



Birmingham-Jefferson County Transit Authority  
1735 Morris Avenue · Post Office Box 10212 · Birmingham, Alabama 35202-0212  
Phone (205) 521-0161 · Fax (205) 252-7633 · www.bjcta.org

## **Report to the Board Finance Committee**

Friday, February 20, 2009

**Opening:** The meeting was called to order by the Committee Chairman, Walter Jones, at 8:00 a.m. in the Executive Briefing Room, located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

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

**Members Absent:** None

**Others Present:** Johnnye Lassiter, Frank Galloway, William Copling, Richard Nardecchia, Jacquese Gary, Kevin Palmer, Chris Leffert, Debra Anderson-Burse, and Ken Simon

**Adoption of the Agenda:** The agenda was adopted by general consent with the following change:

- Move MPO Update and Cost of Implementing Hubs to the first item under *Items for Information and/or Discussion*

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

#### **MPO Update**

The Metropolitan Planning Organization, MPO, was on standby, waiting to receive the results of the Economic Recovery Plan in terms of projects for Alabama. The Alabama Department of Transportation, ALDOT, has a list of projects, but it has been stated that there are no transit projects on the list. The MPO also approved amendments to the Transportation Improvement Program, TIP, the short-term budget for the Birmingham Region.

#### **Cost of Implementing Hubs**

Darrell Howard, Regional Planning Commission, gave a PowerPoint presentation detailing the cost and implementation schedule of the Community Super Stops. The presentation is included in the packet.

Chris Lewis requested that the committee make a motion to move forward with gathering information on implementing the hubs. It was moved by Jones, seconded by Robinson, and forwarded to the Board for its consideration.

### **FY 2008 Independent Audit Review**

Connie Harris, Sheppard-Harris & Associates, P.C., explained that there was not a huge change between the FY 2008 audit and the FY 2007 audit. There was an unqualified, clean opinion included in the audit, attributable to the great staff that BJCTA has. Guin Robinson stated that he is excited to see such a great audit, in comparison to where the reviews were three (3) to five (5) years ago.

### **Financial Report**

Richard Nardecchia, Chief Financial Officer, reported that as of the January 31, 2009 Balance Sheet, assets were \$32,684,096.68 while total liabilities were \$13,441,703.93. The Income Statement for the month ending January 31, 2009, details year to date revenues of \$9,986,608.21 and expenses of \$9,496,903.98 resulting in a difference of \$489,704.23. The total cash and cash equivalents as of January 31, 2009 was \$7,719,826.33 of which \$7,693,230.03 was the balance in our operating and money market accounts. Total debt owed to Compass Bank as of January 31, 2009 was \$920,473.20. Total overall variance with the budget is a positive \$1,417,738.99.

**Discussion:** Mr. Robinson requested that a monthly overtime report, by department, is provided to the Board. Mr. Lewis stated that he has recently requested and received, for administrative employees, salary, overtime, job descriptions, and current projects. Mr. Jones stated that he would like to see, in the near future, timesheets go from manual to automated.

### **Discussion on Dues for the Alabama Transit Association**

Mr. Copling stated that after research, and speaking with Kelvin Miller of the Montgomery Area Transit Authority, data was provided that each member Authority of the Alabama Transit Association, ATA, would contribute 0.15% of their non-capital expenses. This amount would not exceed \$9,250 annually and individual members would also pay a \$250 fee. On BJCTA's budget, 0.15% equals \$39,000. He recommended that more discussions are held as it relates to the dues. Additionally, he stated that guidelines for use of the funds should be established.

Mr. Robinson requested that prior to the BJCTA Board voting on anything associated with the ATA, that a copy of the budget and by-laws be received and reviewed by BJCTA's Legal Counsel to ensure there are no potential conflicts.

Mr. Copling stated that there are at least three (3) other state transit associations and copies of their by-laws will be obtained and reviewed.

Mr. Copling explained that after talking with Mr. Nardecchia, \$40,000 has been budgeted for dues and subscriptions, of which \$38,750 has already been utilized.

