



It's time to ride!

Birmingham-Jefferson County Transit Authority
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**Report to the Board
Call Committee of the Whole**

March 25, 2009

Opening: The meeting was called to order at 11:00 a.m. in the 2nd Floor Executive Briefing Room located at 1735 Morris Avenue, Birmingham, Alabama by the Board Chairman, Chris Lewis.

Members Present: Brian Hamilton, Walter Jones, Johnnye P. Lassiter, Chris Lewis, Doris Powell, Guin Robinson, and Rev. Patrick Sellers

Members Absent: Frank C. Galloway and Ronald Lyas

Others Present: Debra Anderson-Burse, Jacquese Gary, Barbara Lawson, Jesse Lewis, Richard Nardecchia, Joi Scott, and Kenneth Simon

Approval of Agenda: The agenda was adopted as presented.

Items for Information and/or Discussion:

Review of FY2010 Budget

In response to Guin Robinson's questions made at previous Finance Committee meetings regarding overtime expenses, Chris Lewis distributed payroll information detailing overtime expenses by position. Mr. Lewis said that as the Committee reviews the budget, overtime should be considered for discussion. He then asked Richard Nardecchia, Chief Financial Officer, to give the members an overview of the budget.

Mr. Hamilton interjected before Mr. Nardecchia proceeded that it should be noted that names are listed on the payroll printout and that Committee members should be cautious as discussions are made, if it involves a person's good name and character. He further stated that those discussions may be more appropriate in an executive session. Mr. Robinson agreed, but stated that he did not want to confuse good name and character with job performance, and that the Committee could talk about an individual's overtime hours without talking about their character. Johnnye P. Lassiter stated that this information is a matter of public record.

Mr. Lewis asked Mr. Nardecchia to proceed with the overview of the budget and stated that the Committee could have discussions about specific line items. Mr. Nardecchia reported that last year the BJCTA billed municipalities at \$50.88 per service hour. This year, however, the amount is \$51.22, an increase of 34 cents per service hour. Also included in the budget is an increased pension cost for the hourly employees, affecting the budget by an amount of \$432,000, or 5.5%; for health and other insurance, there is

a 10% increase; and for other miscellaneous items, such as supplies, there is an increase of 5%.

Mr. Lewis announced that he had asked Debra Anderson-Burse, Director of Administration and Risk Management, and Barbara Lawson, Board Support, to prepare a portfolio that will be helpful in selling this year's budget. The portfolio will include an outline of the Board members, list of department heads, the number of employees, annual budget, number of vehicles, description of total services and areas covered by the BJCTA, and a breakdown by municipality—Birmingham, Jefferson County, Hoover, Bessemer, Vestavia, Brighton, Lipscomb, Midfield, UAB, Mountain Brook, Homewood, Tarrant and Fairfield. Information for each municipality will be itemized, listing the total ridership, hours of service provided, number of routes running in their areas, number of vehicles that are allocated to run on those routes, the number of bus stops, number of annual riders, and the number of Paratransit trips that were provided in 2008. Fixed route buses are normally the first service that municipalities recall to mind. However, Paratransit trips are a large part of the services provided by the BJCTA and the trips are not being recognized. Mr. Lewis explained that for the city of Midfield in 2008, there were a total of 13,384 Paratransit trips for 83 VIP riders, with 18 being on dialysis. After meeting with the city of Midfield, and providing the information of what the city would forego, the BJCTA received a commitment from Midfield and \$5,000 in payment.

Mr. Lewis stated the second item to be reported from the Finance Committee Meeting is the determination that some contract services of the BJCTA are being paid in lieu of ad valorem fees. The only municipalities with current written contracts are Hoover and Vestavia. If anything were to happen that would change the other municipalities' minds on the funding portion that comes through ad valorem, the BJCTA might not have legal recourse because there is not a binding contract. He confirmed that counsel was looking into this matter for the BJCTA with Ken Simon, Legal Counsel.

Brian Hamilton commented that the portfolio is a great idea, particularly for an area like Midfield who has fixed routes that go through their city, giving them an opportunity to get the Paratransit trips, which is where their real value is.

