were \$12,020,375.43. The Income Statement details year to date revenues of \$14,854,121.74 and expenses of \$13,827,132.47 resulting in a difference of \$1,026,989.27. The total cash and cash equivalents were \$6,704,575.44 of which \$6,677,964.38 was the balance in the operating and money market accounts. Total overall variance with the budget is a positive \$2,419,041.41.

Review Budget

Chris Lewis, Board Chairman, inquired about the Casualty and Liability Costs and Mr. Nardecchia replied that the liability is projected approximately one year in advance and it is increased by 10%.

Mr. Lewis commented that he noticed a couple of good items in the budget: 1) VIP services have increased by 20%; and 2) the Labor cost was down approximately \$350,000. Mr. Copling accounted it to good management.

Mr. Lewis inquired about the pension fund increase and the \$85,000 on the regular retirement line item. Mr. Nardecchia replied that the budget was made six (6) months prior to this fiscal year beginning. At that time, no one knew what the pension fund would be. A monthly payment was made in March that covered the period October

2008 through March 2009 to catch up the pension. The \$85,000 also reflects a 2.5% salary increase, in addition to the pension fund increase.

Mr. Lewis then asked what caused the increase of \$38,000 in Professional and Technical Services. Mr. Nardecchia did not recall this item and asked to provide the information at a later date to the Board.

Mr. Lewis remarked on the \$800,000 left in the Fuel and Lubricant line item and asked how to explain the amount for when the Board talks with the municipalities. Mr. Nardecchia explained that Finance used the number of gallons times the new contract price to arrive at the figures.

Mr. Nardecchia commented that Finance could not meet with the municipalities until the budget was approved. Walter Jones requested that the Board hold a Committee of the Whole Meeting to address any issues of the budget before the regular Board meeting scheduled for April 22, 2009.

#### Collective Bargaining Agreement

Joi Scott, Legal Counsel, reported that Ken Simon, Legal Counsel, would prepare a resolution for the Board's consideration to approve the current contract, with the increase in the pension fund included. She said that amendments to the contract could be added at a later time.

Mr. Lewis asked if the Board approves the current contract with the increase in the pension fund, then what would be the benefits of looking at amendments until the renewal date. Ms. Scott replied that the Union does not appear to be seeing past getting a contract in place at this time. Mr. Jones said that this Committee should not discuss pending legal matters and suggested that the full Board should go into Executive Session to discuss the contract, receive a recommendation from Mr. Simon and make a decision on the contract.

#### **Resolutions for Consideration & Recommendation -**

Mr. Jones expressed concerns on how identical resolutions are being presented to multiple committees and if proper protocol is being followed according to the BJCTA bylaws. He agreed that resolutions should come before multiple committees for discussion, but for funding recommendations, he believes that the recommendation should be under the Finance Committee. Ms. Scott explained that the bylaws do not explain how resolutions should get to the committees.

- A. Resolution No. 2009-17** – Authorization to Purchase and Replace Nine New Diesel Engines was moved by Mr. Lewis, seconded by Mr. Jones, and forwarded to the full Board for its consideration.

**Discussion:** William Copling, Interim Executive Director, reported that the BJCTA is struggling with 10% of the fleet currently out of service. The total cost to purchase these engines is \$131,927 but the BJCTA cost would be \$26,385.

Mr. Jones inquired if the BJCTA expends the whole amount or just the \$26,385. Chris Leffert, Grants and Revenue Officer, replied that the expenditure was the whole amount and then reimbursement would be made to the BJCTA.

Mr. Lewis asked if anyone had checked to see if any funds were available through Alabama Partners for Clean Air to convert diesel engines over to compressed natural gas. Mr. Leffert replied that Finance is still working through some of the new programs. Mr. Lewis recommended that the BJCTA contact the organization to see exactly what is available. Mr. Copling said that there would be a long conversion period, the maintenance department is struggling, and the situation at hand is dire.

- B. Resolution No. 2009-18** – Authorization to Purchase a New Compressed Natural Gas Engine was moved by Mr. Lewis, seconded by Mr. Jones, and forwarded to the full Board for its consideration.

**Discussion:** Mr. Copling explained that the purchase would allow the BJCTA to replace the engine on one of its CNG vehicles and return it to service. There would be no out-of-pocket cost for the purchase, once the expense is reimbursed under the Congestion Mitigation and Air Quality Improvement Program.

