



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

AGENDA MEETING NOTICE

BOARD OF DIRECTORS

DATE: Wednesday, December 4, 2019
TIME: 8:30 a.m.
LOCATION: Staples Street Center
 602 North Staples Street, 2ND Floor Board Room • Corpus Christi, TX

BOARD OF DIRECTORS MEETING

EDWARD MARTINEZ (Chair)

Michael Reeves (Vice Chair) ~ Dan Leyendecker (Secretary)

Lynn Allison ~ Anne Bauman ~ George B. Clower ~ Patricia Dominguez

Anna Jimenez ~ Glenn Martin ~ Philip Skrobarczyk ~ Matt Woolbright

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	Pledge of Allegiance	E. Martinez	1 min.	-----
2.	Roll Call	D. Leyendecker	2 min.	-----
3.	Safety Briefing	M. Rendón	2 min.	-----
4.	Receipt of Conflict of Interest Affidavits	E. Martinez	3 min.	-----
5.	Opportunity for Public Comment 3 min. limit – no discussion	E. Martinez	3 min.	-----
6.	Update on RCAT Committee Activities	S. Montez	3 min.	-----
7.	Discussion and Possible Action to Approve the Board of Directors Meeting Minutes of November 6, 2019	E. Martinez	2 min.	Pages 1-9
8.	Discussion and Possible Action to Approve the following Meeting Minutes on November 20, 2019 for: a) Administrative & Finance Committee b) Operations & Capital Project Committee	E. Martinez	2 min.	Pages 10-14 Pages 15-17
9.	CONSENT ITEMS: The following items a) through e) are routine or administrative in nature and have been discussed previously by the Board or Committees. The Board has been furnished with support documentation on these items.			
			4 min.	Pages 18-22
	a) Action to Adopt a Resolution to Approve Revisions to the Investment Policy, and to Designate the Managing Director of Administration and the Director of Finance as Investment Officers (pgs. 18-19, Attachment A & B)			
	b) Action to Execute Payment of \$440,482 to Texas Municipal League Inter-Governmental Risk Pool (TMLIRP) for the Following Lines of Coverage for FY2020: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers' Compensation Insurance (pgs. 20-21)			
	c) Action to Adopt a Resolution in Support of a Grant Application from Texas Commission on Environmental Quality (TCEQ) for the Alternative Fueling Facilities Program (AFFP) for Electric Charging Stations and Infrastructure (pgs. 22-24, Attachment C)			

	<p>d) Action to Award a contract to Vehicle Inspection Systems, Inc. for an Automated Rim Polishing System (pgs. 25-26)</p> <p>e) Action to Award a contract to Silsbee Ford for Four (4) Transportation Supervisor Support Vehicles (pgs. 27-28)</p>			
10.	Update – 3 RD Quarter Investment Report by Patterson & Associates	R. Saldaña David McElwain	5 min.	<i>PPT</i>
11.	<p>Presentations:</p> <p>a) October 2019 Financial Report</p> <p>b) Procurement Update</p> <p>c) October 2019 Safety & Security Report</p> <p>d) October 2019 Operations Report</p>	<p>R. Saldaña</p> <p>R. Saldaña</p> <p>M. Rendón</p> <p>G. Robinson</p>	<p>4 min.</p> <p>4 min.</p> <p>4 min.</p> <p>4 min.</p>	<p>Pages 29-38</p> <p><i>PPT</i></p> <p><i>PPT</i></p> <p>Pages 39-46</p> <p><i>PPT</i></p>
12.	CEO's Report	J. Cruz-Aedo	5 min.	-----
13.	Board Chair's Report	E. Martinez	5 min.	-----
14.	Discussion (In Closed Session) and Possible Action Thereafter in Open Session under Section 551.072 of the Texas Open Meetings Act Concerning: Real Estate Matters	E. Martinez	5 min.	-----
15.	Adjournment	E. Martinez	1 min.	-----
16.	<p>Information Items:</p> <p>a) Member Inquiry Forms:</p> <p>1. Board Meeting–November 6, 2019</p>			

Total Estimated Time: 59 min.

On **Wednesday, November 27, 2019** this Notice was posted by **Dena Linnehan** at the CCRTA Staples Street Center, 602 N. Staples Street, Corpus Christi, Texas; and sent to the Nueces County and the San Patricio County Clerks for posting at their locations.

PUBLIC NOTICE is given that the Board may elect to go into executive session at any time during the meeting in order to discuss matters listed on the agenda, when authorized by the provisions of the Open Meetings Act, Chapter 551 of the Texas Government Code. In the event the Board elects to go into executive session regarding an agenda item, the section or sections of the Open Meetings Act authorizing the executive session will be publicly announced by the presiding officer.

In compliance with the Americans with Disabilities Act, individuals with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the Assistant Secretary to the Board at (361) 903-3474 at least 48 hours in advance so that appropriate arrangements can be made.

Información en Español: Si usted desea esta información en Español o en otro idioma, por favor llame al teléfono (361) 289-2712.

Mission Statement

The Corpus Christi Regional Transportation Authority was created by the people to provide quality transportation and enhance the regional economy in a responsible manner consistent with its financial resources and the diverse needs of the people.



Vision Statement

Provide an integrated system of innovative, accessible and efficient public transportation services that increase access to opportunities and contribute to a healthy environment for the people in our service area.



**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
WEDNESDAY, NOVEMBER 6, 2019**

Summary of Actions

1. **Pledge of Allegiance**
2. **Roll Call**
3. **Safety Briefing**
4. **Receipt of Conflict of Interest Affidavits**
5. **Opportunity for Public Comment**
6. **Update on RCAT Committee Activities**
7. **Held Public Hearing #2 - Regarding Adoption of the FY2020 Operating and Capital Budget**
8. **Action to Adopt the FY2020 Operating and Capital Budget**
9. **Discussion and Possible Action to move the November 27, 2019 Committees Meetings to Wednesday, November 20, 2019**
10. **Discussion and Possible Action to Approve the Board of Directors Meeting Minutes of October 2, 2019**
11. **Heard Consent Items –**
 - a) **Action to Approve and Adopt the Fiscal 2020 Board and Committee Meetings Calendar (pg. 9)**
 - b) **Action to Approve Disadvantaged Business Enterprise (DBE) Goal of Thirteen Percent (13%) for Federal Fiscal Years 2020 through 2022 (pgs.10-11)**
 - c) **Action to Exercise the Second Option Year with Entrust for the Administration of the CCRTA Employee Group Health, Vision, and Dental Benefit Program (pgs.12-13)**
 - d) **Action to Approve the Fiscal Year 2020 Holidays and Service Levels Calendar (pg.14)**
 - e) **Action to Exercise the First Option Year with Evergreen Lawn and Landscape for Bus Stop Cleaning Services (pgs.15-16)**
12. **Financial Advisor Refinancing Results for the Series 2013 Bond Issues**
13. **Update – CCRTA's Defined Benefit & Contribution Plan**
14. **Action to Discussion and Possible Action to Award a Contract to A. Ortiz Construction & Paving, Inc. for Refurbishment of Shelters**
15. **Heard Presentations –**
 - a) **September 2019 Financial Report**
 - b) **Procurement Update**
 - c) **September 2019 Safety & Security Report**
 - d) **September 2019 Operations Report**
16. **Heard CEO's Report**
17. **Heard Chairman's Report**
18. **Adjournment**

The Corpus Christi Regional Transportation Authority Board of Directors met at 8:30 a.m. in the Corpus Christi Regional Transportation Authority Staples Street Center facility located at 602 N. Staples Street, 2nd Floor Board Room, Corpus Christi, Texas.



Call to Order & Roll Call

Mr. Edward Martinez, Board Chairman, called the meeting to order at 8:31 a.m., and held the Pledge of Allegiance. Ms. Dena Linnehan called Roll and stated a quorum was present.

Board Members Present: Edward Martinez, Board Chair; Michael Reeves, Board Secretary; Anne Bauman, George B. Clower; Patricia Dominguez, Glenn Martin, Philip Skrobarczyk and Matt Woolbright.

Board Members Absent: Board Vice Chair; Dan Leyendecker

Staff Present: Jorge G. Cruz-Aedo, CEO; David Chapa, John Esparza, Angelina Gaitan, Dena Linnehan, Derrick Majchszak; Michelle Martinez, Sharon Montez, Rita Patrick, Mike Rendón, Gordon Robinson, Robert Saldaña and Susan Teltschik.

Public Present: Benjamin Schmit, MV Transportation; Tris Casteneda, Longbow Partners; Nina Jean Larson; Casandra Lorentson, KCS Public Relations; David Gilmore, Republic Services; Ray Hernandez, Iconic Sign Group; Becki V. Rendon, 28TH District Court; Victor Quiroga, Jr, Specialized Public Finance; Roland Barrera, Entrust & City Councilman, and Sylvia Trevino.

Held Safety Briefing

Mr. Miquel Rendón provided safety information in the event of an emergency for the Board members and guests in the audience. He pointed out the area in the Employee Parking Lot where individuals are to assemble outside of the building, including shelter in-place instructions, and said Ms. Linnehan would be responsible for guiding the Board Members to the Muster Point. He also told us once you leave the building, you may not enter until an 'all clear' is given by Security personnel if or when you may re-enter.

Action to receive Conflict of Interest Affidavits

No affidavits received.

Provided Opportunity for Public Comment

No one spoke under Public Comment.

Update on RCAT Committee Activities

Ms. Sharon Montez commented the monthly RCAT Committee was held on Thursday, October 17, 2019. The next regular meeting will be held on Thursday, September 19, 2019 and will be a route evaluation survey.

The Second and Third Quarter Unsung Hero Awards were discussed and Ms. Minerva Robles was chosen for the 2nd Qtr, and Ms. Phylilis Vestile chosen for the 3RD Qtr. Mr. Bailli reported on the January thru September ADA citations issued for parking at 687, blocking sidewalks at 2,325, and 71 blocking architecture. She commented staff presentations included Mr. Robert Saldaña, CCRTA's Managing Director of Administration, on the Fare Review Study where he discussed the highlights of the study. She provided additional information regarding the structure of fares and items that are being considered for modifications, updates and any removal.

Ms. Montez commented on the next meeting to be a route evaluation at our last meeting. November 21, 2019 and will be a Route Evaluation, and invited everyone to join.



Held Public Hearing Regarding Adoption of the FY2020 Operating and Capital Budget

The Public Hearing Regarding Adoption of the FY2020 Operating and Capital Budget opened at 8:47 a.m. Mr. Robert Saldaña commented on the previous budget workshops already held and described what had been covered. He mentioned this is the second Public Hearing to adopt the FY2020 Operating and Capital Budget as the first Public Hearing was held on October 23, 2019.

Mr. Saldaña spoke on the details in our service areas, and the agency's operations that include express and fixed routes, demand response shuttle, paratransit, vanpool services and that our service area covers 846 square miles and 9 communities. He also mentioned we service 1,343 bus stops, 4 transfer stations and 3 park and ride locations. Mr. Saldaña said projections include 5.3M passenger trips, 384,389 hours of service, and 6.1M miles of coverage.

Mr. Saldaña commented on the funding sources for 2020 Operating Budget Funds at a total of \$56.705M. He stated that some of the larger funds are \$37.7M of sales tax revenue, passenger fares at \$1.9M, Federal Capital Grants at \$12.6M and Transfer-In of Unrestricted Reserves at \$1.76M. A chart was displayed of employee positions at 282 people, and the additional positions are supported in Department 04-Purchased Transportation for MV Transportation 109 positions, or 390 employees total. Mr. Saldaña said the 3 additional positions increase are associated with the Enhanced Shelter Program.

A chart displayed the uses of funds breakdown by Department, and he said for 2020 Capital Grants, exclusive of the 5339b Competitive grant, there are 21 total projects at a cost of \$7M with \$5.4M funded by Federal funds and \$1.6M by Local funds. He highlighted a few projects that included \$4.3M for replacement of 17 cutaway vans that service both Fixed and Paratransit serviced routes, \$815K for engine overhaul program on both CNG and diesel engines, \$524K on bus stop shelter amenities and \$252K for our interlocal agreement with the City of Corpus Christi to maintain the city radio tower project, 6 percent between the City, County, Fire and Police departments. The last two items were detailed on the mobile app creation, and the IVR phone system at both Staples Street Center and Bear Lane facilities as asked by Mr. Matt Woolbright.

Mr. Saldaña commented on the 5339b Competitive grant the agency has submitted to the FTA, and there are three projects contingent upon the award of the grant; Del Mar South Campus Stop, Bear Lane Bus Parking Lot replacement and Port/Ayers Renovation. He said we are still waiting to hear from the FTA if we will receive the funding. Mr. Saldaña responded to Mr. Woolbright's question on the status of taking care of this project with agency funding. Mr. Jorge Cruz-Aedo also responded to Ms. Anne Bauman's question on the status of the Port/Ayers renovation that includes the Kleberg Bank building, and again said we are still waiting on word from the FTA.

Mr. Saldaña stated the total budget is \$56,705,354 for FY2020. He displayed a pie chart showing the breakdown of the funding sources and percentages for each with Capital Improvement Projects (CIP), Purchased Transportation and Salaries being the large percentages. Mr. Saldaña also stated the FY2020 total budget at \$47,711,285 if the 5339B grant is not awarded to the agency by the FTA. He said the major percentages are still from sales tax revenue for revenues, and again CIP, Purchased Transportation and Salaries being the majority for the expenses.

