



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

Wednesday, August 19, 2009

Opening: The meeting was called to order by Guin Robinson, at 8:30 a.m. in the Executive Briefing Room, located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

Members Present: Chris Lewis and Guin Robinson

Members Absent: Walter Jones

Others Present: Debra Anderson-Burse, Jacquese Gary, Darrell Howard, Barbara Lawson, Chris Leffert, Dr. Jesse Lewis, Tracy Lewis, Ronald Lyas, Richard Nardecchia, Kevin Palmer, Wytangy Peak, Nicholas Porterfield, Joi Scott, Rev. Patrick Sellers, 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 July 31, 2009, assets were \$28,702,467.84 while total liabilities were \$8,377,805.45. The Income Statement details year to date revenues of \$24,683,604.12 and expenses of \$23,850,896.00 resulting in a difference of \$1,571,973.87. The total cash and cash equivalents were \$3,766,506.12 of which \$3,739,927.51 was the balance in the operating and money market accounts. Total overall variance with the budget is a positive \$3,892,060.77.

The overtime hours have remained about the same. There are eight (8) vacancies for operators and two (2) vacancies for mechanics for which there are testing and interviews scheduled. Guin Robinson requested a written plan from William Copling, Interim Executive Director, by the next Board meeting, regarding a reduction of employee turnover.

Payments from Municipalities

Mr. Nardecchia directed the Committee to page 18 of the packet.

- Midfield: In FY 2008 the annual operating cost was \$40,092; two payments of \$5,000 each have been received. For FY 2009, the annual cost is \$95,292.00.

In response to Mayor Gary Richardson challenging these figures, Chris Lewis requested a written report regarding the change of hours for the City of Midfield between the year of 2008 and year 2009 and who initiated the changes.

In reference to Midfield, Brighton and Lipscomb, Mr. Lewis suggested that the BJCTA needs to begin taking necessary action to get the municipalities to pay in full for previous years and start paying current bills or else the BJCTA should discuss eliminating their services.

- Hoover: The City approved \$50,000 for transit in their FY 2009 budget. The City passed their budget nine months into the fiscal year, after operating costs exceeded the amount budgeted. During meetings held over the past several months, the City was made aware that the costs were exceeding their proposed amounts for transportation.

Joi Scott, Legal Counsel, reported that the BJCTA's argument for pursuing payments legally would be that the municipalities have been paying without a signed contract and the payments were approved in the municipalities' budgets.

Recommendations Toward Policy of Stopping Service After Non-Payment

Ms. Scott presented a Payment by Municipalities for Transit Services Provided by the Birmingham-Jefferson County Transit Authority for discussion. Mr. Lewis moved the motion that the BJCTA adopt the policy, with changes requested, it was seconded by Mr. Robinson and forwarded to the full Board for its consideration. Mr. Robinson requested that the policy be made available by email to the Board members prior to the next Board Meeting, via email, for their review.

Memo of Understanding Between the Birmingham-Jefferson County Transit Authority and the Participating Municipalities

Ms. Scott presented a Memo of Understanding that would be basic but individualized for each city served. Mr. Lewis moved the motion to recommend the document for adoption by the BJCTA, with changes requested, it was seconded by Mr. Robinson and forwarded to the full Board for its consideration. Mr. Robinson requested that the Memo of Understanding be made available by email to the Board members prior to the next Board Meeting, via email, for their review.

Update regarding Financial Information Being Publicized

Mr. Robinson commented that the Board is very proud of the recent audit and asked Dr. Jesse Lewis his recommendations for getting the information out to the public. He replied that the BJCTA could disseminate a copy of the audit to the people served.

Update Regarding an Electronic Time Card System

Collina Washington, Manager of Procurement, reported that the initial system recommended by Mr. Copling in the last Board Meeting was not determined to provide the functionality needed without adding work to the current payroll process. Teleconferences and web meetings were held with nine (9) vendors and proposals were

received. Recommendation was presented toward the purchase of a biometric solution from Data Management, Inc., at an approximately cost of \$10,378 plus possible costs of approximately \$400 for adding space on the BJCTA server. The system could be implemented within thirty (30) days of purchase.

