

Regional Planning Commission of Greater Birmingham
Board Meeting Minutes
The Center for Regional Planning and Design
August 15, 2007

MEMBERS PRESENT

Honorable Valerie Abbott, City of Birmingham
Honorable Delor Baumann, City of Hueytown
Honorable Bettye Fine Collins, Jefferson County
Mr. Randall Gammon, City of Cordova
Mr. Ray Hamilton, Shelby County
Honorable Robbie Hayes, Shelby County
Mr. Reginald Holloway, Shelby County
Honorable Charles McCallum, City of Vestavia Hills
Honorable Theoangelo Perkins, Town of Harpersville
Mr. Waymon Pitts, City of Cleveland
Honorable David Standridge, Blount County
Mr. Tim Westhoven, City of Hoover

MEMBERS REPRESENTED BY ALTERNATE

Honorable Jim Carns, Jefferson County
 Represented by Ms. Sharon Evans
Honorable Bobby Humphries, Jefferson County
 Represented by Mr. Chris Crook
Honorable Bruce Hamrick, Walker County Commission
 Represented by Mr. Randall Gammon
Honorable Bernard Kincaid
 Represented by Ms. Renee Kemp-Rotan
Honorable James Whitfield, City of Leeds
 Represented by Honorable Valerie Abbott

MEMBERS ABSENT

Honorable Stan Batemon, St. Clair County
Honorable Ricky Buckner, City of Springville
Mr. Chester Jolly, City of Warrior
Honorable William Bell, City of Birmingham
Mr. Richard Dickerson, City of Birmingham
Honorable Billy Joe Driver, City of Clanton
Honorable Joe Headley, Chilton County Commission
Honorable Bobby Humphries, Jefferson County
Honorable Edwards May, City of Bessemer
Honorable Eddie Reed, City of Jemison

OTHERS PRESENT

Mr. Al Folcher, City of Vestavia Hills
Mr. Chris Sanders, Jefferson County
Ms. Alexia Borden, Balch and Bingham
Mr. Charles Ball, Regional Planning Commission

Mr. Brian O'Dell, Regional Planning Commission
Mr. Ray Morris, Regional Planning Commission
Mr. William R. Foisy, Regional Planning Commission
Ms. Cynthia Barton, Regional Planning Commission
Ms. Cissy Edwards Crowe, Regional Planning Commission

CALL TO ORDER AND ROLL CALL

Honorable Valerie Abbott called the meeting to order at 10:36 a.m. Roll call was taken and a quorum was declared by the Chairman. The following business was conducted.

MINUTES

The minutes of the July 15, 2007 board meeting stood as read. Minutes of June 20, 2007 were restated and approved with the addition of Mayor James Whitfield being represented by Alternate Honorable Valerie at the meeting.

FINANCE COMMITTEE

Mr. Holloway stated that while the Finance Committee would still review all financial reports and supporting information on a monthly basis, summary information will be presented to the Board starting in FY 2008.

Mr. O'Dell presented the financial information as follows:

Statement of Net Assets

1. The current ratio (current assets/current liabilities) for the period is 2.45. Anything over 2.00 is considered healthy.
2. The quick ratio (current assets-unbilled receivables/current liabilities) is 2.13. Anything over 1.5 is considered healthy.
3. The ratios have tightened up due to receivables and payables related to third-party project expenses with the Birmingham Jefferson County Transit Authority (BJCTA). A meeting was held with representatives of BJCTA, and they will pay contractors directly. The Committee requested that verification be presented that BJCTA is paying the contractor so their late payments do not reflect against the RPC.
4. If BJCTA payables and receivables are removed, the current ration is 5.64 and the quick ratio of 4.60.
5. RPC's long-term debt continues to be reduced by approximately \$8,000/month.
6. The total capital assets are fully depreciated.

The overall financial health looks good.