The five-year CIP is for 69 total projects, and will be funded by both Federal and Local funds. Mr. Saldaña provided details in a separate table for each year; at \$3.97M for 2020, \$2.0M for 2021, \$2.01M for 2022, \$2.41M for 2023, and \$1.80M for 2024. A chart was displayed for each year with the breakdown of each category.



Action to Adopt the FY2020 Operating and Capital Budget

MR. MICHAEL REEVES MADE A MOTION TO ADOPT THE FY2020 OPERATING AND CAPITAL BUDGET. MS. PHILIP SKROBARCZYK SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, REEVES, LEYENDECKER, ALLISON, BAUMAN, CLOWER, DOMINGUEZ, JIMENEZ, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT LEYENDECKER AND JIMENEZ.

Action to move the November 27, 2019 Committees Meetings to Wednesday, November 20, 2019

MR. GLENN MARTIN MADE A MOTION TO MOVE THE NOVEMBER 27, 2019 COMMITTEES MEETINGS TO WEDNESDAY, NOVEMBER 20, 2019. MR. GEORGE CLOWER SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, REEVES, LEYENDECKER, ALLISON, BAUMAN, CLOWER, DOMINGUEZ, JIMENEZ, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT LEYENDECKER AND JIMENEZ.

Action to Approve the Board of Directors Meeting Minutes of October 2, 2019

MR. REEVES MADE A MOTION TO APPROVE THE BOARD OF DIRECTORS MEETING MINUTES OF OCTOBER 2, 2019. MS. LYNN ALLISON SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, REEVES, LEYENDECKER, ALLISON, BAUMAN, CLOWER, DOMINGUEZ, JIMENEZ, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT LEYENDECKER AND JIMENEZ.

Heard Consent Items –

- a) Action to Approve & Adopt the Fiscal 2020 Board and Committee Meetings Calendar (pg. 9)
- b) Action to Approve Disadvantaged Business Enterprise (DBE) Goal of Thirteen Percent (13%) for Federal Fiscal Years 2020 through 2022 (pgs.10-11)
- c) Action to Exercise the Second Option Year with Entrust for the Administration of the CCRTA Employee Group Health, Vision, and Dental Benefit Program (pgs.12-13)
- d) Action to Approve the Fiscal Year 2020 Holidays and Service Levels Calendar (pg.14)
- e) Action to Exercise the First Option Year with Evergreen Lawn and Landscape for Bus Stop Cleaning Services (pgs.15-16)

MR. WOOLBRIGHT MADE A MOTION TO APPROVE CONSENT ITEMS A) THRU E). MS. BAUMAN SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, REEVES, LEYENDECKER, ALLISON, BAUMAN, CLOWER, DOMINGUEZ, JIMENEZ, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT LEYENDECKER AND JIMENEZ.

Held Update of Financial Advisor Refinancing Results for the Series 2013 Bond Issues

Mr. Jorge G. Cruz-Aedo introduced the agency's Financial Advisor, Mr. Victor Quiroga of Specialized Public Financing who reported on the refinancing results. Mr. Quiroga also introduced Mr. Mark Nitcholas of Hutchison, Shockey, Erley & Co. and said their firm served as the underwriters for the bond documents.



Mr. Quoriga stated that the handout is the official statement of documents used to market the bonds and present to new investors who purchased the bonds for the refinancing at the meeting last month. He said the CCRTA originally had an A rating by the S&P Global Ratings in 2013, and the S&P looked at the agency again in 2014 and affirmed in 2019, and gave us an A+ rating. Mr. Quiroga commented that although the rating was A+, we purchased a bond insurance policy and this gave the agency an AA rating at the time of when the bonds were refinanced at lower interest rates. He mentioned this refinancing has provided the agency a \$3.7M of interest in cost savings. Mr. Quiroga showed a table of the 2013 previous bond financing and the 2019 refinance. He also shared some of the terms and timetable of events with the closing of the bonds and stated the refinancing finalized yesterday. Mr. Quiroga said they also were able to purchase a new reserve fund insurance policy at \$28,183 that allowed the agency to release the \$1.6M for the reduction of the bond principal.

Mr. Nitcholas spoke on the underwriting of the bonds during this transaction, and provided the names of companies who purchased the bonds giving the agency the lower interest cost savings. Mr. Cruz-Aedo also commented the Board Chairman and Board Secretary would be traveling next week to Chicago to see what the agency has done for this project.

Held Update on CCRTA's Defined Benefit Plan & Trust and CCRTA's Employees Defined Benefit and Contribution Plan & Trust

Ms. Lisa Keckler with Wells Fargo reported that Wells Fargo is in the process of selling the Institution and Retirement & Trust Division to Principal Financial Group (PFG) who is not the agency's trustee, and Wells Fargo now has a partnership with PFG since the closing in the 2nd quarter.

Ms. Keckler introduced Mr. Chris Koeller who presented on the Defined Benefit Plan & Trust and said the Plan ending September 30, 2019 at \$40,663,362, and said there were \$4.5M in gains. He spoke on the all-time highs and lows of the plan, and displayed a Cash Flow chart showing the Net Contributions and Gains/Losses for the Quarter, YTD and years since Inception. A pie chart of Asset Allocation indicated the percentages of Fixed Income at 37.7, Equities at 54.6, Real Assets & Alternatives at 5.0, and Cash and Cash Equivalents being at 2.6 percent. He commented on another Asset Allocations chart that numerous Wells Fargo equities shown with the F in the name, are those where they went to the various entities to negotiate a lower allocation.

Mr. Koeller continued with several charts and comments and displayed the Investment Policy Summary showing the underweight to small caps and overweight to cash, and said we are all time highs in the Equities market, and the cap of 3 percent cash hold on the Investment Policy statement is where the Plan is currently at and a guideline they would not be exceeding. He showed a Performance Comparative chart where the Plan is at 72 basis pts, or 659 over the year. Ms. Lynn Allison asked how long has the CCRTA had this Plan, and Ms. Keckler said it has been in place since 2004, although she has only been a part since 2012.

He said the Funded Status from September 30, 2018 to September 30, 2019, is at 102.65 percent, and fully funded. Ms. Keckler stated this is unusual for a Public Pension Plan and is a huge accomplishment for the agency we should be very proud of.

For the Employees Benefit & Contribution Plan, Ms. Keckler said Wells Fargo continues to manage this Plan for the Agency. She reported this Plan that allows the employees options of how they select the funds for their account. A slide showing the various funds and their allocations that are available for the employees to select was shown.



Mr. Martin asked on the percentages the agency maintains to keep at the percentage at minimum of 90 percent, and you indicated the agency is 102.65 percent funded. He asked what has changed. Mr. Cruz-Aedo spoke and said that we were not to go below 90 percent and goal was to remain at 100 percent, slightly above. Ms. Keckler said she would like to meet with Laura Stewart at Findley to make sure the funding ratio and percentages were not mixed, as ratios related to Cost of Living Adjustments (COLAs). She believed there were some implemented COLAs to increase the cost of living to the pensioners as the does not get incorporated into the funding the same way as the ratio does.

Action to Award a Contract to A. Ortiz Construction & Paving, Inc. for the Refurbishment of Shelters

Ms. Sharon Montez again reported on this item and went through the details of background, need, financial impact and recommendation as presented at the September and October Committee meetings and October Board meeting. She mentioned there are 1,343 bus stops, 128 sunshade canopies, 70 Tolar shelters, 860 trash containers, 150 metal benches and 801 concrete/wooden advertising benches.

She also pointed out two factors contributing to the identified need for Federal Transit Administration's Transit Asset Management – State of Good Repair Program, and the Board of Directors aspiration for an Enhanced Shelter Maintenance/ Expansion Program. Ms. Montez continued with the scope of work to remove the amenities at the bus stop, prepping and painting at the contractor's business, and then reinstalling the amenities at the original location. The Request for Proposal (RFP) was issued on August 6, 2019 and bid received on September 10, 2019. She said per previous discussion with the Board of Directors, this contract was based on a 5-year program as per the RFP with bidders basing their pricing as such, and the agency extended the proposal due date by one week to allow for additional time for bidders. She stated there were two companies who visited the CCRTA to view the shelters, yet did not bid, and A. Ortiz Construction and Paving, Inc. was the only company who submitted a single proposal.

Ms. Montez showed a chart with the description of amenities, quantity, unit price and an independent cost estimate. This chart also included cost escalation percentages for the years of the contract. She also mentioned that every shelter would be touched, every third year to make sure our bus stops and amenities are maintained, and this aligns with our Board Priority Public Image. A chart showing cost per year breakdown for a total 5-year cost summary of \$1.24M. She continued to say the sunshade and Tolar shelters are being awarded now as in this contract, and the proposed costs for refurbishment of the other amenities will be two-thirds the cost of new items and will be awarded at a later date. Ms. Montez said that containers and benches will be maintained in-house on an as-needed basis in conjunction with the procurement of new amenities to replace existing one.

As provided at the prior meetings, she provided background information on A. Ortiz Construction and Paving, Inc. and mentioned they have a satisfactory record of past performance and are qualified and eligible to receive an award under applicable federal, state, county, or municipal laws and regulations. This contract is not to exceed \$1,241,751 for the term of the 5-years, and is not funded with Federal funds, so no Disadvantaged Business Enterprise (DBE) requirement.

Ms. Montez also commented that the item has been reviewed and discussed at Committee meetings held September 25, 2019 and October 23, 2019, and a motion was made at the



October 23, 2019 meeting by Mr. Matt Woolbright to award a contract to A. Ortiz Construction & Paving, Inc. for Refurbishment of Shelter Amenities not to exceed \$1,241,751 over a 5-year period, and Ms. Dominguez second the motion and was passed by all members. The item also was presented at the October 2, 2019 Board Meeting.

MR. SKROBARCZYK MADE A MOTION TO AWARD A CONTRACT TO A. ORTIZ CONSTRUCTION & PAVING, INC. FOR THE REFURBISHMENT OF SHELTERS. MR. CLOWER SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, REEVES, LEYENDECKER, ALLISON, BAUMAN, CLOWER, DOMINGUEZ, JIMENEZ, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT LEYENDECKER AND JIMENEZ.

Heard Presentations –

a) September 2019 Financial Report

Mr. Saldaña commented this item aligns with our Board Priority Financial Transparency and is for the September Financial report. He mentioned a few highlights for the month of September 2019 being ahead of budget in total revenues by three-quarters, or 0.78 percent, investment income doing good as well ahead of budget by 71.35 percent and that total expenses were 9.01 percent under budget. He reported total revenues including a \$416,667 Transfer-in that is part of the \$2.5M one-time contribution amortized monthly, are at \$3.58 million, with a positive cash flow of \$307,513 for the month. He displayed charts of the revenues by category, and the expenses by object that show the breakdown of revenues or expenses source. Mr. Saldaña said total revenues with the Transfer-in came in at \$3.8M. A pie chart was shown detailing where the monies go by object category for the month excluding depreciation, debt service and street improvement dollars indicated Salaries and Benefits at 54 percent and will trend again next month, as a part of the \$416,667 one-time contribution amortized that will not be in next year. He detailed other categories to include large percentages of purchased transportation at 18 percent and insurance at 9 percent.

Mr. Saldaña also reported on highlights for year-to-date and total revenues, excluding Capital Grants at 2.20 percent and the investment income at 72.69 percent, both ahead of budget. Mr. Saldaña commented that total expenses came in at 9.84 percent under budget for the year. Annual revenues including the Transfer-in amount of \$1,250,000M, came in at \$31.43M on a \$31.94M budget. He then stated annual expenses came in at \$30.45M on a budget of \$33.8M giving us \$937,159 positive. He also provided charts and details showing revenues by category, and the expenses by object with the breakdown of each category or expenses source, and displayed a pie chart detailing where the monies go by object category annually, excluding depreciation, debt service and street improvement dollars. Mr. Saldaña commented on the Budget to Actual numbers for August Sales Tax of 2018 versus August 2019 at \$2.97M and was \$136,175 over last year. A graph chart was displayed to show the sales tax peaks and valleys by month and year, and he commented March, June, September and December are usually the peaks for the agency in sales tax revenues.

b) Procurement Update

Mr. Saldaña commented on the Board Priority aligns with Public Image & Financial Transparency. He reported on one project for the month for 4 Transportation Supervisor Support Vehicles at \$183,560. For the 4-month outlook there are two projects; bus stop



cleaning services estimated at \$374,367, and risk management services estimated at \$288,857, and both being reviewed by our Board in November and December.

Other projects requiring CEO approval to include five projects; generator services not to exceed \$14,625, hydraulic hoses and fittings not to exceed \$46,116, Benetrac agreement not to exceed \$17,400, Fleet-Net software license and support not to exceed \$27,750, and courier services not to exceed \$5,000. Mr. Saldaña reported the agency still maintains the Marina Rental Space contract at \$6,100 monthly as previously discussed with the Board.

c) August 2019 Safety & Security Report

Mr. Rendón commented aligns with Board Priority Facilities; Safety and Security. He stated there were 2 accidents for the month of September both being non-preventable giving us a collision rate for the month at 0.73, and the best rate going back to January of this year. Mr. Rendón reported the CCRTA operators drove a total of 272,423.69 miles in the month of September, a collision rate of 1.59. A slide showing the Security statistics was displayed and included there were 746 contacts with individuals where he detailed each for the month and explained the percentages. He also commented on visitors into our building average about 400 Monday through Friday, from in the beginning, where average visitors at about 1,200. Mr. Rendón also stated that security continues with the pro-active schedule in the mornings prior to employees and tenants arriving, during the lunch period, and again at 5:00 p.m. when everyone is leaving the area.