Mr. Hamilton then questioned the BJCTA funding structure in terms of what is described as ad valorem. His understanding was that the formula is only geared toward Birmingham and Jefferson County and should the BJCTA receive a payment from Homewood, for example, then the BJCTA should have a contract in place for demand service that is not necessarily subsidized through ad valorem. Mr. Simon agreed that Mr. Hamilton's understanding was correct. Mr. Nardecchia further explained that the payment is coming from the municipalities' ad valorem funds; however, Jefferson County sends the payment to the BJCTA and the remaining funds would be remitted to Homewood. The city never sees the portion of money sent to the BJCTA.

Mr. Hamilton then asked if the formula is proportioned to specific municipalities because he was under the impression that the BJCTA received ten percent (10%) of what is collected up to a capped amount. Mr. Nardecchia agreed that Mr. Hamilton was correct and further explained that a letter is sent to Jefferson County stating each municipality's

cost. The County then takes that portion of the municipality's ad valorem money and sends it to the BJCTA.

Mr. Lewis said the problem at hand is that there are some municipalities who have had discussions of eliminating the line item of transit. When the Finance Committee began to investigate, it was discovered that the BJCTA does not have a contract in place that stipulates our agreement with all municipalities. He asked for further investigation to learn the legal recourse if a municipality, such as Homewood, Mountain Brook, Tarrant, Bessemer or Fairfield who makes payments only through ad valorem, could remove their budget line for transit and decide not to make payment.

Mr. Hamilton questioned if the ad valorem revenue would change if any municipalities, aside from Birmingham and Jefferson County, discontinued service. Mr. Nardecchia said that the revenue would change. He explained that at any point in time, a municipality could call Jefferson County to say that the service is null and void and they did not want to make payment. He did not know whether or not the BJCTA could then collect without a contract.

Mr. Simon stated the concept is that the BJCTA has two classes of participants: 1) Jefferson County and Birmingham whose funding is by virtue of an ad valorem tax formula, and 2) all other participating municipalities whose payments are based on number of hours and hourly rate.

Mr. Hamilton stated that the statutory requirement on the way the formula is set for Jefferson County should not have any bearing on whether there is a municipality or an hourly rate. He asked Mr. Simon to consider the situation, for instance, if Mountain Brook's routes should go away, then the BJCTA should not see a reduction of ad valorem coming from Jefferson County. Mr. Simon responded affirmatively. The ad valorem payments being made on the participating municipalities are being made as a matter of convenience. Mr. Hamilton reiterated that the money received from Jefferson County should be independent of municipalities with demand services, as far as ad valorem is concerned.

Ms. Lassiter stated that she has asked several times, without receiving an answer, as to how the City of Bessemer would know that the Authority is not getting over because there is no where that states how many hours of service were received and no letter or contract from the BJCTA asking for a specific amount of hours.

Mr. Lewis stated that for the BJCTA to move forward with the budget, two things need to be clarified by Mr. Nardecchia: 1) does the BJCTA needs a contract if the municipalities are using a pass through for ad valorem taxes; and 2) the amount charged by the BJCTA to the municipalities.

Mr. Hamilton asked if the revenues from Jefferson County are capped at a certain percentage. Mr. Nardecchia replied that the amount from Jefferson County is based on their projected budget. However, after their assessments are received, the estimated

amount would be adjusted to real figures. Mr. Nardecchia said that many people are appealing their current cap.

Mr. Lewis stated that Reverend Patrick Sellers, as well as Mr. Nardecchia, had voiced concerns about the impact, if any, to the BJCTA if Jefferson County files bankruptcy. He further requested clarity on these financial issues as soon as possible so the Board would know the fiscal position of the BJCTA.

Mr. Lewis distributed written issues provided by Doris Powell that should be addressed as the Committee moves forward with the budget. He also distributed an outline of items that he had asked Ms. Lawson to coordinate, stating that the items would be discussed in detail at the upcoming Board Retreat.

Mr. Lewis announced that it has been a pleasure having the opportunity to serve as Chairman but he would not seek reelection, as he needs to spend more time with his personal company. He stated that his main goals have been to look at state dedicated funding initiatives and also transit development initiatives. The challenges remaining to be addressed during the next seven months of his Chairmanship are: 1) search for a permanent Executive Director; 2) complete the collective bargaining agreement; and 3) move forward with state dedicated funding.