Budget Summary

1. Actual Year-To-Date total expenditures were under budget by \$672,492 (g).
2. Salary, fringe and indirect was under budget in total by \$42,721 (h).

3. The senior services programs are shown as over-budget in the salary category because salary expenses were budgeted under contracts. The contract portion of the senior service programs is under budget. These amounts should be considered offsetting. This situation will continue through the remainder of this fiscal year, and the FY08 budget model will be modified to reflect this in a way consistent with how the actual expenses are being incurred.

4. Direct costs are under budget in total by \$91,666 (i).

5. Contracts are under budget in total by \$538,105 (j). Caution was noted in that these amounts, when incurred, are large and episodic; so, this under-budget condition could go away quickly.

The Northern Beltline third party contract is awaiting Alabama Department of Transportation (ALDOT) approval, and the dollars will carry over to next fiscal year.

Statement of Income and Expenditures

This is primarily an internal management tool. It is a more detailed view of the information presented in the budget summary.

PROGRAM / BUDGET COMMITTEE

Mr. Pitts thanked Mr. Holloway and the Finance Committee for meeting with the Program / Budget Committee, and he further commended them for an excellent job in cutting expenses this past year. The Air Quality program finances that are currently being handled by Jefferson County will be a cash flow issue in the FY08 budget, dependent upon the amount of time to receive payment for invoices.

By next April, Jefferson County will have fulfilled its commitment to handle the finances of this program and the responsibility for payments, before reimbursement, will return to the RPC. The Committee was presented three scenarios for cash flow management. Scenario A was based on a \$300,000 line of credit for a 30-day invoice turnaround, Scenario B was based on a \$500,000 line of credit for a 60-day invoice turnaround, and Scenario C was based on a \$700,000 line of credit for a 90-day invoice turnaround. The recommended Cash Flow document by the Finance/Program Budget Committees is Scenario B. The ideal case is for RPC Directors to meet with ALDOT and come to an agreement that the invoices will be paid in 30 days.

Mr. Morris presented the following budget narrative:

Fund/Grant Source Based Budget

Table 1, Revenues and Expenses by Fund Source, identifies 13 revenue/fund sources with the match requirements, including RPC dues and other sources of match.

1. The first column is a summation of all funding sources available to the RPC for FY 2008. These total \$13 million. This is a significant increase from FY 2007 due

mainly to the potential funding available under the I-65 and In-Town Transit Partnership transit Alternatives Analysis projects, the Rideshare and Air Quality programs, as well as carryover transportation planning funds.

2. Subsequent columns detail the totals budgeted in specific sectors of activity such as salaries, fringe, and indirect, direct costs and contracts.
3. The Total Expenditures column represents the total amount budgeted under each of the revenue/fund sources. For FY 2008, total expenditures are expected to be \$8.7 million. The vast majority of the difference in the available amount and the budgeted expenditures rests with the I-65 project which is multi-year in nature and has a large grant amount available.
4. The final section represents the total amount of match used to leverage the revenue sources. Most of these fall into three categories: RPC dues, donated/in-kind match, and cash match provided by RPC partners.

RPC Dues

In summary, the 2008 budget programs dues to be used as follows:

Dues Available:	\$598,004
Dues Programmed for Match:	\$336,451
Dues Programmed for Debt Service:	<u>\$180,000</u>
Net Unreserved Fund Balance	\$ 81,553

The dues available for FY 2008 includes an additional \$.02 per capita per RPC bylaws provisions, which brings the rate to \$.565 per capita.

The net unreserved fund balance would be available to match additional funding sources during the fiscal year or for potential interest rate increases on the long-term debt payment.

Indirect (Administrative) Expenses

Table 2, Indirect (Administrative) Expenses, documents the administrative expenses used in the calculation of the indirect rate. In summary, the FY 2008 budget has been prepared in accordance with actual FY 2007 expenses.