He commented in good partnership with the Crime Reduction Unit we have addressed the issues regarding the proximity areas at the Staples Street Center, Staples and Leopard streets, and near City Hall, and that the homeless population in this area has been reduced by 80 percent, although we are still addressing other issues. Mr. Rendón also mentioned something he had heard in the media of us arresting the homeless. He said this is not true as we are not in the business of arresting people. He did say that those being arrested here have been a drug issue, fight and/or an assault. He stated the homeless are now migrating towards the West side of the city near our Port/Ayers Transfer station, and we have begun another pro-active program with CCPD, our Staff during the day, and the Roam Patrol in the evenings to address any loitering and/or issues. He said we also have a canine unit from Precinct 5 Constable Flores in Robstown performing a sweep at the station, Port/Ayers and have boarded several buses to check for any illegal activities.

d) August 2019 Operations Report

Mr. Gordon Robinson commented this item aligns with our Board Priority Public Image and Transparency. He reported the monthly trends showed ridership at 438,196 down by 1.7 percent from last August, or 7,500 less. He said breakdown by mode indicated vanpool was up by a little over 200 percent with 3,518 more rides for August, Fixed Route down by just under 3 percent, and B-Line was up again from beginning of the year.

He displayed a chart of the top 10 routes highest weekday productivity routes and the bottom 10 lowest weekday productivity routes and stated the numbers speak for themselves. He commented there were a few different routes switching out as low performing, and as usual the worst productive routes are Port Aransas Routes with the two Express routes right behind in low ranking. Typical order for both wheelchair and bicycle boardings showed Route 23 Molina with 500 for the month, and Route 29 Staples



at 1,490 loadings for the month. Fixed Route On-time performance just over 88.4 percent for August is good with 192 out of 217 randomly surveyed trips on time with no early departures greater than 1 minute. Mr. Robinson stated there is still a lot of construction and there are 5 out of 32 routes are on detour, several coming to completion, although more ramping up. He said the B-Line performance came in at 2.85, and MBRC just under standard due to mechanical issues, CAFs at 13 validated, four commendations, and we met our standard of MBRC at 11,784 miles.

Heard CEO's Report

Mr. Jorge G. Cruz-Aedo commented the last overpass the CCRTA owned, the Alameda Bridge, the Jones Litton Pedestrian Archway was demolished last Saturday and Sunday. We were able to salvage the plaque from the project, and we have received clearance from the Federal Government to depreciate it and will not need to repay the grant we acquired through the livable communities grant from back in 1990's. He let the Board know that the Board Chairman, himself, Ms. Sharon Montez and Mr. Mike Rendon would be traveling to Austin, Texas to visit with our State Legislative consultant, Mr. Tris Casteneda on Tuesday. He said they all will visit with Texas Commission of Environmental Quality (TCEQ) on Wednesday for the possibility of funding our electric charging stations for autonomous vehicles we hope to initiate in the community, and also be looking at some electrical bus acquisitions as well. Mr. Cruz-Aedo also commented our Board Secretary will join us as we will travel to Chicago on Thursday to wrap up the Bond Refinancing program and return to Corpus Christi on Saturday.

He provided some important dates in the following weeks for the Board that included several bus stop dedications on Tuesday, November 19, 2019 for the Hector P. Garcia Clinic Smart Bus Stop, Wednesday, November 20, 2019 for the Bay M at the Staples Street Station where we relocated the bus stop in front of City Hall, and on Friday, November 22, 2019 for the West Oso Bus Stop. He also reminded the Board of the Thanksgiving Employee Luncheon to be held on Thursday, November 21, 2019 at the Bear Lane location. He also let the Board know our Autonomous Vehicle would be arriving over the next week for unveiling and dedication on Friday, January 17, 2020 at the Texas A&M University-Corpus Christi.

Heard Chairman's Report

Mr. Edward Martinez, Board Chairman deferred his time to other board members. Ms. Bauman, Dominguez, and Messrs. Martin, Reeves, Clower and Woolbright thanked the Staff for all they do and leadership.

Adjournment

There being no further review of items, the meeting adjourned at 10:12 a.m.

Submitted by: Dena Linnehan

Dan Leyendecker, Board Secretary



CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES
WEDNESDAY, NOVEMBER 20, 2019

Summary of Actions

1. Conducted Roll Call
2. Held Safety Briefing
3. Action to Receive Conflict of Interest Affidavits
4. Provided Opportunity for Public Comment - 3 min. limit – no discussion
5. Action to Approve the Administration & Finance Meeting Minutes of October 23, 2019
6. Action to Adopt a Resolution Approving Revisions to the Investment Policy
7. Action to execute payment of \$440,482 to Texas Municipal League Inter-Governmental Risk Pool (TMLIRP) for the following lines of coverage for FY2020: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers' Compensation Insurance
8. Action to Adopt a Resolution in Support of a Grant Application from Texas Commission on Environmental Quality (TCEQ) for the Alternative Fueling Facilities Program (AFFP) for Electric Charging Stations and Infrastructure
9. Held Discussion (In Closed Session) and Possible Action Thereafter in Open Session under Section 551.072 of the Texas Open Meetings Act Concerning: Real Estate Matters
10. Adjournment

The Corpus Christi Regional Transportation Authority Administration & Finance Committee met at 8:30 a.m. in the Corpus Christi Regional Transportation Authority Staples Street Center facility located at 602 N. Staples Street, 2nd Floor Board Room, Corpus Christi, Texas.

Committee Members Present: Dan Leyendecker, Chairman; Glenn Martin, Philip Skorbarczyk and Lynn Allison.

Committee Members Absent: Anne Bauman.

Staff Present: Jorge G. Cruz-Aedo, CEO; David Chapa, Angelina Gaitan, Dena Linnehan, Derrick Majchszak, Sharon Montez, Rita Patrick, Mike Rendón, Gordon Robinson, Robert Saldaña and Susan Teltschik.

Public Present: Benjamin Schmit, MV Transportation; Roland Barrera, Entrust.

Call to Order & Roll Call

Mr. Dan Leyendecker called the meeting to order at 8:31 a.m. Ms. Dena Linnehan called Roll and stated a quorum was present.

Held Safety Briefing

Mr. Rendón provided safety information in the event of an emergency for the Board members and guests in the audience. He explained location to assemble outside of the building, and included shelter in-place instructions. He commented where building exits are located, and instructed individuals to not use elevators. Mr. Rendón commented that if there is a 'shelter in place' ordered, we will shelter in the west side stairwells. He also stated once you exit the building, do not enter until an 'all clear' is given by Security personnel. Ms. Dena Linnehan will lead board members to the muster point.

Action to receive Conflict of Interest Affidavits

No affidavits received.

Provided Opportunity for Public Comment

No one spoke under public comment.

Action to Approve the Administration & Finance Committee Meeting Minutes of October 23, 2019

MR. GLENN MARTIN MADE A MOTION TO APPROVE THE ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES OF OCTOBER 23, 2019. MR. PHILIP SKROBARCZYK SECONDED THE MOTION. THE MOTION CARRIED. LEYENDECKER, MARTIN, BAUMAN AND ALLISON VOTING IN FAVOR. ABSENT SKROBARCZYK.

Action to Adopt a Resolution Approving Revisions to the Investment Policy

Mr. Robert Saldaña reported this item aligns with the Financial Transparency Board Priority. In accordance with Chapter 2256 Texas Government Code of The Public Funds Investment Act (PFI), this is how we define our parameters for the policy. Mr. Saldaña stated that annually the policy is updated and it covers the operating and capital funds and reverse funds, including sales tax revenues which is about 74 percent of our income. He said the policy objectives include preservation and safety of principal, liquidity, diversification and yield.

He commented operating funds usually cover the high-quality, short to intermediate maturity investments, and they align with our anticipated operating outflows where the agency will anticipate cash flows to match with liabilities. Mr. Saldaña commented on the investment strategy of debt service funds have two payments during the year and we can make a little longer term investment so at the beginning of the year we make the initial payment with the final payment in October-November at end of year to tie up the money giving us more of a yield. Mr. Saldaña said that we pay about \$1.4M in debt service since the refinancing of our bonds where it previously was around \$1.6M. He continued with Capital Projects and commented we ask our Project Managers to give us their beginning and completion date for their projects. He said this helps us in making investments using monies versus staying liquid, and helps us on the amortization/depreciation side where we can begin to depreciate the asset once the project is completed.



He stated that Patterson & Associates out of Austin, Texas are the firm currently used by the agency with himself and Ms. Sandy Roddel are the designated investment officers.

Mr. Saldaña commented on the regulation change under the PFI Act from being a double A-rated or higher rated agency, to now requiring your rating to be triple A-rated or higher. Course the higher the rating, usually a lower yield, or returns versus a risk. He mentioned we have a Commercial Paper fund rated at A1/P1 with standard maturity not to exceed three months, and this rate is the highest credit grade rate by S&P, Moody's and Fitch. Other requirements were explained regarding the Federal Deposit Insurance Corporation (FDIC), Delivery versus Payment and fully collateralized Repurchase Agreements as defined by the PFI Act.

He provided a table to show which investment types of diversifications and the maximum percentages the agency can invest in. Mr. Saldaña also commented on the Internal Controls of the Agency and displayed a chart of the brokers and dealers the agency uses.

MS. LYNN ALLISON MADE A MOTION TO ADOPT A RESOLUTION APPROVING REVISIONS TO THE INVESTMENT POLICY. MR. MARTIN SECONDED THE MOTION. THE MOTION CARRIED. LEYENDECKER, MARTIN, BAUMAN AND ALLISON VOTING IN FAVOR. ABSENT SKROBARCZYK.

Action to execute payment of \$440,482 to Texas Municipal League Inter-Governmental Risk Pool (TMLIRP) for the following lines of coverage for FY2020: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers' Compensation Insurance

Mr. Mike Rendón reported this item aligns with our Board Priority Safety & Security and Transparency. He spoke on the background and stated the agency has been a member of the Liability Property Fund since 1990, and joined the Workers' Compensation Fund in 2009. He displayed a chart of the coverage and contributions to include the years from 2018 through 2020 showing the total amounts paid to TMLIRP. He mentioned the categories that increased and stated there was a savings from 2018 to 2019. Mr. Rendón said that the agency will have a savings of \$27,545 to include December and the FY2020 payment.

MR. MARTIN MADE A MOTION TO EXECUTE PAYMENT OF \$440,482 TO TEXAS MUNICIPAL LEAGUE INTER-GOVERNMENTAL RISK POOL (TMLIRP) FOR THE FOLLOWING LINES OF COVERAGE FOR FY2020: AUTO LIABILITY INSURANCE, AUTO CATASTROPHE INSURANCE, PROPERTY INSURANCE, GENERAL LIABILITY INSURANCE, ERRORS & OMISSIONS INSURANCE, LAW ENFORCEMENT LIABILITY AND WORKERS' COMPENSATION INSURANCE. MS. ALLISON SECONDED THE MOTION. THE MOTION CARRIED. LEYENDECKER, MARTIN, BAUMAN AND ALLISON VOTING IN FAVOR. ABSENT SKROBARCZYK.



Action to Adopt a Resolution in Support of a Grant Application from Texas Commission on Environmental Quality (TCEQ) for the Alternative Fueling Facilities Program (AFFP) for Electric Charging Stations and Infrastructure

Ms. Sharon Montez reported this item aligns with the Board Priority of Public Image and Transparency. She commented on the recent meeting with the Texas Commission on Environmental Quality (TCEQ), Ms. Tonya Baer, Deputy Director for the Office of Air including CCRTA's Staff of the CEO, Board Chairman, Director of Security and herself. Ms. Montez commented on background information the agency is eligible to explore several grant opportunities through TCEQ, some with different release dates and some still yet to be determined. She commented for this item, there is a near term grant, Alternative Fueling Facilities Program (AFFP) that allows for the procurement and installation of electric charging stations, and the program's objective is aimed at increasing the use of alternative fuels in this Clean Transportation Zone.

Ms. Montez displayed a chart with the locations, scope of work/equipment and estimated costs breakdown with a total estimated equipment and installation costs of \$373,357.79. She said applicants must meet all State of Texas requirements, be in good standing with your environmental programs, and there are no limitations on the number of grants an eligible applicant may receive from this program at different locations. Ms. Montez provided the project categories for the AFFP applications, and said there were two analysis provided with total project cost at \$373,357.79, and the agency's cost being \$186,678.90, or 50 percent.

Mr. Jorge Cruz-Aedo commented this type of funding will continue in the future and the vision for the charging stations is twofold. He said the agency will be able to charge our service vehicles that are all electric at this point, and to also provide an opportunity for those in the community who are using electric vehicles to be able to charge their vehicles.

MR. MARTIN MADE A MOTION TO ADOPT A RESOLUTION IN SUPPORT OF A GRANT APPLICATION FROM TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ) FOR THE ALTERNATIVE FUELING FACILITIES PROGRAM (AFFP) FOR ELECTRIC CHARGING STATIONS AND INFRASTRUCTURE. MR. SKROBARCZYK SECONDED THE MOTION. THE MOTION CARRIED. LEYENDECKER, MARTIN, BAUMAN AND ALLISON VOTING IN FAVOR. ABSENT SKROBARCZYK.



Held Discussion (In Closed Session) and Possible Action Thereafter in Open Session under Section 551.072 of the Texas Open Meetings Act Concerning: Real Estate Matters

Mr. Leyendecker opened the session at 8:59 a.m. No Action was taken.

