



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

Friday, March 20, 2009

**Opening:** The meeting was called to order by the Committee Chairman Walter Jones, at 3:30 p.m. in the Executive Briefing Room, located at Central Station, 1735 Morris Avenue, Birmingham, Alabama 35203.

**Members Present:** Chris Lewis and Walter Jones

**Members Absent:** Guin Robinson

**Others Present:** Debra Anderson-Burse, Jacquese Gary, Barbara Lawson, Chris Leffert, Joi C. Scott, and Ken Simon

**Adoption of the Agenda:** The agenda was adopted by general consent.

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

#### **Marketing Contract**

Walter Jones requested that the committee recommend to the full Board an extension of the Marketing contract until the Request for Proposal (RFP) process is complete. The RFP process is set to be completed by the April Board meeting. He stated that a motion is needed to extend the contract by one month. Jacquese Gary, Executive Administrative Assistant, referred the Committee to discussions of a previous Board meeting. She asked Joi Scott, Legal Counsel, if it was possible to extend the contract by resolution given that the contract had been extended previously and has reached the \$10,000 aggregated threshold amount. Debra Anderson-Burse, Director of Administration and Risk Management, stated that if the contract comes directly from the Board, that it should be considered a separate temporary contract. Ms. Scott said that based on the fact that there was a RFP posted, she would read the terms of the contract and prepare a resolution that could be presented to the Board. Mr. Jones stated that a motion or resolution was needed to extend the contract by one month in the amount of \$10,000. A motion for the resolution was moved by Chris Lewis, seconded by Mr. Jones, and approved by general consent.

## **Review Budget**

Mr. Jones stated that the goal would be to have the budget approved by the April Board meeting. He asked Chris Leffert, Grants and Revenue Officer, about his overall opinion of the budget and to provide the increased amount for the pension. Mr. Leffert reported that the budget is essentially the same as before, including the same level of service. The annual meetings held with the respective cities by the Finance Department and the Interim Executive Director have not been held nor scheduled at this time. As it relates to the insurance, it has been budgeted at a 10% increase; however, everything else has a 5% increase.

Mr. Lewis asked about the meeting with Commissioner Sheila Smoot, Jefferson County Commission, concerning the cities of Brighton and Lipscomb. Mr. Leffert replied that the Commissioner was not present; however, her assistant was in attendance. Jefferson County is still looking at helping Brighton and Lipscomb to make interim payments. They were scheduled to provide a response referencing payment for services to Mr. Copling by March 20, 2009. Mr. Leffert reported that the BJCTA did receive a payment from Midfield in the amount of \$5,000, being the only solid commitment received at this time.

Mr. Lewis encouraged Mr. Leffert to outline the importance of the Paratransit service to the municipalities when the meetings are held. He said that BJCTA personnel probably cannot give itemized ridership on the fixed route vehicles but Paratransit ridership information should be available, which was the selling point for the city of Midfield. The city has 83 Paratransit riders, 18 of which are dialysis patients. They had a total of 13,384 Paratransit trips for the year 2008. These figures made Midfield understand what they would forego if they gave up transit.

Mr. Lewis asked Mr. Leffert if there were any major changes in the budget. Mr. Leffert reported that the overall total changed by \$1,200,000 from what was projected from FY 2009 to FY 2010. Mr. Lewis questioned the reason for the projected reduction in ad valorem taxes for Homewood and Mountain Brook. Mr. Leffert replied that those municipalities reduced service in FY 2009. Mr. Lewis also asked if the only funds received from Bessemer are ad valorem funds. Mr. Leffert replied that by statute, Jefferson County and the City of Birmingham must pay from ad valorem taxes, but other cities, such as Bessemer, pay ad valorem taxes simply by choice.

Mr. Lewis said that it should be noted that two weeks ago, the Bessemer City Council made a motion, and it passed, to remove their line item for transit. No one has given clarity on what that means to the BJCTA. He questioned staff on the impact the motion would have on the service provided to the city of Bessemer. Mr. Jones concurred that clarification is needed. Mr. Leffert said that the BJCTA sends the amount for each municipality to the tax collector, who, in turn, makes the payment as a pass through. Mr. Leffert stated further that once he has an approved budget from the city and the BJCTA Board, he then forwards a letter to the tax collector to inform the amounts due the BJCTA. However, the tax collector calculates the amounts due from Jefferson County and Birmingham.

Mr. Lewis asked Mr. Leffert to contact the finance department at the City of Bessemer for clarity. Mr. Leffert said that all of the cities are currently making payments through ad valorem. Mr. Jones stated for clarity that it is not because the ad valorem is mandated by statute but because of the way the municipalities like to handle it. Mr. Simon asked which municipalities are under contract and Mr. Leffert answered Hoover and Vestavia. Ms. Burse said that for all intents and purposes, the BJCTA should have contracts with those jurisdictions for services. She believes the question with regard to removing it from the budget may be a matter of their not understanding that they have to show it as a line item because the payment comes from the county. Mr. Simon said that according to the statute they are a participating municipality, which means there is supposed to be a contract. The amount of payment is based on an hourly figure times the number of hours of use. Ms. Burse said that it is all being done; however, there is not a formalized document and that is what the BJCTA is trying to correct. Mr. Simon said to be clear, their payments should be over and above the ad valorem tax collections. Mr. Leffert agreed that it was. Mr. Lewis asked how the current procedure could be legal and binding if there is not a contract in place. Mr. Jones asked Mr. Leffert to get clarity on the entire situation and report back to the Committee. Mr. Jones concluded that the BJCTA needs to develop contracts with all funding partners. He further stated that in Homewood, even if it is paid by ad valorem, it is still a line item on the budget and the city would not pay for the services if the line item was removed.