Mr. Lewis cited recent opportunities captivated by the BJCTA as: 1) the relationship with the Regional Planning Commission (RPC) and the Metropolitan Planning Organization (MPO), who has allocated \$22 million to fund transit projects; and 2) the collaboration with the chambers and business communities. Three recent events (the Energen Reception, the Transit Summit and the RPC Reception) were held to build collaboration for transit development and accomplished at no cost to the BJCTA.

Mr. Lewis recapped recent accomplishments and other items that he would like accomplished by this organization: 1) the hiring of a Board Support; 2) the three events held to build relationships within the community; (3) securing the \$1.77 million from the city of Birmingham to overhaul Paratransit vans; 4) securing the Congestion Mitigation and Air Quality (CMAQ) Improvement funds to overhaul all 47 Compressed Natural Gas vehicles over a two-year period; 5) matching the \$1.425 million for the purchase a voice announced system to help the aging ridership and the visually impaired; 6) securing the \$8.7 million stimulus money to purchase at least 14 new buses, renovate the 8th Avenue facility to accommodate the height of the new buses, and begin the process of the super stops; 7) completing the implementation of the super stop hubs and implementing an express bus service from the \$22 million MPO funds; and 8) funding for a feasibility study to see if it is possible to have a commuter rail project.

From a point of state legislature funding, Mr. Lewis stated it is imperative to have a quarterly stakeholder's meeting that is representative of the BJCTA Board, staff leadership, the BJCC leadership, airport authorities, hospitals, housing authorities, school systems (both K-12 and 2-and 4-year colleges) the business community, the chambers of commerce, the Regional Planning Commission, Transit Advisory Committee Chairman, Paratransit Advisory Committee Chairman, Citizen Advisory

Board Chairman, Faith-based Community, Funding Partners, and our contract service municipalities at the table as the Board begins to put forth plans to further develop transit.

Mr. Lewis announced that the Alabama Transit Association has been formed. If state dedicated funding is going to be the mission of the BJCTA, then the BJCTA needs to work with the Association so initiatives can be pushed through with a conservative force.

Mr. Guin Robinson commented that the stakeholder's meeting is an excellent idea and that he would like to see this goal move from the Chairman's goals to the Board's goals. He then offered his efforts to help.

Ms. Powell respectively asked to add improving the airport shuttle service to the list of goals. The Hotel/Motel Association has recently been up in arms regarding the shuttle service, and as a past member, she would like to see the service improved.

Review a Presentation from the Regional Planning Commission on Transit Rendering

Mr. Lewis welcomed Mr. Charles Ball of the RPC and asked him to give an overview of the transit rendering plans. Mr. Ball said that he would like to present projects that could be reasonably financed immediately or in a relatively short time based on funding from stimulus funds, the City of Birmingham or other earmarks. Because the concepts had already been explained, he chose not to repeat them. Mr. Ball distributed a colored map of the transit rendering and drew attention to the red dots representing super stops. He stated that no exact locations have been identified at this time because it would be a decision of the communities or the Authority. The wide lines represented the express buses. If one stop should cost more than expected, the map can be adjusted. The BJCTA could phase in the stops and implement them over time, pending decisions of the BJCTA.

Mr. Lewis interjected that the super stops and express buses are item numbers one and two because the \$22 million from the MPO must be allocated by September 2010. The other project costs exceed the \$22 million amount. Rev. Sellers asked about the cost of the commuter rail system because the tracks are already in place. Mr. Ball responded that rail project would cost between \$1.2 million to \$20 million per mile, for a total cost that could be in excess of \$400 million. Mr. Lewis commented that the Federal Railway Administration possibly has money available but before the BJCTA could get to the table to discuss the funds, a feasibility study would have to be completed to outline the cost. Rev. Sellers favored the idea of the rail because it would run into the heart of the most populated areas throughout Jefferson County.

Mr. Lewis informed the Board that Mr. Ball had arranged a meeting that took place on the morning of March 25, 2009 with architects that have agreed to work on the transit projects *pro bono*. It was discussed for the long term vision to have super stops going

from east to west and coordinated in conjunction with the commuter hubs so they would compliment each other. A selling point to the communities would be that these two projects, together, could bring economic development to their area.

