



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

Wednesday, September 16, 2009

Opening: The meeting was called to order by Walter Jones, at 8:35 a.m. in the Executive Briefing Room, located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

Members Present: Walter Jones, Chris Lewis, and Guin Robinson

Members Absent: None

Others Present: Anna Brown, Jacquese Gary, Barbara Lawson, Chris Leffert, Dr. Jesse Lewis, Ronald Lyas, Richard Nardecchia, Kevin Palmer, Wytangy Peak, Nicholas Porterfield, Charles Riddley, Joi Scott, Rev. Patrick Sellers, Collina Washington, and Deborah Whitt.

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 August 31, 2009, assets were \$27,771,316.53 while total liabilities were \$8,598,389.61. The Income Statement details year to date revenues of \$27,163,966.06 and expenses of \$25,389,946.66 resulting in a difference of \$1,774,019.40. The total cash and cash equivalents were \$3,089,049.42 of which \$3,062,428.55 was the balance in the operating and money market accounts. Total overall variance with the budget is a positive \$4,326,114.99.

Plan to Reduce Overtime Report

William Copling, Interim Executive Director, referred the Committee to the staff summary entitled Management of Overtime Expenditures and also the handout entitled Overtime Reduction Actions by Department. Within the next thirty (30) days, work schedules will be reworked to 40-hour work weeks, reducing and/or eliminating built in overtime. Recruiting employees for vacant positions is another factor planned for reducing overtime costs. Mr. Copling noted that the overtime for the maintenance technicians cannot be eliminated any time soon because of the condition of the fleet.

Guin Robinson moved Resolution No. 2009-34 – Management of Overtime Expenditures to become policy; it was seconded by Walter Jones and forwarded to the full Board for its consideration by general consent, with changes requested.

Report on Change of Hours for the City of Midfield

Mr. Copling reported that an audit performed by Chris Leffert, Grants and Revenues Officer, resulted in the discovery of incorrect numbers in the Midfield account. The new hours listed are a result of the audit. Mr. Copling reported that the information was communicated in a meeting. Mr. Robinson asked Mr. Copling to communicate this information in writing to the City of Midfield.

Update on New Service Plan for the City of Hoover

Mr. Copling presented two new service plans for the City's consideration. However, due to comments received at the public hearings, the plans will be modified to include limited mid-day service and Saturday service. The new service plan will be implemented on October 19, 2009.

Capital Improvement Budget

Mr. Copling distributed a FY 2010 Capital Improvement Budget. Regarding the FTA Fiscal 2009 earmark, there are plans to purchase three (3) transit buses and five (5) paratransit vehicles. With the FTA Fiscal 2003 earmark/grant, there are plans to purchase alternative fuel vehicles. These funds, along with various others, will bring the total purchase of buses to twenty-four (24) and the total purchase of paratransit vehicles to thirty-five (35).

Mr. Robinson requested a timeline, in writing, for using the funds for the planned purchases.

Mr. Copling announced that the BJCTA has a signed contract with the City of Birmingham, and a RFP has been sent out for the thirty (30) paratransit vehicles with a due date of October 2, 2009. If all goes as scheduled, the vehicles are expected to arrive by January 31, 2010.

Dr. Jesse Lewis of The Lewis Group recommended that when corresponding with the mayor to copy each city council member. He also suggested that when the BJCTA elects a new chairman of the board, that he meet with the editorial board of local media with his ideas and concepts.

Mr. Copling distributed a Memo to the Board of Directors regarding a BJCTA Wish List. Mr. Leffert will be researching sources to help fund items on the wish list. Mr. Jones requested that the wish list be resubmitted, prioritizing the needs and listing the related cost estimates.

Report on Foton Bus

The report was included in the packet and accepted as read. The Committee confirmed that the Foton bus is not Mr. Copling's recommendation.

Mr. Copling responded to the Committee and TAC members present that during the bus procurement process, extensive talks were held with supervisors, managers, operators, mechanics, and engineers from vehicle manufacturers to receive their recommendations for the purchase of the most superior bus possible, based on their previous experiences. A pilot vehicle will arrive 30-90 days prior to the remaining fleet so that it can be tested on the local terrain and evaluated for change orders before the remainder of the fleet is manufactured.

Report on Procurement of Buses

Collina Washington, Procurement Manager, reported that with the stimulus funds there are plans for the purchase of twelve (12)-30' buses through the assignment with LAMetro; five (5)-40' additional buses directly from NABI; a bus washer and vacuum system; and renovations to the exterior of the 8th Avenue Facility, including duct work.