- C. Resolution No. 2009-19** – Resolution for Authorization for the Interim Executive Director to Enter into Contract with The Lewis Group to Provide Advertising & Public Relations Services for an Amount Not to Exceed \$84,000 was moved by Mr. Lewis, seconded by Mr. Jones, and forwarded to the full Board for its consideration.

**Discussion:** Mr. Jones asked for an explanation of projected expenditures. Mr. Copling deferred the question to Collina Washington, Manager of Procurement. She reported that The Lewis Group was asked to break down their cost. The agency fee of \$84,000 is a regular expense and is listed as a single line item. The agency's proposed advertising program of \$68,800 is optional, would need approval, and is listed as an additional line item(s). The line item for Marketing Consulting should be amended to reflect the new contract price. Mr. Jones asked what the Program Development Committee recommended for this resolution and Barbara Lawson, Board Support, replied that it was voted to be forwarded to the full Board for its consideration.

- D. Resolution No. 2009-20 (Revised)** – Authorization to Purchase Twenty (20) New Compressed Natural Gas Buses Contingent Upon Receipt of American Recovery and Reinvestment Act (ARRA) Funds and Authorization by the Federal Transit Administration was moved by Mr. Lewis, seconded by Mr. Jones, and forwarded to the full Board for its consideration, with changes to recommend purchases as previously communicated to the public.

**Discussion:** Mr. Jones noted that this resolution had never been sent to the Finance Committee for its review. Mr. Copling replied that it was a revision contingent on stimulus money that would accelerate the delivery of vehicles by March 31, 2010, if the purchase order was placed by June 2009.

Mr. Lewis asked if the funds were the same as the \$8.7 million from stimulus funds. Mr. Copling replied affirmatively. Mr. Lewis commented that both he and Mr. Copling had publicized and presented the BJCTA proposed projects for the \$8.7 million stimulus funds at several public meetings, including Congressman Artur Davis' Transportation Summit, the City of Birmingham Committee of the Whole, the Birmingham Mayor's office, and the City of Bessemer. The plans included the purchase of fourteen (14) buses, the renovation of the 8<sup>th</sup> Avenue Facility, and the implementation of the superstops and express services. Mr. Lewis commented for the BJCTA to do anything differently would, in his opinion, be derelict. He reiterated that the repairs to the 8<sup>th</sup> Avenue Facility would have to be completed in order to accommodate the new buses.

Mr. Jones questioned if the resolution was added by Mr. Copling this week. Mr. Copling replied affirmatively and that he had been directed to do so by the Chairman of the Program Development Committee. Mr. Lewis clarified with Mr. Copling that the Chairman of the Program Committee directed the resolution to be revised, reflecting a change in the number of buses to be purchased from fourteen (14) to twenty (20), after knowing what had been publicized to the community. Mr. Lewis then asked Mr. Copling if he knew why the Chair of the Program Development Committee would direct such. Mr. Copling suggested that he ask Ronald Lyas, Chair of the Program Development Committee.

Mr. Jones asked Mr. Copling, in light of the Finance Committee's discussion and in view of what has been publicized and communicated, what would be his recommendation. Mr. Copling replied it would be for the purchase of twenty (20) buses.

#### **Old Business – None**

#### **New Business –**

Mr. Lewis reminded the Committee of the memorial services arranged for Sylvia Jenkins, Manager of Planning, on Saturday, April 18, 2009.

Mr. Copling announced that he received a request for BJCTA information regarding the potential impacts on FTA grants awarded to the BJCTA due to the suspension of Larry Langford, Mayor of the City of Birmingham, by the EPA on February 26, 2009. Requested information to be provided by the Authority's attorney is in regards to: 1) a description of the relationship/role between the Mayor and BJCTA as it pertains to transit funding and transit related projects; and 2) a description of the relationship/role between the Mayor and BJCTA as it pertains to FTA funding and transit related

projects. The FTA will perform a limited Procurement System review and the information will be reviewed by their Regional Administrator and FTA Counsel.

**Adjournment** – The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Administrative Assistant

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

Approved by: \_\_\_\_\_  
Walter Jones, Committee Chairman