The FY 2008 administrative budget is \$58,000 less than the previous year, due largely to decreases in accounting expenses. Many other items also include reductions in expenses such as vehicle expenses and consultants. Several line-item categories such as communications have been consolidated in an effort to improve financial reporting.

Increases in some categories such as legal fees and the rent on the existing facility have been increased to reflect actual expenses.

Indirect (Administrative) and Fringe Cost Calculation

The indirect (administrative) and fringe cost rates are calculated in **Table 3**. This rate is important in that it is used on invoicing for reimbursement of administrative expenses.

Both the fringe and indirect rates are percentages charged against staff salaries that are attributable directly to programs/funding sources (typically referred to as direct salaries). This percentage is charged against each program in order to generate two pools of funds. The first pool is used to fund the fringe charges such as paid-time off, health insurance, and retirement benefits. The second pool is used to fund the indirect/administrative budget which includes some staff members and overhead expenses. The current rate of 71% is equivalent to last year and is in line with actual expenses.

Cash Flow

Budgeted cash flows by month are outlined in **Table 4-B**. The pro-forma cash flow projection actually begins in the last quarter of FY 2007. The spreadsheet begins by detailing expected revenues including dues, grants, contracts and other financing instruments. Next the table reflects those expenses that are expected to be incurred during the period. These are not meant to be all inclusive or comparable against the chart of accounts, rather the expenses are grouped together in order to show the major expenditures which are typically fixed costs. Further, the expenses related to loan repayment are shown in greater detail.

The summation of the sheet shows the projected incoming revenues minus expenses added to beginning cash balance of the period, providing a snapshot of revenues versus expenses for the period. Additionally, the note repayment amount is slightly higher than the amortization rate in order to compensate for pending rate changes. The long-term note rate uses the 1-month London InterBank Offering Rate (LIBOR).

Additionally, in order to meet the cash flow requirements of the third-party contractual obligations of the Rideshare, Air Quality and Building Communities programs it will be necessary to utilize a line of credit from a lending institution. This is required since the programs operate on a reimbursement basis. The line of credit will require board approval.

Financial Reporting

Financial reporting has been consistent with the fund-source based budget and is being provided monthly to the Finance Committee and the RPC Board. The RPC accounting

firm of Dipiazza, LaRocca, McDowell & Co. (DLMC) has assisted with this task through development of standard operating procedures and strengthened internal controls.

Agency Pay and Classification Plan Update

An updated pay and classification plan has been recommended by the RPC Personnel Committee for use in the development of the FY 2008 RPC Budget. The plan was developed by Dr. Kermit Davis of Auburn University who also developed the last pay and classification plan in 2004 and worked on the 1999 version with Dr. James Buford. The plan, summarized as follows, requires RPC board approval as part of the FY 2008 budget process.

Salary adjustment. The salary figures for the pay classification system developed in 2004 have been updated for cost of living changes since 2004 and to more closely reflect surveyed wages by the U.S. Department of Labor's Bureau of Labor Statistics and the State of Alabama's Labor Market Information Center.

Every employee would receive an increase in compensation under the proposed changes effective October 1, 2007. An additional merit adjustment would be made at the time of an employee's anniversary date, subject to a positive evaluation.

The salary structure also has greater pay ranges within each pay grade, based upon using 5% step intervals instead of the current 2.5-3%. The salary structure is outlined in **Table 5**. These recommendations are designed to make salaries more competitive with similar organizations in order to retain personnel.

Job descriptions and classification. Reorganization activities at the RPC have resulted in significant changes in the responsibilities and duties of a number of jobs, including changes in job titles. In addition, a select number of new positions have been created. In some cases, pay grade changes are warranted. The jobs involved in the present study with associated grades are as follows:

1. Director of Administration (reflects combination of existing job descriptions), grade 11 from grade 10; reclassification, budgeted.
2. Director of Planning (combining of two existing jobs: Director of Regional and Community Planning and Director of Transportation Planning), grade 11 from grade 10; reclassification, budgeted.
3. Controller (old title of Finance Director, grade 8 from grade 9); reclassification, budgeted.
4. Executive Assistant (revision of duties, no change in title, remains grade 6); reclassification, budgeted.
5. Office Administrator (old title of Senior Administrative Assistant/Office Manager, grade 5 from grade 6); reclassification, budgeted.

