



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

Wednesday, June 15, 2011

**Opening:** The meeting was called to order by Committee Chairman Johnnye P. Lassiter at 11:00 a.m. in the Executive Briefing Room, located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

**Members Present:** Brian Hamilton and Johnnye P. Lassiter

**Members Absent:** None

**Others Present:** Debra Anderson-Burse, Peter Behrman, Cynthia Dowdell, Jacquese Gary, Lee Jackson, Barbara Lawson, Chris Leffert, Dr. Jesse Lewis, Julie McMillan, Councilor Kim Rafferty, and Solomon Wilson.

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

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

#### FY2012

Acting Chief Financial Officer Julie McMillan reported that there was approximately \$1.5 million increase over the FY2011 budget, which may fluctuate. The capital budget remained the same.

The budget portion for the City of Birmingham was submitted a couple of days prior to the deadline. Staff will visit other funding partners week after next. Ms. Lassiter requested to learn the date and time of the meeting with Bessemer so that she could also attend the meeting.

Mrs. McMillan and Executive Director Peter Behrman plan to meet late next week with department heads to review division budgets and capital needs. Two outstanding issues are: 1) overhead and 2) reflecting everything to the new reorganizational chart while maintaining the National Transit Database (NTD) format. Mrs. McMillan anticipates having a budget ready for board review at the next Committee meeting. Ms. Lassiter requested a copy of the new organizational chart.

Mr. Hamilton reported that the Pension Allowance Committee had recently met. He has charged staff to look at the recommendations from the actuary and, in conjunction with the new collective bargaining agreement, he wants the increase to properly secure the futures of employees to be included in the \$27.7 million budget number that has been submitted to the City. Mrs. McMillan explained that the BJCTA is considering two other

long term solutions – having the state buy out or having an insurance company buy out and assume the risk. Tom Angell, attorney for the Pension Allowance Committee, is supposed to be looking into the insurance company option and Director of Administration and Risk Management Debra Anderson-Burse is looking into the state option. Mr. Hamilton offered that the short term solution would probably be to set aside cash to make sure it is funded on an actuary basis.

Birmingham Councilor Kim Rafferty respectfully requested that a copy of transit related materials, such as the budget information that was provided to Kevin Owens, be also sent to her office, as she is the BJCTA representative to the Council.

#### Financial Report

Mrs. McMillan reported that as of May 31, 2011, assets were \$41,424,671.44 while total liabilities were \$10,734,187.94. The Income Statement details year to date revenues of \$28,868,360.72 and expenses of \$20,567,137.29 resulting in a difference of \$8,301,223.43. The total cash and cash equivalents were \$9,476,054.48 of which \$7,416,777.98 was the balance in the operating and money market accounts. Total overall variance with the budget is a positive \$2,881,330.17. The major factor for the positive variance in revenues is approximately \$323k in ad valorem taxes and \$373k, in FTA reimbursements for preventative maintenance. On the Expenses, the major factors for the positive variance are favorable health claims of \$274k, \$1,309k set aside for the bus rehab program and normal repairs. Other favorable factors include \$183k due to the lessening of our use of diesel and \$91k budgeted for the production of the new Transit Development Plan.

Mrs. McMillan reported that the BJCTA has outstanding receivables from City of Birmingham for the months of April, May, and June 2011. The months of April and May have been authorized but not June 2011. Councilor Rafferty offered that city council is waiting for the mayor's office to bring the matter forward. It would be helpful to show the improvements made by the BJCTA, as recommended by the APTA Review and the Triennial Review.

In response to Ms. Lassiter, Transportation Manager Solomon Wilson reported that some of the overtime expenses could possibly be attributed to the disaster relief provided to the storm victims. Mr. Leffert reported that approximately 900 hours were devoted to the relief efforts but he was not sure if it contributed to the overtime expenses. Councilor Rafferty also requested a copy of our disaster relief report so that it could be presented at the budget meeting scheduled for Saturday. Ms. Lassiter requested a copy also.

Senior Transportation Manager Cynthia Dowdell explained that two supervisors had retired and that two more supervisors had been on long-term medical leave. Two new employees that have been in their six-to-eight week training period are now ready to work alone; the two employees on leave have returned to work. The overtime hours are expected to decrease soon. Mr. Hamilton recommended having a waiting list of twenty to forty people that can be contacted for possible employment to prevent gaps in

employment caused by re-advertising. Ms. Lassiter suggested looking at the recently laid-off county drivers to fill the shortage of operators.

#### Travel Request

Mr. Hamilton expressed interest in attending the COMTO meeting in Philadelphia next month. Ms. Lassiter asked him to submit an official request form, if there was one to be completed.