Adjournment

There being no further review of items, the meeting adjourned at 9:27 a.m.

Submitted by: Dena Linnehan



**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
OPERATIONS & CAPITAL PROJECTS COMMITTEE MEETING MINUTES
WEDNESDAY, NOVEMBER 20, 2019**

Summary of Actions

1. **Conducted Roll Call**
2. **Held Safety Briefing**
3. **Action to Receive Conflict of Interest Affidavits**
4. **Provided Opportunity for Public Comment - 3 min. limit – no discussion**
5. **Action to Approve the Operations & Capital Projects Committee Meeting Minutes of October 23, 2019**
6. **Action to Approve the Fiscal Year 2020 Holidays and Service Levels Calendar**
7. **Action to Award a contract to Vehicle Inspection Systems, Inc. for an Automated Rim Polishing System**
8. **Action to Award a contract to Silsbee Ford for Four (4) Transportation Supervisor Support Vehicles**
9. **Adjournment**

The Corpus Christi Regional Transportation Authority Administration & Finance Committee met at 8:30 a.m. in the Corpus Christi Regional Transportation Authority Staples Street Center facility located at 602 N. Staples Street, 2nd Floor Board Room, Corpus Christi, Texas.

Committee Members Present: Michael Reeves, Committee Chairman, George Clower, Patricia Dominguez, Matt Woolbright and Anna Jimenez.

Committee Members Absent: None.

Staff Present: Jorge G. Cruz-Aedo, CEO; David Chapa, Angelina Gaitan, Dena Linnehan, Derrick Majchszak, Sharon Montez, Rita Patrick, Mike Rendón, Gordon Robinson, Robert Saldaña and Susan Teltschik.

Public Present: Benjamin Schmit, MV Transportation; Roland Barrera, Entrust.

Call to Order & Roll Call

Mr. Mike Reeves called the meeting to order at 9:31 a.m. Ms. Dena Linnehan called Roll and stated a quorum was present.

Held Safety Briefing

Mr. Rendón provided safety information in the event of an emergency for the Board members and guests in the audience. He explained location to assemble outside of the building, and included shelter in-place instructions. He commented where building exits are located, and instructed individuals to not use elevators. He also stated once out of



the building, to not enter until an 'all clear' is given by Security personnel. Ms. Dena Linnehan will lead board members to the muster point.

Action to receive Conflict of Interest Affidavits

No affidavits received.

Provided Opportunity for Public Comment

No one spoke under public comment.

Action to Approve the Operations & Capital Projects Committee Meeting Minutes of October 23, 2019

MR. MATT WOOLBRIGHT MADE A MOTION TO APPROVE THE OPERATIONS & CAPITAL PROJECTS COMMITTEE MEETING MINUTES OF OCTOBER 23, 2019. MS. PATRICIA DOMINGUEZ SECONDED THE MOTION. THE MOTION CARRIED. REEVES, CLOWER, WOOLBRIGHT AND JIMENEZ VOTING IN FAVOR. ABSENT DOMINGUEZ.

Action to Award a contract to Vehicle Inspection Systems, Inc. for an Automated Rim Polishing System

Mr. Derrick Majchszak reported this item aligns with Board Priority Public Image and Transparency. He provided background information that the Board approved the issuance of an IFB on August 7, 2019. He said this equipment is for polishing the fleet's wheel rims and is environmentally friendly by protecting the environment from exposure to chemicals normally used in manual polishing process. Mr. Majchszak commented this equipment will restore the rims to a mirror-like which also reveals hidden damage to the wheels and tires while protecting staff by moving parts or exposure to chemicals. He said the manual process is labor intensive, at times inconsistent results and dangerous to maintenance personnel. Mr. Majchszak also commented by maintaining the mirror-like finish to the rims helps with the agency's public image and shows our confidence in maintaining our fleet.

He continued to state there is no Disadvantage Business Enterprise (DBE), and this item has been budgeted for \$140,000 and is a 2019 CIP Capital Project using local funds. The award would be presented to Vehicle Inspection Systems, Inc. at \$132,016.93 as they were the only bidder.

MR. GEORGE CLOWER MADE A MOTION TO AWARD A CONTRACT TO VEHICLE INSPECTION SYSTEMS, INC. FOR AN AUTOMATED RIM POLISHING SYSTEM. MR. WOOLBRIGHT SECONDED THE MOTION. THE MOTION CARRIED. REEVES, CLOWER, WOOLBRIGHT AND JIMENEZ VOTING IN FAVOR. ABSENT DOMINGUEZ.



Action to Award a contract to Silsbee Ford for Four (4) Transportation Supervisor Support Vehicles

Mr. Derrick Majchszak reported this item aligns with Board Priority is Public Image and Transparency. He stated the Board approved the issuance of an IFB on June 5, 2019. Mr. Majchszak stated the Supervisor Support vehicles cover 846 square miles in our service area. He said the streets are supervised due to detours, weather issues, special events, accidents and incidents, any type of service interruption with the fleet, and also includes the safety and security for our ridership. Mr. Majchszak mentioned that several of the support vehicles have reached their useful life with 5 of them beyond 150,000 miles logged. He said replacement vehicles will keep any excessive maintenance costs and daily disruptions to a minimum.

Mr. Majchszak stated there is no Disadvantaged Business Enterprise (DBE) participation for this item. He also commented on the financial impact to the agency being \$29,667.67 per SUV vehicle, or a total of \$118,670.68 which was the bid submitted by the sole bidder Silsbee Ford, Inc. He said this item is a 2019 CIP budgeted project funded partially by 5307 Formula Funds making the agency's cost of 20 percent at \$23,734.14, and the Federal costs of 80 percent at \$94,936.54.

MS. ANNA JIMENEZ MADE A MOTION TO AWARD A CONTRACT TO SILSBEE FORD FOR FOUR (4) TRANSPORTATION SUPERVISOR SUPPORT VEHICLES. MS. DOMINGUEZ SECONDED THE MOTION. THE MOTION CARRIED. REEVES, CLOWER, WOOLBRIGHT AND JIMENEZ VOTING IN FAVOR. ABSENT DOMINGUEZ.

Adjournment

There being no further review of items, the meeting adjourned at 9:40 a.m.

Submitted by: Dena Linnehan



Subject: Adopt a Resolution Approving Revisions to the Investment Policy

Background

In accordance with Section 2256.005 (e) of the Texas Government Code, (Public Funds Investment Act – PFIA) ***“the governing body of an investing entity shall review not less than annually:***

1. Review and adopt by rule, order, ordinance, or resolution an investment policy and investment strategies that governs investing Authority Funds (This policy ***excludes*** pension funds, which have a separate policy).
2. To notify the Board of Directors after the first year of contract with the Investment Advisor.

Identified Need

The current Investment Policy was last approved by Resolution on December 4, 2019 by the Board of Directors and is now due for a review to stay in compliance with PFIA. The new proposed Resolution for adoption is included as part of this document. The Investment Policy is being included as an attachment to this document. The changes to the Investment Policy are as follows:

1. Qualitative change to the Investment Policy

The Policy has been reviewed by our Investment Advisor and the recommended changes are highlighted in red and located on page 5. New regulations now require SEC registered money market funds to be **Triple A Rated and striving to maintain a \$1 net asset value**. This definition has also been incorporated by the Public Funds Investment Act (PFIA). The revision is intended to improve liquidity and preservation of principal.

There are no changes to any of the provisions of the CCRTA Investment Program which require investment changes to the investment strategies to adhere to the four primary objectives of:

- Preservation and Safety of Principal
- Liquidity
- Diversification
- Yield

2. Board Notification of Investment Officer

Because the investing environment is driven by complex regulatory and market forces, that requires daily attention, CCRTA has continued to utilize a professionally managed investment portfolio through the services of an Investment Advisor. Patterson &

Consent Item

Associates, a SEC-registered Investment Advisor, is currently serving the Authority under a 14-month Professional Agreement which expires on December 31, 2020. **Referenced in Attachment A of the Investment Policy.**

Disadvantaged Business Enterprise

Since this is an approval for a policy, there is no DBE goal.

Financial Impact

There isn't a quantifiable direct financial impact. The potential for a financial impact would be based on an investment change/future rate of return.

Board Priority

This item corresponds with the Agency's Public Image and Transparency effort.

Committee Review

This item was reviewed and approved at the Administration & Finance Committee meeting held on November 20, 2019.

Recommendation

Staff recommends the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Adopt a Resolution Approving Revisions to the Investment Policy.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel
Director of Finance

Reviewed by: Robert M. Saldaña
Managing Director of Administration

Final Approval by: 
Jorge G. Cruz-Aedo
Chief Executive Officer

Corpus Christi Regional Transportation Authority



Resolution

Resolution Approving the Investment Policy, Designation of Investment Officers, Designation of Investment Advisor and List of Approved Brokers/Dealers

WHEREAS, the Corpus Christi Regional Transportation Authority most recently adopted an Investment Policy on February 1, 2017 in accordance with Texas Government Code Chapter 2256, the Public Funds Investment Act; and

WHEREAS, Texas Government Code §2256.005 requires a review of the Investment Policy at least annually and the adoption of a resolution incorporating any modifications to the Investment Policy; and

WHEREAS, the Texas Government Code §2256.005(f) requires the governing body to designate investment officers by resolution; and

WHEREAS, Texas Government Code §2256.025 requires a review and designation of an authorized broker/dealer list at least annually; and

WHEREAS, the Board has completed a review of the Investment Policy, the designation of Investment Officers, the designation of Investment Advisor, and the authorized broker/dealer list as provided therein;

NOW, THEREFORE, BE IT RESOLVED BY THE CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY THAT:

RESOLVED, that the Corpus Christi Regional Transportation Authority Investment Policy is reviewed and approved.

RESOLVED, that the designation of the Director of Finance, Sandy Roddel, and the Managing Director of Administration, Robert Saldana, as the Investment Officers under the Investment Policy is hereby ratified and confirmed.

RESOLVED, that the designation of Patterson & Associates as the Investment Advisor under the Investment Policy is hereby ratified and confirmed.

RESOLVED, that the authorized broker/dealer list is hereby ratified and confirmed.

DULY PASSED AND ADOPTED this 4th day of December 2019.

ATTEST:

**CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY**

Jorge G. Cruz-Aedo
Chief Executive Officer

Edward Martinez
Chairman of the Board

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
BOARD POLICY

INVESTMENTS - 2020

POLICY STATEMENT

Section 1. Statement.

This Investment Policy is authorized by the Board of Directors of the Corpus Christi Regional Transportation Authority (the "CCRTA") in accordance with Chapter 2256 of the Texas Government Code: The Public Funds Investment Act (the "Act").

Section 2. Scope of Policy.

This Investment Policy applies to investment transactions of the CCRTA operating and capital funds, including sales tax revenues. This Policy does not apply to the investment of assets accrued for the purpose of funding employee retirement benefits or programs, nor does it apply to trustee or escrow funds which are invested in accordance with their respective contracts or escrow agreements.

These funds are defined in the CCRTA's Comprehensive Annual Financial Report and include all governmental, proprietary, and bond funds and any other new funds created unless specifically exempted by the Board.

Section 3. Policy Objectives.

The CCRTA investment program shall be managed and invested with four primary objectives listed below, in priority order. Investments are to be chosen in a manner which promotes diversity among market sectors and maturities. The use of high-grade governmental securities and high credit quality money market securities is designed to assure the marketability of those securities should liquidity needs arise. Investment decisions shall not incur unreasonable investment risks in order to obtain investment results.

- (a) Preservation and Safety of Principal. Safety of principal is the foremost objective. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether resulting from security default or erosion of market value.
- (b) Liquidity. The investment portfolio will retain sufficient liquidity to enable the CCRTA to meet all operating requirements which can be reasonably anticipated. Cash flow analysis will be utilized to continuously monitor cash flow changes and guide investment decisions.
- (c) Diversification. The CCRTA will diversify its investments in an effort to avoid incurring unreasonable or avoidable risks regarding specific security types or individual financial institutions. Diversification will include diversification by maturity and market sector and will include the use of a number of institutions and brokers for diversification, competition, and market coverage. Diversification serves to reduce market and interest rate risk. Asset allocation shall reflect an emphasis on high credit quality governmental investments.
- (d) Yield. The investment portfolio shall be designed with the objective of attaining a reasonable market yield, taking into account risk constraints and cash flow needs of the portfolio. CCRTA will not make investments for the purpose of trading or speculation as its dominant criteria. However, CCRTA intends to pursue active portfolio management techniques while working within the guidelines of the Policy in order to enhance total returns.

In order to monitor portfolio performance and in keeping with the weighted average maturity limitation of twelve-months based on historical cash flow analysis, the comparable period, current twelve (12) month Treasury Bill will be used as a benchmark on the overall portfolio. The benchmark is designed to monitor risk as well as performance.

The CCRTA may commingle its funds into one pooled investment portfolio for purposes of efficiency and maximum investment opportunity.

PROCEDURES

Section 4. Investment Strategy.

The CCRTA may maintain one commingled portfolio for investment purposes which incorporates the specific investment strategy considerations based on the unique characteristics of the funds represented in the portfolio:

- (a) The investment strategy for operating funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. This may be accomplished by purchasing high quality, short- to medium-term maturity securities which will complement each other in a laddered maturity structure permitting some extension for yield enhancement.
- (b) The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before extension.
- (c) The investment strategy for debt service reserve funds shall have as its primary objective the ability to generate a revenue stream to the debt service funds from high credit quality securities with a low degree of volatility. Securities should be high credit quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities.
- (d) The investment strategy for capital projects or capital project funds will have as its primary objective assurance that anticipated cash flows are matched for adequate liquidity. The stated final maturity dates of securities held may not exceed the estimated project completion date.