Chris Lewis questioned how the price of the 30' bus could be the same as a 35' bus and a 40' bus. Ms. Washington responded that there were changes requested in the specifications, especially to include a wireless alternator system to aid in the prevention of fires and other safety features. Mr. Lewis requested a report be prepared for the board that would list the base price of the bus and also describe the additional bus features and their related costs. Ms. Washington agreed to send the information to Board Support personnel who in turn could distribute it to the Board members.

Update on RFP of Paratransit Vehicles

Ms. Washington reported that a pre-proposal conference will be held Friday, September 18, 2009. The conference will be recorded and placed on the BJCTA website; questions and answers will be released in addendums. The RFP was advertised and also sent to vendors. Three vendors have responded thus far and the deadline for receiving proposals is October 2, 2009. Proposals will include a delivery schedule. The target date of delivery is January 31, 2010. When the RFP was reissued, a statement was included to show BJCTA separation from the city and county.

Update from Legal Counsel Regarding Lobbyist at the State Levels

Ms. Scott reported that federal funds cannot be utilized for lobbying, as previously reported. She advised that if the BJCTA were to use any funds for a lobbyist, it could cause the FTA to review the organization more closely. From a funding standpoint, Mr. Copling explained that it was not in the best interest to entertain this idea because of the scrutiny it could cause. Mr. Lewis agreed and recommended that the organization establish a better relationship with the corporate community that has lobbyists at the state and federal levels and get them add transit to their legislative agenda.

In response to questions presented by Anna Brown, Transit Advisory Committee (TAC) member, Dr. Lewis suggested that the interim executive director have a meeting with the TAC members to answer their questions and report to the Board.

Contingency Plan Regarding Jefferson County

Mr. Copling reported that the money received from Jefferson County is from ad valorem tax, mandated by legislation. The BJCTA also provides a jury shuttle that is under contract until 2010. The item was listed more for discussion purposes to distance our organization from the County's financial problems and their possible bankruptcy.

Resolutions for Consideration & Recommendation –

- A. **Resolution No. 2009-29:** Authorization to Accept Assignment from LAMetro for the Purchase of Twelve (12) New CNG Transit Vehicles was moved by Guin Robinson, seconded by Chris Lewis, and recommended to the full Board by general consent, with changes requested.

Mr. Robinson requested that meticulous records be kept during the time that the pilot vehicle is being tried and tested. Dr. Lewis suggested that the BJCTA get an independent agent to ride the bus and interview riders to get accurate documentation.

- B. **Resolution No. 2009-32:** Authorization for the Interim Executive Director to Purchase a Biometric Time and Attendance System ("Time Clock Plus") from Data Management, Inc., was moved by Guin Robinson, seconded by Chris Lewis, and recommended to the full Board by general consent.

Mr. Jones requested that Ms. Washington provide background about the company and its financial stability.

Old Business –

Mr. Robinson requested that staff continue monitoring the In-town Transit Partnership project and if there are any concerns to bring them before the Board.

New Business –

- A. Mr. Copling reported that there was a trolley bus in 2006 that was delivered to a vehicle repair service. The vehicle was returned to service about 2-1/2 weeks ago and an invoice was received in the amount of \$45,707. Mr. Copling recommended that payment be authorized for costs incurred. Dr. Lewis suggested that the BJCTA negotiate the cost to lower the amount invoiced.

Mr. Robinson moved the motion that the item come before the full Board for discussion, it was seconded by Mr. Jones, and recommended by general consent, with negotiations being requested.

- B. Mr. Coping reported that the BJCTA was called to attend the Transportation Committee of the City of Birmingham. There is a pending resolution that has been proposed for the BJCTA to allow students going to and from school to ride free during specific hours. The cost for riding an estimated 100 children per day would be approximately \$15,000 per school year, in addition to extra security

costs. The Committee expressed concerns that this seems to be a Birmingham City School obligation. There would be increased disturbances, needs for additional security plans and costs, and the possibility of opening up free rides for other travelers. Dr. Lewis offered to check into the matter this day on behalf of the BJCTA.

Mr. Lewis moved the motion that the item come before the full Board for discussion, it was seconded by Mr. Jones, and recommended by general consent.

Adjournment – The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Administrative Assistant

Date: _____

Approved by: _____
Walter Jones, Committee Chairman