#### **Resolutions for Consideration & Recommendation –**

- A. **Resolution No. 2011-29:** Authorization to Increase Spending Authorization Limit of the Executive Director to \$25,000 was tabled.

*Discussion:* Mr. Hamilton moved to take the resolution from the table, seconded by Ms. Lassiter, and approved by general consent. Mr. Behrman explained that the increase was recommended by APTA in the peer review. In addition, the increase would allow flexibility in some cases such as when purchasing an engine for maintenance. Mr. Hamilton recommended that staff continue to be proactive and thoughtful in its purchases so that operations are not adversely impacted. However, at this time, the volume of purchases over \$10,000 does not seem to warrant the requested increase. While it may seem to be a matter of trust, it is not personal.

- B. **Resolution No. 2011-40:** In Recognition and Appreciation to Frank C. Galloway, Jr., for His Service as a Member of the Board of Directors of the Birmingham-Jefferson County Transit Authority was moved by Mr. Hamilton, seconded by Ms. Lassiter, and forwarded to the full Board for its consideration.
- C. **Resolution No. 2011-41:** Authorization for the Executive Director to Exercise the Final Renewal Option of the Contract with Dynamic Security Services to Provide Physical Security Services Authority was moved by Mr. Hamilton, seconded by Ms. Lassiter, and forwarded to the full Board for its consideration.
- D. **Resolution No. 2011-43:** Authorization for the Executive Director to Approve the Ordering of Two Cummins CNG Engines and Authorize Payment of Invoices to W.W. Williams Authority was moved by Mr. Hamilton, seconded by Ms. Lassiter, and forwarded to the full Board for its consideration.
- E. **Resolution No. 2011-44:** Authorization to Purchase Items for Wheel Assembly on Four (4) Orion Buses Authority was moved by Mr. Hamilton, seconded by Ms. Lassiter, and forwarded to the full Board for its consideration.

*Discussion:* Per the request of Mr. Hamilton, Mr. Behrman explained the spare ratio and how buses must be kept on the books and in service until

their lifespan of twelve years is complete. Our current spare ratio is over by two buses.

Ms. Lassiter inquired if everything was straight with Precision Sales. Grants and Procurement Manager Chris Leffert replied in the affirmative. She also asked about the BJCTA inventory list and the checks and balance procedures for charging out parts. Director of Maintenance Lee Jackson explained the procedures. James Wormely is responsible for overseeing the process. Ms. Lassiter suggested that the procedures be especially followed when a person's employment is terminated.

### **Old Business:**

#### Update on Disaster Relief for the Tornado Victims:

Mrs. McMillan reported that the Benevolent Committee has received applications from two employees. The Committee is reaching out to others that were known to have suffered damage. Thus far, employee contributions total \$763.00. It seems evident that the goal of \$5,000 will not be reached. In the case that the form may be causing employees to shy away from applying, the Committee asked that Benevolent Committee members assist the employees in completing the form. Councilor Rafferty suggested that the City's Community Development Office be contacted regarding a form that has been approved by the government.

#### Update on Bus Wash and Vacuum System:

The bus wash system was fully operational on May 26 and there have been 1200 washes thus far. The vacuum system is expected to be operational by July 29, 2011. Since cleanliness of the buses is one of the most consistent complaints, Mr. Hamilton instructed that a memorandum be prepared for Councilor Rafferty's budget meeting that would include the cost of the bus washer and vacuum system, and how many washes performed since it was operational, etc. Mr. Leffert informed the Committee that the bus washer was one of the projects funded 100% by stimulus funds. Mr. Jackson requested that if anyone noticed an unclean bus, that he would appreciate receiving an email with the bus number noted.

In response to Councilor Rafferty regarding the Emergency Management Agency (EMA) as reported as a finding in the Triennial Review, Ms. Anderson-Burse explained that the findings were not in regards to the recent disaster relief but pertained to emergencies that might include terrorist activity.

#### Financial Write-Offs:

Mrs. McMillan requested permission to write-off monies owed by former employees who had unreconciled balances such as for past travel. Ms. Lassiter requested that the item be added to next month's Committee agenda.

**New Business:**

Bus Shelters:

Ms. Lassiter asked who should be contacted if someone noticed a bus shelter in need of repair or cleaning. Mr. Jackson requested that he receive the information by email. He will then forward the pertinent information to Facilities Manager L.A. Moss for scheduling repairs or cleaning.

**Adjournment:** The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Executive Administrative Assistant

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

Approved by: \_\_\_\_\_  
Johnnye P. Lassiter, Committee Chairman