



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

Wednesday, July 20, 2011

Opening: The meeting was called to order by Committee Chairman Johnnye P. Lassiter at 10:00 a.m. in the Executive Briefing Room, located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

Members Present: Jack Darnall, Brian Hamilton and Johnnye P. Lassiter

Members Absent: None

Others Present: Debra Anderson-Burse, Robert Ballard, Peter Behrman, Ernestine Cobb, Martin Edwards-Clark, James O. Hill, Lee Jackson, Barbara Lawson, Chris Leffert, Julie McMillan, Rev. Patrick Sellers, Makeda Smith, Ron Wall, 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 staff has prepared the FY2012 budget to be consistent with revenue projections. She and Executive Director Peter Behrman have met with the mayors or their representatives from the cities of Hoover, Center Point, Mountain Brook, and Vestavia Hills. Meetings are scheduled with Tarrant and Bessemer. Other meetings will be scheduled, including a meeting with Jefferson County. If the BJCTA receives flat lined funding, there will be allowance to contribute to the pension fund; it will be impossible with reduced funding.

Ms. Lassiter questioned if an increase in operator trainee salaries was included in the FY2012 budget. Mr. Behrman replied in the affirmative.

Financial Report

Mrs. McMillan reported that as of June 30, 2011, assets were \$41,008,319.17 while total liabilities were \$10,169,333.62. The Income Statement details year to date revenues of \$31,462,566.56 and expenses of \$23,012,841.08 resulting in a difference of \$8,449,725.48. The total cash and cash equivalents were \$7,980,291.16 of which \$6,499,526.58 was the balance in the operating and money market accounts. Total overall variance with the budget is a positive \$3,163,870.56. The major factor for the positive variance in revenues is approximately \$426k in ad valorem taxes and \$549k, in FTA reimbursements for preventative maintenance. On the Expenses, the major

factors for the positive variance are reduced salary expense of \$416k, favorable health claims of \$330k, \$1,285k set aside for vehicle maintenance. Other favorable factors include \$203k due to the lessening of our use of diesel and \$102k budgeted for the production of the new Transit Development Plan.

Mrs. McMillan reported that the City of Birmingham has made payment for the months of April and May 2011. Birmingham's Transportation and Communications Committee has recommended payment for the month of June 2011.

Financial Write-Offs

At Mrs. McMillan's request, Brian Hamilton moved to write-off an amount of \$213.37 for an uncollectible debt from a former employee, seconded by Jack Darnall, and approved by general consent of the Committee.

Update on Disaster Relief for the Tornado Victims:

Five employees will be receiving funds for a total \$5,462.37 from the Hardship Fund that will be used primarily to help with their insurance deductibles. Proper procedures and forms were used in the application process.

In-House Legal Services

Grants and Procurement Manager Chris Leffert reported that the BJCTA is exploring the options of using in-house legal services. Three documents were distributed for informational purposes: 1) a summary of BJCTA monthly costs incurred for legal services since October 2010; 2) a printout from the Bureau of Labor showing wage estimates for legal occupations in the Birmingham-Hoover area; and 3) a printout of mean salary by size of employer representing transit systems that use in-house legal services. Mr. Leffert reported that few transit systems utilize in-house legal services and there would likely be the necessity for out-sourcing some legal services for special issues.

Ms. Lassiter requested an itemization of the May 13, 2011 billing from the BJCTA's current legal counsel. Mr. Leffert had the information available and agreed to give Ms. Lassiter a copy after the meeting.

Resolutions for Consideration & Recommendation –

- A. **Resolution No. 2011-45:** Authorization for the Executive Director to Continue the Authority's Membership in the American Public Transportation Association (APTA) for Fiscal Year 2012 was moved by Mr. Hamilton, seconded by Mr. Darnall and forwarded to the full board for its consideration.
- B. **Resolution No. 2011-46:** Authorization to Release Solicitations was moved by Mr. Hamilton, seconded by Mr. Darnall and forwarded to the full board for its consideration.
- C. **Resolution No. 2011-47:** Authorization to Extend the Existing Legal Services Contract with Balch and Bingham LLP For a Period Not To Exceed Sixty (60)

Days was moved by Mr. Hamilton, seconded by Mr. Darnall and forwarded to the full board for its consideration.

Old Business:

Safety Report

Director of Administration and Risk Management Debra Burse referred the Committee to page 38 in the packet and reported that there were 28 participants in the Reasonable Suspicion Refresher meeting; and 96 participants in the Protective Poles meeting. Safety meetings will be more consistent once the division is fully staffed.

In response to Ms. Lassiter, Director of Maintenance Lee Jackson explained the accident due to an operator pulling off while still attached to the fuel pump.

Automobile Insurance

Ms. Burse reported that the liability insurance covers all BJCTA vehicles. There are no significant increases in rates because of longevity of relationship with the provider and low claims.

Bus Shelters

In response to Ms. Lassiter, Mr. Leffert reported that when neighborhoods approve funds for shelters, they usually encumber the amount on their records as purchase orders. However, the BJCTA never receives any payments until the shelters are actually installed. The BJCTA has not been holding monies from the neighborhoods.

Overtime

Ms. Lassiter questioned the increasing figures on the overtime report and the same employees performing the overtime. Robert Ballard, the new Director of Transportation, was introduced. He agreed to address the issues of overtime. For his benefit, Mr. Hamilton explained some of the board's concerns regarding overtime costs, especially those of the fixed route supervisors who are classified as non-exempt employees.

Mr. Darnall questioned whether the overtime was due to unfilled positions. He then asked if the dollar figure for overtime was for premium hours alone or if any of the reported cost was for straight time. Ms. McMillan responded the report reflected the combined cost. Per instructions from the Committee, Mrs. McMillan agreed to modify the report so that it would reflect exactly what the cost is for premium time.

New Business:

Ms. Lassiter referred to a complaint that she received regarding an operator of Route #1. She agreed to give Mr. Behrman the name and number of the rider so that the complaint can be investigated. He agreed to follow-up.

Adjournment: The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Executive Administrative Assistant

Date: _____

Approved by: _____
Johnnye P. Lassiter, Committee Chairman