### **Update/Overview Montgomery Legislative Conference**

Mr. Copling explained that the 9<sup>th</sup> Annual Legislative Tourism Bash will be held in Montgomery on March 10, 2009. He stated that Mr. Lewis had spoken of chartering a bus to transport individuals to Montgomery.

Mr. Robinson asked Ken Simon, Legal Counsel, about what the Authority can and cannot do as it relates to lobbying. Mr. Simon responded that under the Federal Procurement Rules, the Federal Transit Administration, FTA, does not permit the Authority to lobby Federal Agencies or Legislative Bodies. He stated that he is unaware of anything that prohibits lobbying in the State.

### **Summary/Update of Meeting with Union Representatives**

Mr. Simon stated that the Retirement Committee met in early February. He gave a memorandum to all of the Board members present. He stated that the Union contract has still not been approved and it was explained to the committee that the Board thinks things should be managed more effectively (i.e., annual audits). The committee has agreed to the annual audits, to increase the number of representatives on the committee, and to address issues of non-transparency.

The recommendations made by Legal Counsel were as follows:

- Union Contract should detail any disciplinary policies/procedures
- Contract should include other policies required by law that should be incorporated (i.e. Sexual Harassment)

Mr. Simon stated that the existing contract could be amended to adjust for the new contribution totals. Therefore, an amended version could be adopted for contribution purposes at the March Board meeting.

Mr. Robinson questioned the outcome of the change in the vesting period. Mr. Simon stated that the situation has been discussed but not officially addressed. Mr. Lewis stated that the previous Actuary was providing the recommendation on the vesting period. He has since resigned and the new Actuary will bring the recommendation.

Additionally, Mr. Robinson requested that verbiage referencing falsification of applications is reviewed as it relates to actions that may be taken.

Mr. Robinson made a motion to make changes to the contract, extend the current contract, and to make amendments concerning enhancements of percentages contributed regarding all benefits. It was seconded by Lewis and forwarded to the full Board for its consideration.

### **Resolutions for Consideration and Recommendation**

- A. Resolution No. 2009-04** – Authorization to Approve the Labor Agreement Between BJCTA and the Amalgamated Transit Union Local #725 for the Period

October 1, 2008 through September 30, 2011 will be amended to the motion made above.

- B. Resolution No. 2009-05** – Authorization to Approve a Cost of Living Increase for Administrative Employees was moved by Robinson, seconded by Lewis, and forwarded to the full Board for its consideration.
- C. Resolution No. 2009-11** – Authorization to Renew Health, Vision, and Dental Insurance Coverage Related to the Collective Bargaining Unit Health Program was moved by Lewis, seconded by Robinson, and forwarded to the full Board for its consideration.
- D. Resolution No. 2009-12** – Authorization to Engage Aggregate & Specific Excess Loss Coverage Related to the Collective Bargaining Unit Health Program was moved by Lewis, seconded by Robinson, and forwarded to the full Board for its consideration.
- E. Resolution No. 2009-13** – Resolution Accepting the Fiscal Year 2008 Independent Auditors Report was moved by Lewis, seconded by Robinson, and forwarded to the full Board for its consideration.

**Old Business** – None

**New Business** – Mr. Copling explained that a copy of the contract with the City of Birmingham was forwarded to the Board for their comments. Mr. Galloway was concerned about a section of the proposed contract that states that the City of Birmingham has the authority to cancel the contract for any reason or no reason with 30 days notice.

Mr. Lewis stated that he was also concerned with a section that outlined that BJCTA must submit paid invoices and be reimbursed. He questioned if the Authority was able to do this and if so, there needs to be a time stipulation as to when the funds should be reimbursed to the Authority. Mr. Nardecchia stated that he feels it is better to turn the invoices over to the City and allow them to pay the invoice.

Mr. Copling stated that the Marketing Contract was extended for one (1) month; however, the extension will end the first week of March. The Finance Committee made a motion to forward to the full Board a recommendation to extend the Marketing contract for another month.

Mr. Copling stated that funds have been identified through CMAQ (Congestion Mitigation Air Quality) that will allow for the rehabilitation of most of the Compressed Natural Gas fleet.

Chris Leffert, Grants and Revenue Officer, stated that the Authority should receive \$8,600,000 from the Economic Recovery Plan. No match will be need for these funds