The CCRTA shall pursue an active investment management strategy. The Investment Officer(s) will continuously monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. CCRTA shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

Section 5. Standard of Prudence.

Investments shall be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (a) The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment, and
- (b) Whether the investment decision was consistent with the written Investment Policy of the CCRTA.

Employees of the CCRTA and any investment advisor designated by the Board who are involved in investment decisions, when acting in accordance with this Policy and exercising due diligence, shall not be held personally liable for a specific credit risk or market price change, provided deviation from expectations is reported in a timely manner and appropriate action is taken to control adverse developments.

Section 6. Delegation of Authority and Responsibilities.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Regardless of delegation of investment duties, the Board retains the overall fiduciary responsibility for CCRTA public funds.

(a) The Board of Directors

The Board's responsibilities include:

- Establishment and annual adoption of the Investment Policy and Strategy;
- Designation of a banking services depository for the funds of the CCRTA;
- Approval of the list of broker/dealers for the purpose of selling investment transactions to the CCRTA;
- Approval of the selection of, if the Board so desires, an investment advisor for the purpose of managing CCRTA funds;
- Quarterly review of investment reports and performance;
- Designation of an employee(s) of the CCRTA to serve as Investment Officer(s) to be responsible for the investment of its funds consistent with the adopted Investment Policy. (Authority granted to a person to invest the CCRTA's funds is effective until rescinded by the CCRTA or until termination of the person's employment with the CCRTA.)

(b) Investment Officer(s)

The Director of Finance and the Managing Director of Administration acting on behalf of CCRTA are designated as the Investment Officers and are responsible for investment management decisions and activities. The Investment Officers' responsibilities include the following.

- The Investment Officers are responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management.
- The Investment Officers shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy.
- The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls and documentation to regulate the activities of subordinate officials and staff.
- The Investment Officers shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officers are not available.
- No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and established procedures.
- The Investment Officers shall be knowledgeable of laws concerning the investment of public funds, current investment practices and investment risks and opportunities as required by the Act (2256.008). The Investment Officer shall obtain ten (10) hours of training within twelve months of assuming the position and in each two-year period that begins on the first day of the

CCRTA's fiscal year and consists of the two consecutive fiscal years after that. The training may be obtained from:

- Government Finance Officers Association
- Government Finance Officers Association of Texas
- Government Treasurers Organization of Texas
- Association of Public Treasurers of the US & Canada
- Texas Municipal League
- University of North Texas Center for Public Management
- Patterson & Associates

If the Investment Officers desire to attend an investment-training seminar presented by another organization for training credit, such seminar must be approved by the Chief Executive Officer and the Managing Director of Administration.

- The Investment Officers shall be bonded employees.
- This Policy and its adopting resolution authorize the Investment Officers to engage in investment transactions on behalf of CCRTA. The persons so authorized are authorized to approve electronic transfers used in the process of investing.
- If the Investment Officers have a personal business relationship with a business organization offering to engage in an investment transaction with the CCRTA, that individual shall file a statement disclosing that personal business interest in accordance with the Act
- The Investment Officers shall develop and maintain a cash flow analysis to determine available balances and project cash flow needs for the prudent investment of CCRTA funds and the creation of adequate liquidity buffers.
- The Investment Officers shall maintain current and accurate documentation on all investment transactions and holdings.
- The Investment Officers shall ensure adequate security and independent safekeeping for all securities owned by or pledged to CCRTA.
- The Investment Officers shall ensure that all certification and other requirements placed on financial counter-parties are observed.
- The Investment Officers shall monitor the credit ratings of all investments requiring ratings no less than monthly. Ratings may be obtained from the rating agencies, Bloomberg, the Wall Street Journal or other recognized financial reporting entities. Should the investments lose the required ratings, the Investment Officers shall inform the CEO of the loss of the ratings and options for the liquidation of the investments consistent with this policy.

Rated investments include:

- Obligations of States (other than Texas) and their agencies and subdivisions; banker's acceptances, commercial paper, money market mutual funds and investment pools.
- The Investment Officers shall monitor the status and ownership of all banks issuing brokered CDs owned by the CCRTA based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officers shall immediately liquidate any brokered CD which places the CCRTA above the FDIC insurance level.

Section 7. Authorized Investments.

(a) List of Investments. The investment types listed below, and as further defined by the Act, are authorized for the CCRTA. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by CCRTA until this Policy has been amended and the amended version adopted by the Board.

- Obligations of the United States, its agencies, and instrumentalities with a stated maturity not to exceed three years and excluding mortgage backed securities.
- Direct obligations of the State of Texas or its agencies and instrumentalities with a stated maturity not to exceed two years.
- Obligations, the principal and interest of which are unconditionally guaranteed, insured, or backed by, the full faith and credit of the State of Texas or the United States or their respective

agencies and instrumentalities including the Federal Deposit Insurance Corporation and with a stated maturity not to exceed three years, and excluding mortgage backed securities.

- Obligations of states, agencies, counties, cities, and other political subdivisions of any US state rated not less than A or its equivalent by at least two nationally recognized investment rating agencies not to exceed three years to maturity.
- Fully insured or collateralized depository certificates of deposit from any bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed two years to stated maturity, to include certificates of deposit purchased through the CDARS program with a Texas bank;
- FDIC insured brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the CCRTA's safekeeping agent, not to exceed two years to maturity.
- Fully collateralized repurchase agreements and reverse repurchase agreements as defined by the Act, with defined termination dates, and placed through a primary government securities dealer with a stated maturity not to exceed six months. Flex repurchase agreements used for capital projects may extend beyond three years as determined by the bond expenditure plan.
- Bankers' acceptances as defined by the Act with a stated maturity not to exceed three months.
- Commercial paper rated A1/P1 or equivalent by at least two nationally recognized rating agencies with a stated maturity not to exceed three months.
- AAA-Rated, local government investment pools in Texas and striving to maintain a \$1 net asset value per share.
- **AAA-Rated**, SEC registered money market mutual funds **striving to maintain a \$1 net asset value**.
- Interest bearing accounts of banks in Texas with FDIC coverage or collateralized in accordance with this Policy.

(b) Competitive Bidding Requirement. All securities, including certificates of deposit, will be purchased or sold only after three (3) competitive offers/bids are taken to verify that CCRTA is receiving a fair market price. In the case of coordinated programs for the purchase of certificates of deposit bids (CDARS) from multiple brokers will not be required.

All bids/offers for investments may be solicited orally, but confirmed in writing (or electronically) with internal trade ticket documentation, written confirmation from the broker/dealer, and original safekeeping receipt from the custodian.

(c) Delivery versus Payment. All security transactions, including collateral for repurchase agreements, shall be conducted on a delivery versus payment (DVP) basis. The CCRTA's custodian shall release funds only after it has received the purchased security into safekeeping. The custodian must be independent from the broker/dealer. The DVP basis shall be contractually established.

To ensure delivery versus payment settlement no securities will be purchased through a subsidiary of CCRTA's banking services bank.

(d) Diversification. The CCRTA recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification. The maximum limits for diversification on the total portfolio are determined at the time of purchase and are established as:

	<u>Max. % of Portfolio</u>
US Treasury Obligations	80%
US Agencies/Instrumentalities	80%
State Government Obligations	45%
Local Government Obligations	45%
Certificates of Deposit (Depository)	50%
Brokered Certificates of Deposit	30%
Repurchase Agreements	50%
Flex in CIP Funds	100%

Local Government Investment Pools	80%
Money Market Funds	100%
Limited to 80% in any one fund	
(Not to exceed 10% of the value of the fund)	
Commercial Paper	35%
Bankers Acceptances	20%

Section 8. Financial Counter-Parties.

(a) Designation of Depository

At least every five years a banking services depository shall be selected through a competitive process. In selecting a depository, the services, cost of services, credit worthiness, and collateralization by the institution shall be considered. Collateralization of time and demand deposits in the depository must be in accordance with this Policy.

Any banking institution in which CCRTA time and demand deposits are placed is a designated depository and funds must be insured or collateralized under a written depository agreement.

(b) Investment Management Firm

The CCRTA may contract with an SEC registered investment advisory firm for management of the portfolio.

Any new contracts with an investment advisory firm must be approved by resolution of the Board of Directors.

On-going contracts must be approved annually by resolution of the Board of Directors.

The investment advisor must be registered under the Investment Advisors Act of 1940.

The Investment Officer shall require that the investment advisor provide certain documents including:

- Audited financial statements or other acceptable evidence of financial stability
- SEC annual ADV certification and Central Depository Registration (CRD) number.

The investment advisor is responsible for making investments and carrying out its contractual duties in full compliance with this policy and the Public Funds Investment Act.

(c) Security Brokers/Dealers

Investments may be made with or through the following institutions:

- Federally insured banks
- Brokers or security dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York also known as "primary government securities dealers," or
- Secondary institutional brokers/dealers registered with the SEC and registered with Financial Industry Regulatory Authority (FINRA).

The Investment Officer(s) shall maintain a list of not less than three authorized broker/dealers to assure competitive bidding. The Investment Officer(s) shall require that all financial institutions and broker/dealers desiring to transact business with the CCRTA must supply certain documents including:

- Current year audited financial statements or other acceptable evidence of financial stability
- Financial Industry Regulatory Authority (FINRA) certification and the FINRA Central Depository Registration (CRD) number.
- Proof of Texas State Securities registration.

A list of authorized brokers/dealers will be prepared by the Investment Officer(s) and reviewed and adopted at least annually by the Board. **Each authorized broker/dealer will receive a copy of the current investment policy.**

(d) Policy Review Certification

CCRTA must provide a copy of its current Investment Policy to the investment management advisor and also to each pool in which the CCRTA participates in. The qualified representative of said business organization shall execute a written certification in a form acceptable to the CCRTA substantially to the effect that the business organization has:

- Received, and thoroughly reviewed this Policy and
- Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolio or requires subjective investment standards.

The Investment Officer(s) may not acquire or otherwise obtain any investment from a person or firm who has not delivered this written certification.

Section 9. Collateralization and Safekeeping.

All CCRTA repurchase agreements will be fully collateralized and all time and demand deposits will be fully insured or collateralized. Collateral of 102 percent is required and must be kept safe by a CCRTA-approved independent third party.

Authorized collateral for repurchase agreements which is owned by the CCRTA includes only:

- A combination of cash and securities of the United States or its agencies and instrumentalities. The CCRTA does not accept letters of credit as collateral.

Authorized collateral for time and demand deposits which is pledged to the CCRTA includes only:

- Federal Deposit Insurance Corporation ("FDIC") insurance,
- Obligations of the United States or its agencies and instrumentalities, including mortgage backed securities which pass the bank test.
- Direct obligations of the State of Texas or its agencies, or
- Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities.
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated not less than A or its equivalent by at least two nationally recognized investment rating agencies.

The CCRTA reserves the right to refuse any collateral it deems inappropriate.

(a) Pledged Depository (Pledged) Collateral

Financial institutions serving as CCRTA depositories will be required to sign a depository agreement with the CCRTA and the independent safekeeping agent and in compliance with FIRREA¹. The agreement shall define the collateral and CCRTA rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, which includes:

- The Agreement shall be in writing;
- The Agreement shall be approved by the Board of Directors or the Loan Committee of the Depository and a copy of the meeting minutes or resolution reference must be delivered to the CCRTA; and

¹Financial Institutions Resource and Recovery Enforcement Act which governs the actions of the FDIC on default.

- No listing of pledged collateral shall be part of the agreement.

The following conditions must be met before time or demand deposits are made:

- Collateral must be held in an independent third-party bank outside the bank's holding company.
- Collateral will be maintained at 102% of principal plus accrued interest at all times, excluding amounts covered by FDIC insurance.
- The bank will be contractually liable for the continuous monitoring and maintaining of collateral and the required margin requirements.
- Pledged collateral will be evidenced by original safekeeping receipts and a monthly report sent directly to the CCRTA by the custodian including security description, par value, market value and CUSIP number.
- Substitution rights will be granted if the bank obtains prior approval from CCRTA and if substituting securities are received before previously pledged securities are removed from safekeeping.
- Collateral shall be reviewed on at least a monthly basis by the CCRTA's Investment Officer and may be audited by the CCRTA at any time during normal business hours of the safekeeping bank. A monthly listing of collateral from the pledgor shall include pledged securities itemized by: name, type and description of the security, safekeeping receipt number, par value, coupon, cusip number, market value, and maturity date.
- Collateral shall be audited at least annually by the CCRTA's independent external auditors.
- Substitution of collateral is authorized; however, the pledging institution must contact the Investment Officer for prior approval.

(b) Repurchase Agreements (Owned) Collateral

The CCRTA and any counter party to a repurchase transaction are required to execute the Bond Market Master Repurchase Agreement. An executed copy of this Agreement must be on file before any transaction is initiated. Collateral will be evidenced by safekeeping receipts clearly denoting ownership by the CCRTA. Collateral will be maintained at 102% and held by an independent third party approved by CCRTA and delivered on a delivered-versus-payment (DVP) basis.

Section 10. Reporting.