Mr. Lewis asked that \$10,000 be added to the line item in the budget for dues and subscriptions for a total of \$46,032. He stated that the money may or may not be used, depending on whether or not the Alabama Transit Association (ATA) adds value to our organization. This association is the state's version of the American Public Transportation Association (APTA) and the due structure is currently being discussed. A motion was moved by Mr. Chris Lewis, seconded by Mr. Jones, and approved by general consent.

#### **Expense Reports Email from Ken Simon**

Mr. Simon recapped that there are some unresolved travel balances that go back to 2006. There was a need mentioned at the last Board meeting to resolve the outstanding balances. The reason that these balances have remained unresolved is that there is not a mechanism in place to deal with a situation when a traveler loses a receipt. Under the current policy, if receipts are lost, travel privileges are suspended. Mr. Simon recommended that the BJCTA create a mechanism similar to that utilized in the private industry. The policy could be amended to include language stating "That travelers who have lost or misplaced their receipts may submit a statement certifying the total dollar amount of receipts which were lost or misplaced and stating that all such expenditures were incurred in a manner consistent with the BJCTA's travel policies while they were on official BJCTA business."

Mr. Jones said that the Board should make the resolution retroactive so that all outstanding balances can be cleared. Mr. Simon distributed a proposed resolution and said that language could be added to make it retroactive. Mr. Lewis made the motion to

pass the resolution to the Board, seconded by Mr. Jones, and approved by general consent.

### **Collective Bargaining Agreement**

Mr. Simon reported that he has had conversations with the Union representatives and they are concerned about why the Board cannot adopt their proposal. Mr. Simon suggested that they meet with the Human Relations Committee to submit their proposal, which may or may not be accepted by the Committee. The Union felt like the BJCTA representatives were stalling. Mr. Simon reassured the Union representatives that the BJCTA was in no way stalling, and suggested they address their concerns to the Human Relations committee. Currently, Mr. Simon has not heard back from them.

Mr. Lewis asked if the Union had information of the BJCTA's last agreement to fund the pension fund. Mr. Simon replied that the Board acted to fund the pension, but he heard that Mr. Edgar Addie, ATU Local 725 President, did not want to submit it to the membership at this time. Instead Mr. Addie wants to submit the entire contract at one time. It is not known what took place at the Union's last meeting.

Mr. Lewis asked if from an arbitration and mediation standpoint the BJCTA has done everything that can be done. Mr. Simon replied yes and further explained that the Union wanted to know why the Committee has to meet to pass on the amendments or proposed suggestions. Mr. Simon answered that it was just the process. The Union has not done anything suggested, which is to meet with the Committee or to submit proposals in writing. Mr. Simon and Joi Scott, Legal Counsel, offered to act as their proxy but stated to them that it would not be a good idea for them to present the Union's position. Mr. Simon stated that every opportunity has been given to schedule a meeting with the Human Relations Committee but the Union has not responded.

Mr. Lewis asked if the Union moved forward with requesting the audit to be performed. Mr. Simon replied that a new actuary has been hired and an audit requested. The Union has a RFP out to hire a new auditor. Mr. Jones concluded that it seems that the BJCTA has done all that can be done.

### **Resolutions for Consideration & Recommendation - None**

### **Old Business**

Mr. Lewis referred to Guin Robinson's question of overtime that was asked at the previous Finance Committee Meeting. Mr. Lewis stated that he would like to make a motion to suspend administrative overtime, unless there is an approval process, to become effective immediately. Mr. Jones said that before this process is implemented, he would like to give Ms. Burse or William Copling a chance to prepare a report that addresses the effect of eliminating overtime. Mr. Jones asked Ms. Burse about the procedures for overtime. She answered that everyone who gets overtime should go to their supervisor for approval and in general, it is normally because of a special project or perhaps someone is on vacation or sick. Mr. Lewis stated that an evaluation of the staff effectiveness should be conducted.

Mr. Lewis then asked if the administrative positions were exempt or non-exempt. Ms. Burse answered non-exempt. He thought some of the positions listed as managers would have been exempt and asked for a report that would give validity that all the positions listed with overtime are non-exempt. Mr. Lewis asked if there are some department head positions that are non-exempt and if so, what is the rationale. Ms. Burse replied that according to the Fair Labor Standards Act (FLSA), it is the employee's responsibility that determines the status, such as whether or not they have decision making responsibilities that impact the company policies, financial standing, or if they have supervisory responsibilities of two or more persons.

Mr. Lewis said that he wants to pass this issue of overtime on to the Human Relations committee chairman. He asked Ms. Burse to work with Mr. Copling to pull a list of duties and responsibilities and review the overtime and job positions. Mr. Jones agreed that before the Board makes a decision, overtime needs to be reviewed by Human Relations Committee to see what can be done to lower or eliminate overtime throughout the organization.

**New Business –**

In response to Mr. Lewis' earlier request under the Review of Budget, Mr. Leffert reported that the total budget increase for retirement is \$428,637(5.5%).

**Adjournment** – The meeting was adjourned.

Minutes submitted by: Barbara Lawson, Administrative Assistant

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Walter Jones, Committee Chairman