6. Information Technology Administrator (grade 8); future position, not budgeted.
7. Geographic Information Systems Administrator (new job, grade 8); reclassification, budgeted.

Budgeted positions. Two new positions have been budgeted for FY 2008; an economic development specialist at grade 6 and a principal planner at grade 8. An economic developer would be assigned to implement community planning projects recommended under comprehensive and other plans developed by the RPC, as well as the specific projects identified in the Comprehensive Economic Development Strategy. This position is necessary due, in part, to the retirement of the RPC Community Services Director effective September 30, 2007.

The principal planner position would be responsible for acquiring funding for region-wide community planning and transportation projects. Examples of regional projects would be freight movement for rail, truck and water, particularly containers; regional and county land development and transportation plans; and economic development projects that support local planned growth.

Budgeted salaries. Total salaries, fringe and indirect costs for all RPC staff for FY 2008 is \$1,905,045, a \$1,000 difference from FY 2007. The number of budgeted staff for FY 2008 is 21 as compared to 24 for the FY 2007 budget.

Mr. Foisy presented the work program as follows:

Work program tasks, with specific staffing and expenses, are grouped under the following areas:

Table 6 – U.S. Department of Transportation Funded Programs

Table 7 – Community Planning Programs

Table 8 – Senior Services Programs

Specific programs related to each area are outlined as follows:

U.S. Department of Transportation Funded Programs

- **FHWA PL (Federal Highway Administration) (Table 6)**
FY 2008 budgeted expenditures -- \$1,236,740
 - MPO/RPC coordination; transportation committees, communications, public involvement.
 - FY 2009 Unified Planning Work Program development.
 - Long-Range Transportation Plan.
 - Congestion Management Plan.
 - Corridor Planning

- Beltline Intersecting Roadways Plan
 - U.S. 280
 - Corridor X.
- Transportation Improvement Program (TIP).
- Short-range transit planning.
 - Coordinated Social Service Plan implementation.
 - Transit Authority planning assistance.
 - regional transit organization and funding assistance.
- transportation modeling and information technology.
 - socio-economic development and distribution.
 - demographics projections for Long-Range Transportation Plan.
 - traffic model development.
 - software and capital projects
 - Continuity of Operations Plan implementation.
 - traffic count compilation and trend analysis.
- Regional Greenspace Project and bicycle, pedestrian, greenway planning.

- **FTA 5309 ITP (Federal Transit Administration In-Town Transit Plan) (Table 6)**
FY 2008 budgeted expenditures – \$687,500
 - Detailed economic impacts of transit investments.
 - Integration of proposed enhanced bus service and circulators into Long-Range Transportation Plan.
 - Facilities planning.
 - Additional analysis of historic properties and districts.
 - Land use planning for enhanced transit.
 - Traffic impacts and simulation.
 - Additional utilities/street impacts investigation.
 - Additional public outreach.

- **FTA 5309 I-65 (Federal Transit Administration I-65/U.S. 31 Corridor Alternatives Analysis/Environmental Documentation) (Table 6)**
FY 2008 budgeted expenditures -- \$1,570,777
 - 21 tasks resulting in a preferred alternative and corridor for bus rapid transit and high-occupancy vehicle lanes.

- **SPR Rural (State Planning Research) (Table 6)**
FY 2008 budgeted expenditures -- \$52,268
 - Administration and management.
 - Stakeholder services.
 - Public involvement.
 - Data management (transportation system inventory data, socio-economic data, mapping/data inventory,
 - Reports (non-metropolitan transportation issues and needs, county transportation plan).