The Investment Officer(s) shall prepare and submit at least quarterly, signed quarterly investment reports in compliance with the Act and Policy. The reports shall summarize investment strategies employed in the most recent quarter and fully describe investment, maturities, risk characteristics, and investment return for the quarter.

The reports shall include a succinct management summary of the current investment portfolio and changes made during the last quarter. This summary will be prepared in a manner to allow the reader to ascertain whether investment activities during the reporting period have conformed to the Investment policy and adequately maintained diversification and liquidity. The report will include the following:

- A detailed description of the investment position of the entity on the date of the report;
- A summary statement, for each pooled fund group that states the:
 - Beginning market value for the reporting period;
 - Ending market value for the period; and
 - Fully accrued interest for the reporting period;
- For each individual invested asset:
 - State the book value and market value at the end of the reporting period by the type of asset and fund type invested;
 - State the maturity date of each separately invested asset that has a maturity date;
 - State the account or fund or pooled group fund for which each individual investment was acquired (if more than one such account or fund exists).

- Dollar weighted average yield of the portfolio and its benchmarks,
- Earnings for the period (accrued plus net amortization),
- Analysis of the total portfolio by market sector and maturity, and
- Statement of compliance of the investment portfolio with the Act and the Investment Policy.

Market prices for the calculation of market value will be obtained from independent sources.

If the CCRTA invests in other than money market mutual funds or accounts offered by its depository bank in the form of certificates of deposits or money market accounts or similar accounts, the reports prepared by the Investment Officer(s) shall be formally reviewed at least annually by the independent auditor, and the results of the review shall be reported to the Board by the auditor.

Section 11. Annual Policy Adoption.

The CCRTA legal counsel shall review this policy annually to ensure it complies with the applicable laws. The Board shall review and adopt the Policy no less than annually and the adopting resolution shall reference any changes made.

Adopted – February 5, 2014
Approved by Resolution – February 1, 2017
Revised/Approved – October 4, 2017
Proposed Changes – December 5, 2018
Proposed Changes – November 6, 2019

**Corpus Christi Regional Transportation Authority Investment Policy
ATTACHMENT A**

Authorized Investment Advisor

Patterson & Associates
Austin, Texas

**Corpus Christi Regional Transportation Authority Investment Policy
ATTACHMENT B**

Authorized List of Brokers/Dealers

- Bank of America/Merrill Lynch
- Frost Bank Capital Markets
- International FC Stone
- Mizuho Securities
- Morgan Stanley Securities
- Mutual Securities
- Piper Jaffray
- RBC Capital Markets
- SAMCO Capital Markets
- Stifel Nicolaus
- Wells Fargo Securities (money market funds only)



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo

December 4, 2019

Subject: Action to Execute Payment of \$440,482 to Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for the Following Lines of Coverage for FY2020: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers' Compensation Insurance

Background

The Corpus Christi RTA is insured through The Texas Municipal League Intergovernmental Risk Pool (TMLIRP). The Authority has been a member of the Liability Property Fund since 1990 and joined the Worker's Compensation Fund in 2009. Participation in the funds was initiated by entering into Interlocal Agreements with the participating pool member local governments.

Identified Need

The assets and interest of the Corpus Christi RTA need to be adequately protected through insurance coverage.

Analysis

Total contribution costs for FY2020 have increased by 6.67% or \$27,545 over 2019. Four lines of coverage out of eight lines of coverage contributions have decreased.

The main increases and decreases are explained as follows:

Increases:

- *Automobile Catastrophe* - rate increase for this type of coverage.
- *Real and Personal Property* - rate increase for this type of coverage and a change in value for the Staples Street Center.
- *Workers' Compensation* - Agency does not have a bad loss ratio but due to having a low modifier (.2) that is sensitive to any loss experience increase, even a slight one, the contribution amount increases.

Decreases:

- *Automobile Liability/Medical Payments* – reduction in claims and settlements
- *Errors & Omissions Liability* – reduction in claims

A finalized cost schedule table which compares fund contributions is presented below:

Disadvantaged Business Enterprise

There is no DBE goal.

Financial Impact

Types of Coverage	Limit	Deductible	2018	2019	2020	Inc./Dec
			Contribution	Contribution	Contribution	2019 & 2020
General Liability	\$9,000,000	\$0	\$3,843	\$3,365	\$ 2,904	\$ (461)
Errors & Omissions Liability	\$2,000,000	\$10,000	\$11,735	\$9,794	\$ 8,341	\$ (1,453)
Automobile Liability/Medical Payments	\$500,000	\$0	\$290,576	\$221,546	\$ 200,183	\$ (21,363)
Automobile Catastrophe	\$10,000,000	\$10,000	\$25,000	\$25,000	\$ 30,460	\$ 5,460
Sub Total:			\$331,154	\$259,705	\$241,888	\$ (17,817)
Law Enforcement Liability	\$5,000,000	\$1,000	\$901	\$831	\$ 732	\$ (99)
Real & Personal Property (Includes Flood and Earthquake with a \$25,000 deductible)	\$40,062,873	\$10,000	\$42,865	\$36,378	\$ 39,126	\$ 2,748
Loss of Income, Extra Expense, Rents	\$1,000,000	\$10,000	Included	Included	Included	--
Boiler & Machinery	\$100,000	\$10,000	Included	Included	Included	--
Public Employee Dishonesty	\$500,000	\$2,500	\$718	\$733	\$ 734	\$ 1
Sub Total:			\$44,484	\$37,942	\$40,592	\$ 2,650.00
TOTAL: LIABILITY, PROPERTY & CRIME			\$375,638	\$297,647	\$ 282,480	\$ (15,167)
Workers' Compensation	Statutory		\$124,983	\$115,290	\$ 158,002	\$ 42,712
GRAND TOTAL			\$500,621	\$412,937	\$ 440,482	\$ 27,545

Board Priority

This item aligns with the Board Priority – Safety and Security and Transparency

Committee Review

This item was reviewed and approved at the Administration & Finance Committee meeting held on November 20, 2019.

Recommendation

Staff recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to execute payment of \$440,482.00 to Texas Municipal League Inter-Governmental Risk Pool for the following lines of coverage for FY2020: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers' Compensation Insurance.

Respectfully Submitted,

Submitted by: Miguel Rendón
Director of Safety and Security

Final Approval by: 
Jorge G. Cruz-Aedo
Chief Executive Officer



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo

December 4, 2019

Subject: Adopt a Resolution in Support of a Grant Application from Texas Commission on Environmental Quality (TCEQ) for the Alternative Fueling Facilities Program (AFFP) for Electric Charging Stations and Infrastructure

Background

Recently, the Board Chair, led a visit to the TCEQ, accompanied by the CEO, CCRTA staff and the CCRTA's state legislative consultant to discuss the availability of grant funding programs.

Tonya Baer, Deputy Director for the Office of Air, led the discussion for TCEQ and informed the CCRTA that it would be eligible for several grants, which will have various release dates. The grant closest to being released is the Alternative Fueling Facilities Program (AFFP), which TCEQ mentioned would be released within next few weeks. This grant criteria allows for the procurement and installation of electric charging stations, so long as stations align with the grant criteria.

The AFFP can fund natural gas and alternative fueling stations projects in the 83 Texas counties that make up the Clean Transportation Zone, and Nueces County is part of that zone.

The statutory goal of the AFFP is to ensure that alternative fuel vehicles have access to fuel and to build the foundation for a self-sustaining market for alternative fuels in Texas. The program's objective is aimed at increasing the use of alternative fuels in the Clean Transportation Zone.

The program is part of the Texas Emissions Reduction Plan (TERP) and is funded from legislative appropriations to the TCEQ from the TERP Fund. The overall objectives of TERP include achieving reductions in nitrogen oxides (NO_x) emissions and other pollutants of concern to assist areas to come into compliance or remain in compliance with the National Ambient Air Quality Standards under the federal Clean Air Act.

Identified Need

The agency has identified four site locations for the installation of electric charging station.

See table below:

No.	Location	Scope	Estimated Costs
1	Staples Street Station	One Level 3 (DC) EV charging station with dual charging plugs, and one Level 2 charging station with dual charging plugs, along with concrete pad, electrical infrastructure, lighting and bollards.	\$ 90,540.32
2	Port/Ayers Transfer Station	One Level 3 (DC) EV charging station with dual charging plugs, and one Level 2 charging station with dual charging plugs, along with concrete pad, electrical infrastructure, lighting and bollards.	\$ 88,480.00
3	Del Mar Southside Campus	One Level 3 (DC) EV charging station with dual charging plugs, and one Level 2 charging station with dual charging plugs, along with concrete pad, electrical infrastructure, lighting and bollards.	\$ 99,160.80
4	CCRTA Bear Lane Operations Facility	One Level 3 (DC) EV charging station with dual charging plugs, and one Level 2 charging station with dual charging plugs, along with concrete pad, electrical infrastructure, lighting and bollards.	\$ 95,176.67
Total Estimated Equipment and Installation Costs			\$ 373,357.79

Analysis

Applicants must meet all State of Texas requirements and be eligible to conduct business in Texas. There is no limitation on the number of grants an eligible applicant may receive from this program for different locations.

Stations funded by AFFP grants must be new facilities or, at a minimum, provide new services. Projects that are open to the public will be considered for funding before private facilities. Public stations must be accessible and available for public use for a minimum of eight hours per day between the hours of 6:00 a.m. and 8:00 p.m., Monday through Friday.

Eligible project categories for AFFP applications are:

- Construction of new facilities dispensing eligible alternative fuels to vehicles and equipment in the Clean Transportation Zone, or
- Expansion of existing alternative or natural gas fueling facilities currently located in the Clean Transportation Zone, dispensing natural gas or other alternative fuels to vehicles and equipment to provide new services or capabilities.

Disadvantaged Business Enterprise

This project is funded with local funds and does not have a DBE requirement.

Financial Impact

The maximum grant award for fuels other than natural gas will be 50% of the total eligible costs or a maximum of \$600,000, whichever is less.

The CCRTA's estimated project costs is \$373,357.79, therefore 50% of that amount would be the CCRTA's local match of \$186,678.90.

Board Priority

This item aligns with the Public Image and Innovation priorities.

Committee Review

This item was reviewed and approved at the Administration & Finance Committee meeting held on November 20, 2019.

Recommendation

Staff recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Adopt a Resolution in Support of a Grant Application from Texas Commission on Environmental Quality (TCEQ) for the Alternative Fueling Facilities Program (AFFP) for Electric Charging Stations and Infrastructure.

Respectfully Submitted,

Reviewed by: Sharon Montez
Managing Director of Customer Services and Capital Projects

Final Approval by: 
Jorge G. Cruz-Aedo
Chief Executive Office

Corpus Christi Regional Transportation Authority



Resolution

IN SUPPORT OF A GRANT APPLICATION FROM TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR THE ALTERNATIVE FUELING FACILITIES PROGRAM (AFFP) FOR ELECTRIC CHARGING STATIONS AND INFRASTRUCTURE

WHEREAS, electric vehicle charging services can provide a positive economic and environmental impact, and

WHEREAS, the Corpus Christi Regional Transportation Authority (CCRTA) provide electric vehicle charging services which can provide an incentive to attract visitors/customers by providing a convenient location for charging in the greater Corpus Christi area,

WHEREAS, the CCRTA desires to participate in a grant program with the Texas Commission on Environmental Quality (TCEQ) for grant funding to offset the costs for the procurement and installation of eight electric vehicles charging stations in four different locations, and for future participation in TCEQ grant programs to expand the quantity of electric charging station as deemed needed for the service area, and

WHEREAS, four locations have been selected for the initial placement of the electric vehicle charging stations at, Staples Street Center, Port Ayers Transfer Station, Bear Lane Operations Building and Del Mar College – South Campus with the potential for future sites to be determined.

NOW THEREFORE, BE IT RESOLVED BY THE CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY BOARD OF DIRECTORS THAT:

Section 1. The Board hereby declares its support for:

- Electric vehicle charging stations that can provide a positive economic and environmental impact,
- Electric vehicle charging stations that provide an incentive to attract visitors/customers by providing a convenient location for charging in the greater Corpus Christi area,
- CCRTA to participate in a grant program through the Texas Commission on Environmental Quality (TCEQ) for grant funding to offset the costs for the procurement and installation of eight electric vehicles charging stations in four different locations,
- Placement of electric charging stations at four sites that have been selected for the initial phase, located at Staples Street Center, Port Ayers Transfer Station, Bear Lane Operations Building and Del Mar College – South Campus.

Section 2. The Board further declares its intention to support the plan of development for future exploration of grant opportunities for the financing of capital projects for the procurement and installation of electric charging stations.

DULY PASSED AND ADOPTED this 4th day of December 2019.

ATTEST:

**CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY**

Jorge G. Cruz-Aedo
Chief Executive Officer

Edward Martinez
Chairman of the Board



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo

December 4, 2019

Subject: Award a contract to Vehicle Inspection Systems, Inc. for an Automated Rim Polishing System

Background

An automated rim polishing system has the capability of restoring aluminum bus wheel rims to a mirror-like finish. The system will refurbish road-wear wheels, revealing any hidden damage such as cracks between the bolt holes which compromise the safety of wheels. The system is environmentally friendly with a fully enclosed cabinet which traps all containments.

Identified Need

CCRTA Maintenance Department is responsible for maintaining a fleet of 70 buses. The Automated Rim Polishing System will allow maintenance staff to safely and quickly refurbish and maintain the rims. Currently, maintenance relies on staff to manually maintain rims, averaging 4 hours per vehicle and 1,680 hours annually for the fleet. An automated polishing system drastically reduces labor hours by 75%, 420 annual labor hours, while restoring rims to a mirror-like finish.