Mr. Lewis moved the motion of recommending the BJCTA to purchase the system from Data Management Inc.; it was seconded by Mr. Robinson and forwarded to the full Board for its consideration.

Update on City of Birmingham Receiving Capital Improvement Funds and General Funds Separately

Mr. Nardecchia reported that there is \$700,000 in the FY 2010 budget for capital items, not yet identified. Mr. Robinson requested that the capital items be identified based on needs. Mr. Lewis said that a capital improvement budget should be prepared annually that reflects the holistic capital needs and the staff should have the most comprehensive awareness of the needs. Mr. Robinson requested the proposed budgets to be presented at the next meeting.

Update from Legal Counsel Regarding Lobbyist at the Federal and State Levels

Ms. Scott reported that federal funds cannot be utilized for lobbying. She will send a written report regarding the state's constitution. Mr. Lewis commented that the BJCTA needs someone lobbying on a federal level because of current events taking place at the federal level. Mr. Robinson suggested the Alabama Transit Association also be considered a means in this area.

New Service Plan for the City of Hoover

Wytangy Peak, Interim Manager of Planning, reported that there will be a meeting on Monday, August 24, 2009, with the City of Hoover. The new service plan has not been finalized. Mr. Lewis questioned Legal Counsel on how to handle the \$69,000 in arrears. Ms. Scott replied that there was an implied contract that has been breached. She asked for time to further research the matter. Mr. Robinson asked that the results of the upcoming meeting be communicated to the Board.

In-town Transit Partnership (ITP) Resolution

Mr. Lewis was approached by Al Folcher, one of the business leaders working with the Regional Planning Commission (RPC) on this project, in regards to a resolution from the BJCTA in support of the federal grant application for the ITP. Mr. Folcher was to have his public relation person contact Mr. Lewis to address concerns he had toward a comprehensive plan for the community for the current riders. To date Mr. Lewis has not been contacted. Mr. Folcher has not returned Mr. Lewis' calls.

Darrell Howard, RPC, was present and reported that if the funds should come through the FTA, they would be directed to the BJCTA; however, if the funds are distributed directly from the U.S. Secretary of Transportation, the money could go to any designated recipient. There were multiple concerns expressed by the Committee,

especially what would happen after the first three years of funding and who would be responsible for obtaining the continued operational funds.

Mr. Robinson moved the motion that this discussion come before the full Board with a request that all key persons involved in the project be invited to the next Board meeting to give a full presentation of the project; it was seconded by Mr. Lewis and forwarded to the full Board for its consideration.

Procurement Presentation

Ms. Washington reported that the presentation was prepared at the request of Walter Jones to communicate the procurement process made thus far toward the purchase of vehicles with the stimulus funds. LAMetro has already gone through the procurement process and is assigning twelve (12) options on a base bus for the BJCTA. If approval by the Board is granted by August 31, the first buses manufactured by NABI would arrive by August 2010.

Mr. Lewis reported that a CNG conference was held in Birmingham a month ago. Representatives and buses were present from NABI and a new company named Foton. The price of the Foton bus, outfitted with component parts identical to the NABI bus, was \$110,000 less than the NABI bus. He asked if the BJCTA had explored all its options.

Mr. Robinson requested that Mr. Lewis provide contact information so that Mr. Copling and Ms. Washington could research the Foton option and report back to the Committee.

Safety Report

Kevin Palmer, Safety and Security Manager, reported the only major accident was on July 22, 2009, at no fault to the BJCTA. In reply to Mr. Robinson's direct question regarding accidents and employees working long hours, Mr. Palmer replied that he would like to see at least eight (8) hours off between shifts, but that he had not seen a huge relationship in this area.

Resolutions for Consideration & Recommendation - None

Old Business – None

New Business – None

Adjournment – The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Administrative Assistant

Date: _____

Approved by: _____
Guin Robinson for Walter Jones, Committee Chairman