Mr. Hamilton asked what the local match would be for the super stops. Mr. Ball answered that there is no basic local match. A portion of the \$8.7 million from the stimulus money would start the project and the \$22 million MPO funds would complete the project. Mr. Ball explained that the architects currently assembled needed a community service project and over the next month they would prepare a series of prototypical design concepts of the super stops. These architects will only be doing the conceptual designs; however, the BJCTA would have to pay an engineer to do the actual work. Mr. Lewis said that the BJCTA received an estimate of a half million dollars for the first stop. There are seven (7) stops total, for an estimated total cost of \$3.5 million. This would be a project of the BJCTA and the BJCTA would be responsible for the operational costs of the super stops.

Mr. Lewis stated that he and Mr. Ball have met with Larry Langford, Mayor of the city of Birmingham, and he has agreed to provide for the city's marketing personnel to take the visual concepts, transpose them into 3-D presentations and download them to CDs. The BJCTA will take the CDs into the community and ask for their input on deciding how many stops are needed, where the stops need to be placed, how big the stops should be, and whether or not the stops should be park and ride.

Ms. Lassiter questioned if the architects doing the work *pro bono* are local. Mr. Ball replied that they were all from three or four firms around the Birmingham area. She said that she asked because in the past, a million dollars was fronted for a firm that eventually wanted to take over the Authority and nothing came of the money.

Ms. Powell suggested that this is a perfect time to use the \$20,000 budgeted for community service.

Mr. Lewis asked for a motion from the Board so that the BJCTA could have approval for BJCTA staff and the team that Mr. Ball has assembled to begin the conceptual of how this project would look. It was moved by Rev. Sellers, seconded by Ms. Lassiter, to be forwarded to the full Board for its consideration.

Mr. Lewis announced that Mr. Ball is working on another plan, at no cost to the BJCTA. The same group of architects will develop plans to "spruce up" the lower portion of the Central Station location. Mr. Lewis thanked Mr. Ball for attending the meeting and finding solutions for transit issues of the BJCTA.

Mr. Hamilton recommended that the Program Development Committee synthesize this information and prepare a one (1) page description of what is developing.

Resolution for Discussion

A. Resolution 2009-15 - Amendment to the Birmingham-Jefferson Country Transit Authority's Travel Policy

Discussion: Walter Jones explained that the resolution concerned a few members who had misplaced their travel receipts. The current travel policy states that if a Board member loses a receipt for expenses paid by the BJCTA, then the member is not eligible for future travel as a Board member. The resolution presented would offer a solution if a member loses a receipt by having the member sign a waiver that would state that the member has lost a receipt totaling a specified amount while doing business for the BJCTA on a particular date. The member would affirm that such expenses were incurred in accordance with the BJCTA travel policies. The resolution would be made retroactive to take care of any receipts lost in the past by current Board members.

Ms. Lassiter said that she had lost receipts in 2006 and had attested to such on her expense report but that she would not have a problem signing another waiver.

Mr. Jones recommended to Ms. Burse that the BJCTA develop a travel system such as American Express that automates the travel expenses and eliminates the need for receipts.

B. Resolution 2009-16 - Authorization to Execute a One-Month Contract with The Lewis Group to Provide Marketing Communication Services

Discussion: Mr. Lewis presented this resolution for discussion to the Committee because there is another gap in the Marketing Contract and stated until there is some resolution to the Marketing Contract, the BJCTA would need to execute one-month contracts with The Lewis Group for marketing services.

Mr. Robinson asked when the bids were due. Mr. Jones replied that the RFP was due March 13 and that this resolution would cover the BJCTA until the end of April, when a resolution should be complete. He further stated that this issue is not in Finance but in Program Development where members should work through the RFP and make a recommendation.

Mr. Lewis asked for the policy on contracts, after noting the amount to be \$4,999.99. Mr. Jones referred the question to Mr. Simon who said that after three months of the contract being extended in this manner, Ms. Washington brought it to attention that if the contract amount was \$5,000 or more, then the contract would have to be competitively bid. The BJCTA cannot afford to not have these services at this time, so this amount brings it in under the amount that would require competitive bidding.

Adjournment: The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Administrative Assistant

Date: _____

Approved: _____
Chris Lewis, Chairman

Attest: _____
Rev. Patrick Sellers, Secretary/Treasurer