Disadvantaged Business Enterprise

For this procurement the DBE participation is zero percent (0%) – Contractors are encouraged to offer contracting opportunities to the fullest extent possible through outreach and recruitment activities to small, minority and disadvantaged businesses.

Financial Impact

The Automated Rim Polishing System is budgeted for \$140,000.00 and is a 2019 CIP Capital Project using local funds. The bid from Vehicle Inspection Systems, Inc. is \$132,016.93. This is a sole source procurement due to Vehicle Inspection Systems, Inc. being the sole bidder.

Board Priority

This item aligns with the Board Priority – Public Image and Transparency.

Committee Review

This item was reviewed and approved at the Operations & Capital Projects Committee meeting held on November 20, 2019.

Recommendation

Staff recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Contract to Vehicle Inspection Systems, Inc. for an Automated Rim Polishing System.

Respectfully Submitted,

Submitted by: Bryan Garner
Director of Maintenance

Reviewed by: Derrick Majchszak
Director of Transportation

Final Approval by: 
Jorge G. Cruz-Aedo
Chief Executive Officer



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo

December 4, 2019

Subject: Award a Contract to Silsbee Ford for Four (4) Transportation Supervisor Support Vehicles

Background

RTA Transportation Supervisors operate non-revenue support vehicles to travel throughout the 846 square mile CCRTA service area to provide street supervision and assistance to operators, customers, and overall service to include; detours, weather, special events, accidents/incidents, service interruptions etc. Additionally, Transportation Supervisors respond to police incidents associated with CCRTA; safety and security, vehicle collision, unexpected closures etc.

Identified Need

Several SUV's within the Transportation support vehicles have met their useful life and need replacement in order to avoid excessive maintenance costs and disruptions to daily operations.

Disadvantaged Business Enterprise

For this procurement the DBE participation is zero percent (0%) – Contractors are encouraged to offer contracting opportunities to the fullest extent possible through outreach and recruitment activities to small, minority and disadvantaged businesses.

Financial Impact

Silsbee Ford was the sole bidder and submitted a bid of \$118,670.68 for the four (4) Transportation Supervisor Support Vehicles, which equates to \$29,667.67 per SUV. The bid came in lower than the project estimate of \$142,910. This is a 2019 CIP project funded partially by 5307 Formula Funds. The local match is 20% with an estimated cost of \$23,734.14 and the federal portion of 80% is estimated at \$94,936.54.

Board Priority

This item aligns with the Board Priority – Public Image and Transparency

Committee Review

This item was reviewed and approved at the Operations & Capital Projects Committee meeting held on November 20, 2019.

Recommendation

Staff recommend the Board of Directors to authorize the Chief Executive Officer (CEO) or designee to Award a Contract to Silsbee Ford Inc. for Four (4) Transportation Supervisor Support Vehicles.

Respectfully Submitted,

Submitted by: Bryan Garner
Director of Maintenance

Reviewed by: Derrick Majchszak
Director of Transportation

Final Approval by: 

Jorge G. Cruz-Aedo
Chief Executive Officer



Subject: October 2019 Financial Report

SUMMARY: Results from all Activities Compared to Budget

REVENUES

The period of **October** represents 83.33% into the budget with two more months left in the year. Excluding the Capital Grant Budget, **Revenues from Operations** totaled \$3,122,155. **Bus Advertising** exceeded budget by \$1,097 or 9.75%, **Investment Income** by \$15,535 or 53.53%, and **Other Operating Revenues** by \$3,449 or 422.85%. Although **Passenger Service revenue** for the month is down by \$28,620 or 16.43% the Year-To Date variance shows an uptick of \$13,811 or 0.89%.

The **Investment Portfolio** of the Agency earned interest of \$44,558 for the month of October and \$485,929 YTD and ended up with a Market Value of \$30,499,488. The Investment Portfolio continues to perform well, though earnings have lessened slightly due to the recent reductions in the federal funds rate.

Interest from TexPool Prime, which consists of **Commercial Paper**, have provided a cumulative \$728,546.84 since the accounts were opened in November 2017. The Agency's Portfolio currently consists of risk free investments to protect principal while providing gains at the level predicted. The monthly average rate as of October 31, 2019 was 2.0701%. The non-cash portion of the portfolio totaled \$3,137,497 and yielded 2.857% in October. There are two certificates of deposit that are included in the non-cash portion of the portfolio which will be maturing on November 4, 2019 and November 9, 2019. As CD's mature, the investment is transferred to a TexPool account if the measurable outcome of locking in does not exceed TexPool rates. For this reason, out of the available \$26,512,007, approximately \$20M is held in TexPool, \$2M in CD's, \$2M in the Frost Main Account held as a compensating balance to offsets banking fees and \$2.5M is held in other bank accounts to cover health claim and payroll checks. Interest earnings since the year 2010 is shown below.

FiscalYear	Interest Income
2010	\$ 100,070.83
2011	\$ 27,859.53
2012	\$ 51,173.24
2013	\$ 62,160.18
2014	\$ 110,051.70
2015	\$ 125,142.70
2016	\$ 19,298.73
2017	\$ 85,535.30
2018	\$ 409,036.41
2019	\$ 485,929.37
	\$ 1,476,257.99

Sales tax revenue for October 2019 is estimated at \$2,875,296, which is equal to the amount budgeted for the month. Because we are on a full accrual accounting system and sales tax payments reflect a two-month lag, estimates equal budget. Meanwhile, the sales tax estimate is \$96,671, or 3.48% higher than October 2018 and comparable to the 3.36% YOY. The actual allocation for October 2019 will be received December 13, 2019. Sales tax represented **91.89%** of total revenue realized in October and **87.48%** of total revenues YTD.

Sales tax represents the largest component of CCRTA's total income however there are several factors that can cause fluctuations from year to year. Although sales tax revenue is related to economic conditions, other factors such as the amount of revenues from other sources and capital improvement plans do come into play. The sales tax revenue over the last five years' averages to **76.80%** of total income.

To stabilize the fluctuations of sales tax revenue, CCRTA has established several reserve accounts that serve as a liquidity cushion. As you can see from the fund balance breakdown below, over 50% of the unrestricted portion is assigned by the Board to fund reserves that are earmarked to meet certain unexpected demands.

The detail of all revenue categories is presented in the following tables, along with the fare recovery ratio for October 2019:

	Current Month			
	Actual	Budget	Favorable (Unfavorable) Variance \$	Favorable (Unfavorable) Variance %
	A	B	A vs B (\$)	A vs B (%)
Revenues				
Passenger service	\$ 145,600	\$ 174,220	\$ (28,620)	-16.43%
Bus advertising	12,347	11,250	1,097	9.75%
Other operating revenues	4,265	816	3,449	422.85%
Sales Tax Revenue	2,875,296	2,875,296	-	0.00%
Federal, state and local grant assistance	-	1,500	(1,500)	-100.00%
Investment Income	44,558	29,023	15,535	53.53%
Staples Street Center leases	40,089	40,159	(70)	-0.17%
Capital Grants & Donations	6,908	1,323,885	(1,316,977)	-99.48%
Total Revenues	3,129,063	4,456,149	(1,327,086)	-29.78%
Transfers-In	416,667	416,667	-	0.00%
Total Revenues & Transfers-In	\$ 3,545,730	\$ 4,872,816	\$ (1,327,086)	-29.78%

Revenue Source	Oct-19	%	YTD	%
Passenger Service	\$ 145,600	4.65%	\$ 1,571,999	4.77%
Bus Advertising	\$ 12,347	0.39%	\$ 123,796	0.38%
Other Revenue	\$ 4,265	0.14%	\$ 117,871	0.36%
Sales Tax Revenue	\$ 2,875,296	91.89%	\$ 28,855,756	87.48%
Grants Operating	\$ -	0.00%	\$ 829,306	2.51%
Grants Capital	\$ 6,908	0.22%	\$ 601,788	1.82%
Investment Income	\$ 44,558	1.42%	\$ 485,929	1.47%
SSC lease income	\$ 40,089	1.28%	\$ 399,763	1.21%
Total Revenue	\$ 3,129,063	100.00%	\$ 32,986,208	100.00%

Fare Recovery Ratio

Description	10/31/2019	Year to Date
Fare Revenue	\$ 145,600	\$ 1,571,999
Operating Expenses*	3,033,185	27,018,071
FRR	4.80%	5.82%
*Excluding Depreciation		

Note: Same period last year the FRR was 6.27%. The 2019 YTD FRR of 5.82% includes \$79,621 of revenues from the special services provided to Flatiron/Dragados Winnebago in February and March 2019.

EXPENSES

Departmental operating expenses are presented below in accordance to their expense object category. For the month of October 2019, total departmental operating expenses realized a favorable variance of approximately \$209,556.

The most significant positive variance came from the **Insurance** and **Salaries & Benefits** expense categories. The variance **Insurance** is due to lower employee health coverage costs, while the variance for **Salaries & Benefits** is attributable to job vacancies that have not yet been filled. The **Miscellaneous** category consists of line items for Dues & Subscriptions, Travel & Training, and Advertising & Promotion.

Total Expenses of \$3,118,353 came in \$209,556 less than budget expectations, or 6.30%.

	Current Month			
	Actual	Budget	Favorable (Unfavorable) Variance \$	Favorable (Unfavorable) Variance %
	A	B	A vs B (\$)	A vs B (%)
Operating Expense Object Category				
Salaries & Benefits	\$ 1,625,491	\$ 1,723,685	\$ 98,193	5.70%
Services	291,286	326,471	35,185	10.78%
Materials & Supplies	236,311	267,696	31,385	11.72%
Utilities	52,728	58,676	5,948	10.14%
Insurance	290,161	354,520	64,360	18.15%
Purchased Transportation	573,422	538,703	(34,719)	-6.44%
Miscellaneous	48,955	58,158	9,204	15.83%
Total Expenses	\$ 3,118,353	\$ 3,327,909	\$ 209,556	6.30%

	Current Month			
	Actual	Budget	Favorable (Unfavorable) Variance \$	Favorable (Unfavorable) Variance %
	A	B	A vs B (\$)	A vs B (%)
Operating Expenses				
Departmental Operating Expenses	\$ 3,118,353	\$ 3,327,909	\$ 209,556	6.30%
Debt Service	-	-	-	0.00%
Depreciation	357,309	357,309	-	0.00%
Street Improvements	250,581	250,581	-	0.00%
Subrecipient Grant Agreements	-	62,155	62,155	100.00%
Total Expenses	\$ 3,726,243	\$ 3,997,954	\$ 271,710	6.80%

NET POSITION

The Total Net Position at the end of the month was **\$84,585,914**, a decrease of \$1,447,230 from December 2018, which is largely due to depreciation. The Total Net Position is made up of three (3) components: Net Investment in Capital Assets, Restricted for Debt Service (Bond Contract), and Unrestricted which represents the residual amount of the net position that is available for spending. However, 51% of the Unrestricted portion of the Total Net Position has been Assigned by the Board.

Of the Total Net Position of **\$84,585,914**, the portion of the fund balance that is not restricted in accordance to GASB Concepts Statement No 4 is **\$26,512,007**, but only **\$12,965,563** is available for spending as a result of the internal restrictions placed by the Board for specific reserves.

One of the reserves listed in the **Unrestricted Funds Section** of the Fund Balance is the **Unamortized Pension Contribution** which resulted from the one-time contribution of \$2,500,000 made to the Defined Benefit Plan. Below is the breakdown:

One-Time Contribution \$ 2,500,000
 Less Four Months of Amortization @ \$416,667 (July - October) 1,666,667
 Equals the Unamortized Pension Contribution Stated below.....833,333

FUND BALANCE AS OF OCTOBER 31, 2019:

Fund Balance	
Net Invested in Capital Assets	\$ 56,462,606
Restricted for Debt Service	1,611,302
Unrestricted	<u>26,512,007</u>
Net Position	<u>84,585,914</u>
Total Unrestricted Funds	
Assigned for Operating Reserve	8,639,961
Assigned for Capital Reserve	3,360,932
Assigned for Health Care Costs Reserve	712,218
Unamortized Pension Contribution	<u>833,333</u>
Total Assigned	13,546,444
Available Unrestricted Funds	\$ <u>12,965,563</u>

Please refer to the following pages for the detailed financial statements.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel
 Director of Finance

Reviewed by: Robert M. Saldaña
 Managing Director of Administration

Final Approval by: 
 Jorge G. Cruz-Aedo
 Chief Executive Officer

Corpus Christi Regional Transportation Authority
Statement of Revenues and Expenditures By Cost Center (Unaudited)
For the month ended October 31, 2019