- **STP Rideshare (CommuteSmart Program funded under Surface Transportation Program) (Table 6)**
FY 2008 budgeted expenditures -- \$1,169,923
 - Employer outreach and marketing activities.
 - Turn-key rideshare operations services (vanpools).
 - Park-and-ride lot design and agreements.

- **STP Building Communities (Table 6)**
FY 2008 budgeted expenditures -- \$942,261
 - Comprehensive plans, area plans, regulatory tools (finish phase I grants, select and start phase II grants).
 - Birmingham City Center One-Way Street Conversion Study.
 - Highland Park Neighborhood Assessment and Zoning Code Review.
 - Calera Comprehensive Plan.
 - Fairfield Comprehensive Plan.
 - Form Based Code for Downtown Graysville.
 - Hoover Subdivision Regulations Update.
 - Vestavia Cahaba Heights Neighborhood Plan.
 - Vestavia Hills Zoning Ordinance and Subdivision Regulations Update.

- **CMAQ Air Quality (Congestion Mitigation Air Quality Program coordinated by Alabama Partners for Clean Air) (Table 6)**
FY 2008 budgeted expenditures -- \$1,663,253
 - Marketing, public outreach and surveys.
 - Reduced-fare transit.
 - Employer, employee outreach.
 - Clean Cities, alternative fuels.
 - Education.
 - EMPACT/forecasts.
 - Diesel retrofits.
 - Remote sensing.
 - Program administration.
 - Special projects.

Community Planning Related Projects

- **EDA (Economic Development Administration) (Table 7)**
FY 2008 budgeted expenditures -- \$105,712
 - Comprehensive Economic Development Strategy activities.
 - Rural Action Committee.
 - Brownfields Program.
 - Grant/loan assistance.

- **ARC/State TA (Appalachian Regional Commission/State Technical Assistance from Alabama Department of Economic and Community Affairs) (Table 7)**
FY 2008 budgeted expenditures -- \$199,948
 - Community planning assistance to local governments.
 - Grant-writing for job-creation programs.
 - Revolving loan fund administration.

- **Local Assistance/Enterprise Funds (Table 7)**
FY 2008 budgeted expenditures -- \$129,268
 - Thorsby Zoning Ordinance and Subdivision Regulations Updates.
 - Locust Fork Comprehensive Plan and Zoning Ordinance Update.
 - Montevallo planning assistance.
 - Springville Comprehensive Plan Implementation and Update.
 - Argo Sketch Plan and Zoning Ordinance.

- **RLF Administration (Revolving Loan Fund) (Table 7)**
FY 2008 budgeted expenditures -- \$58,930
 - Small business start-up and expansion loans.
 - Loan review committee coordination.

Senior Services Program Projects

- **Alabama Department of Senior Services (Table 8)**
FY 2008 budgeted expenditures -- \$217,164
 - Placement of senior workers in host agencies.
 - Birmingham Police Department and Municipal Court senior aide placement.

- **Senior Service America Inc. (Table 8)**
FY 2008 budgeted expenditures -- \$627,000
 - Placement of senior workers in host agencies.

Ms. Kemp-Rotan requested that when projects are completed the Board is presented a copy of the deliverables. Mr. Foisy agreed that this was an excellent idea.

The Committee concluded that the budget is workable and that a line of credit is necessary. Mr. Pitts moved and Mr. Hamilton seconded to approve the 2008 budget and work program as presented. Motion passed on a voice vote.

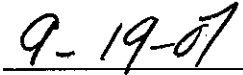
OTHER

Mr. Ball presented information about the ongoing activities of the Central Alabama Action Commission of the Alabama Rural Action Commission. He stated that there are volunteer opportunities on various committees and to please let him know if anyone is interested.

There being no further business, the meeting adjourned at 11:40.a.m.



Honorable Bettye Fine Collins, Secretary



Date