	Current Month			
	Actual	Budget	Favorable (Unfavorable) Variance \$	Favorable (Unfavorable) Variance %
	A	B	A vs B (\$)	A vs B (%)
Revenues				
Passenger service	\$ 145,600	\$ 174,220	\$ (28,620)	-16.43%
Bus advertising	12,347	11,250	1,097	9.75%
Other operating revenues	4,265	816	3,449	422.85%
Sales Tax Revenue	2,875,296	2,875,296	-	0.00%
Federal, state and local grant assistance	-	1,500	(1,500)	-100.00%
Investment Income	44,558	29,023	15,535	53.53%
Staples Street Center leases	40,089	40,159	(70)	-0.17%
Gain (Loss) on Disposition of Property	-	-	-	0.00%
Capital Grants & Donations	6,908	1,323,885	(1,316,977)	-99.48%
Total Revenues	3,129,063	4,456,149	(1,327,086)	-29.78%
Expenses				
Transportation	632,862	601,640	(31,223)	-5.19%
Customer Programs	30,855	29,092	(1,763)	-6.06%
Purchased Transportation	573,422	538,703	(34,719)	-6.44%
Service Development	28,618	38,019	9,402	24.73%
MIS	67,675	80,177	12,502	15.59%
Vehicle Maintenance	394,353	413,509	19,156	4.63%
Facilities Maintenance	148,652	175,257	26,605	15.18%
Contracts and Procurements	17,585	19,340	1,755	9.07%
CEO's Office	68,734	69,358	624	0.90%
Finance and Accounting	41,126	42,274	1,148	2.72%
Materials Management	14,303	11,990	(2,312)	-19.28%
Human Resources	837,973	935,173	97,199	10.39%
General Administration	50,209	52,855	2,646	5.01%
Capital Project Management	11,342	14,958	3,616	24.17%
Marketing & Communications	31,164	49,435	18,271	36.96%
Safety & Security	85,648	114,220	28,572	25.01%
Depreciation	357,309	357,309	-	0.00%
Staples Street Center	82,068	83,019	950	1.14%
Port Ayers Cost Center	1,763	28,703	26,940	93.86%
Debt Service	-	-	-	0.00%
Special Projects	-	30,187	30,187	100.00%
Subrecipient Grant Agreements	-	62,155	62,155	100.00%
Street Improvements Program for CCRTA Region Entities	250,581	250,581	-	0.00%
Total Expenses	3,726,243	3,997,954	271,711	6.80%
Transfer-In from Fund Balance	416,667	416,667	-	0.00%
Revenues & Transfers over Expenses \$	(180,512)	874,862	(1,055,375)	-120.63%

Corpus Christi Regional Transportation Authority
Statement of Revenues and Expenditures By Cost Center (Unaudited)
For the month ended October 31, 2019

	Year to Date			
	Actual	Budget	Favorable (Unfavorable) Variance	Favorable (Unfavorable) Variance %
	A	B	A vs B	A vs B (%)
Operating Revenues:				
Passenger service	\$ 1,571,999	1,558,188	13,811	0.89%
Bus advertising	123,796	112,500	11,296	10.04%
Other operating revenues	117,871	12,536	105,335	840.29%
Sales Tax Revenue	28,855,756	28,919,206	(63,450)	-0.22%
Federal, state and local grant assistance	829,306	797,000	32,306	4.05%
Investment Income	485,929	284,614	201,315	70.73%
Staples Street Center leases	399,763	399,427	336	0.08%
Gain (Loss) on Disposition of Property	-	-	-	0.00%
Capital Grants & Donations	601,788	3,063,477	(2,461,689)	-80.36%
Total Operating Revenues	32,986,208	35,146,947	(2,160,739)	-6.15%
Operating Expenses:				
Transportation	6,115,483	5,966,221	(149,262)	-2.50%
Customer Programs	329,984	330,618	634	0.19%
Purchased Transportation	5,601,962	5,387,035	(214,927)	-3.99%
Service Development	302,615	365,514	62,900	17.21%
MIS	714,920	785,432	70,513	8.98%
Vehicle Maintenance	3,815,878	4,043,486	227,608	5.63%
Facilities Maintenance	1,457,902	1,725,920	268,018	15.53%
Contracts and Procurements	167,302	184,526	17,224	9.33%
CEO's Office	651,577	715,393	63,816	8.92%
Finance and Accounting	436,957	495,392	58,435	11.80%
Materials Management	118,199	113,887	(4,311)	-3.79%
Human Resources	5,572,921	6,913,886	1,340,965	19.40%
General Administration	476,424	534,036	57,611	10.79%
Capital Project Management	113,296	142,085	28,788	20.26%
Marketing & Communications	327,720	486,334	158,613	32.61%
Safety & Security	842,602	1,134,590	291,987	25.74%
Depreciation	3,573,088	3,573,088	-	0.00%
SSC Expenses	633,104	822,266	189,162	23.00%
Port Ayers Cost Center	7,371	287,033	279,662	97.43%
Debt Service	419,524	427,882	8,359	1.95%
Special Projects	-	253,792	253,792	100.00%
Subrecipient Grant Agreements	63,684	621,553	557,869	89.75%
Street Improvements Program for CCRTA Region Entities	2,505,806	2,505,806	-	0.00%
Total Expenses	34,248,318	37,815,776	3,567,457	9.43%
Transfer-In from Fund Balance	1,666,667	1,666,667	-	0.00%
Revenues & Transfers over Expenses \$	404,557	(1,002,162)	1,406,719	140.37%

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Net Position
Month ended October 31, 2019 and year ended December 31, 2018

	Unaudited October 31 2019	Audited December 31 2018
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 25,909,191	\$ 21,259,832
Investments	3,099,120	5,104,907
Receivables:		
Sales and Use Taxes	5,634,766	6,015,928
Accrued Interest	45,829	38,377
Federal Government	217,327	258,243
Other	258,228	245,913
Inventories	663,017	654,774
Prepaid Expenses	1,501,572	261,394
Total Current Assets	<u>37,329,048</u>	<u>33,839,367</u>
Non-Current Assets:		
Restricted Cash and Cash Equivalents	1,682,392	1,611,302
Capital Assets:		
Land	5,381,969	5,381,969
Buildings	53,734,210	53,734,210
Transit Stations, Stops and Pads	23,592,450	23,592,450
Other Improvements	5,525,123	5,525,123
Vehicles and Equipment	60,369,148	60,369,148
Construction in Progress	666,827	666,827
Current Year Additions	910,118	-
Total Capital Assets	<u>150,179,844</u>	<u>149,269,727</u>
Less: Accumulated Depreciation	<u>(74,472,239)</u>	<u>(70,899,151)</u>
Net Capital Assets	<u>75,707,606</u>	<u>78,370,576</u>
Total Non-Current Assets	<u>77,389,998</u>	<u>79,981,878</u>
TOTAL ASSETS	<u>114,719,046</u>	<u>113,821,245</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions	5,170,677	5,170,677
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>119,889,723</u></u>	<u><u>118,991,922</u></u>

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Net Position (continued)
Month ended October 31, 2019 and year ended December 31, 2018

	Unaudited October 31 2019	Audited December 31 2018
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	2,146,146	316,287
Contractors Retainage Payable	-	-
Current Portion of Long-Term Liabilities:		
Long-Term Debt	595,000	595,000
Compensated Absences	283,472	283,472
Distributions to Regional Entities Payable	3,017,811	3,077,888
Other Accrued Liabilities	1,192,043	616,793
Total Current Liabilities	<u>7,234,472</u>	<u>4,889,440</u>
Non-Current Liabilities:		
Long-Term Liabilities, Net of Current Portion:		
Long-Term Debt	18,650,000	18,650,000
Compensated Absences	344,752	344,752
Net Pension Liability	6,468,642	6,468,642
Net OPEB Obligation	1,101,367	1,101,367
Total Non-Current Liabilities	<u>26,564,761</u>	<u>26,564,761</u>
TOTAL LIABILITIES	<u>33,799,233</u>	<u>31,454,201</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions	1,504,577	1,504,577
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>35,303,810</u>	<u>32,958,778</u>
Net Position:		
Net Invested in Capital Assets	56,462,606	59,125,577
Restricted for Debt Service	1,611,302	1,611,302
Unrestricted	26,512,007	25,296,265
TOTAL NET POSITION	<u>\$ 84,585,914</u>	<u>\$ 86,033,144</u>

**Corpus Christi Regional Transportation Authority
Statement of Cash Flows (Unaudited)
For the month ended October 31, 2019**

	<u>10/31/2019</u>
Cash Flows From Operating Activities:	
Cash Received from Customers	\$ 158,109
Cash Received from Bus Advertising and Other Ancillary	59,614
Cash Payments to Suppliers for Goods and Services	(1,210,826)
Cash Payments to Employees for Services	(719,137)
Cash Payments for Employee Benefits	(189,988)
Net Cash Used for Operating Activities	<u>(1,902,228)</u>
Cash Flows from Non-Capital Financing Activities:	
Sales and Use Taxes Received	2,970,409
Grants and Other Reimbursements	21,869
Distributions to Subrecipient Programs	(38,837)
Distributions to Region Entities	-
Net Cash Provided by Non-Capital Financing Activities	<u>2,953,441</u>
Cash Flows from Capital and Related Financing Activities:	
Federal and Other Grant Assistance	152,984
Proceeds/Loss from Sale of Capital Assets	-
Proceeds from Bonds	-
Repayment of Long-Term Debt	-
Interest and Fiscal Charges	-
Purchase and Construction of Capital Assets	(83,689)
Net Cash Provided by Capital and Related Financing Activities	<u>69,295</u>
Cash Flows from Investing Activities:	
Investment Income	36,946
Purchases of Investments	-
Maturities and Redemptions of Investments	-
Net Cash Provided by Investing Activities	<u>36,946</u>
Net Increase in Cash and Cash Equivalents	1,157,454
Cash and Cash Equivalents (Including Restricted Accounts), October 1, 2019	26,434,128
Cash and Cash Equivalents (Including Restricted Accounts), October 31, 2019	\$ <u><u>27,591,583</u></u>



Subject: October 2019 Operations Report

The system-wide monthly operations performance report is included below for your information and review. This report contains monthly and Year-to-Date (YTD) operating statistics and performance measurement summaries containing ridership, performance metrics by service type, miles between road calls and customer service feedback.

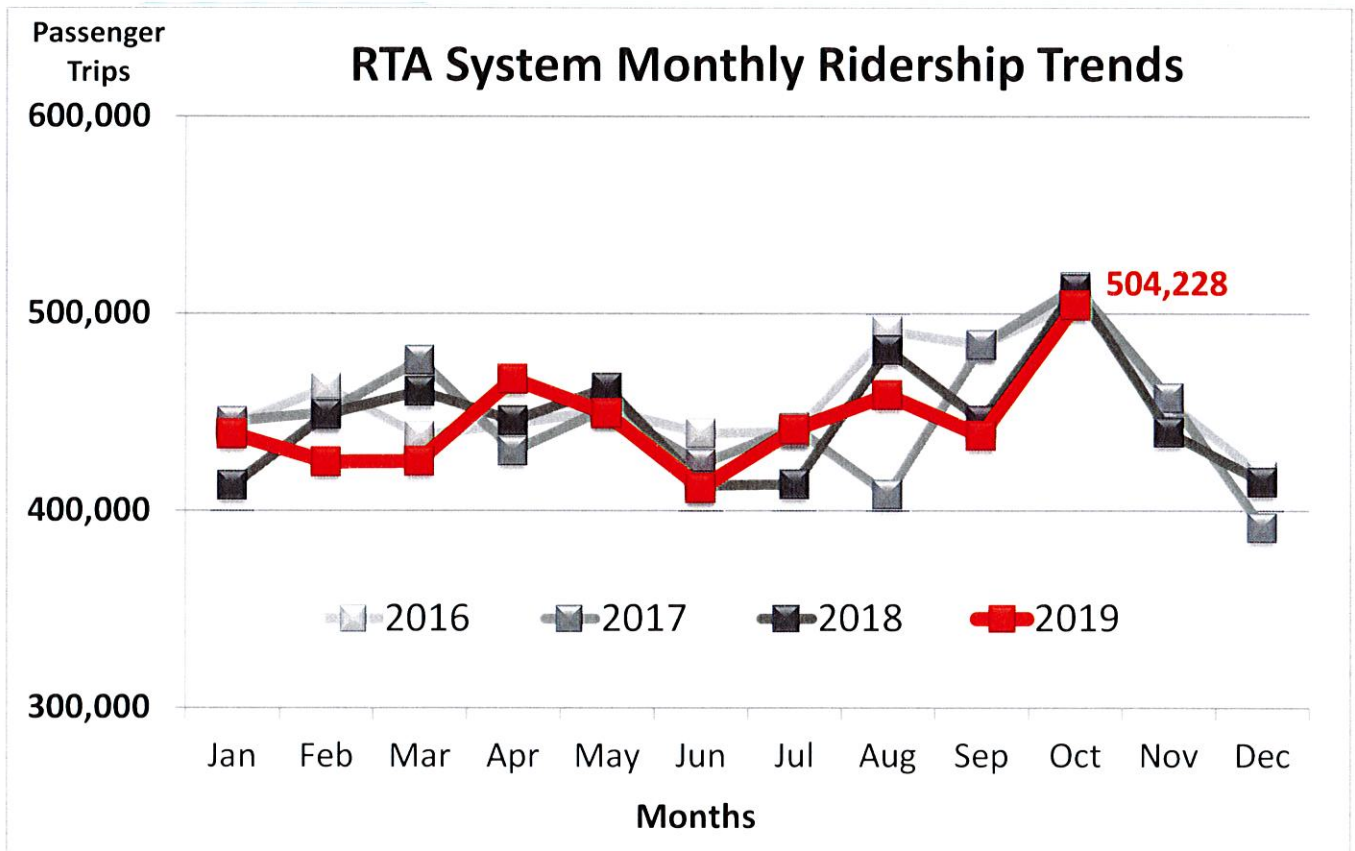


1. System-wide Ridership and Service Performance Results

October 2019 boardings for all services totaled 504,228. This represents a decrease of -1.6% as compared to 512,442 boardings in October 2018 or 8,214 fewer boardings this month.

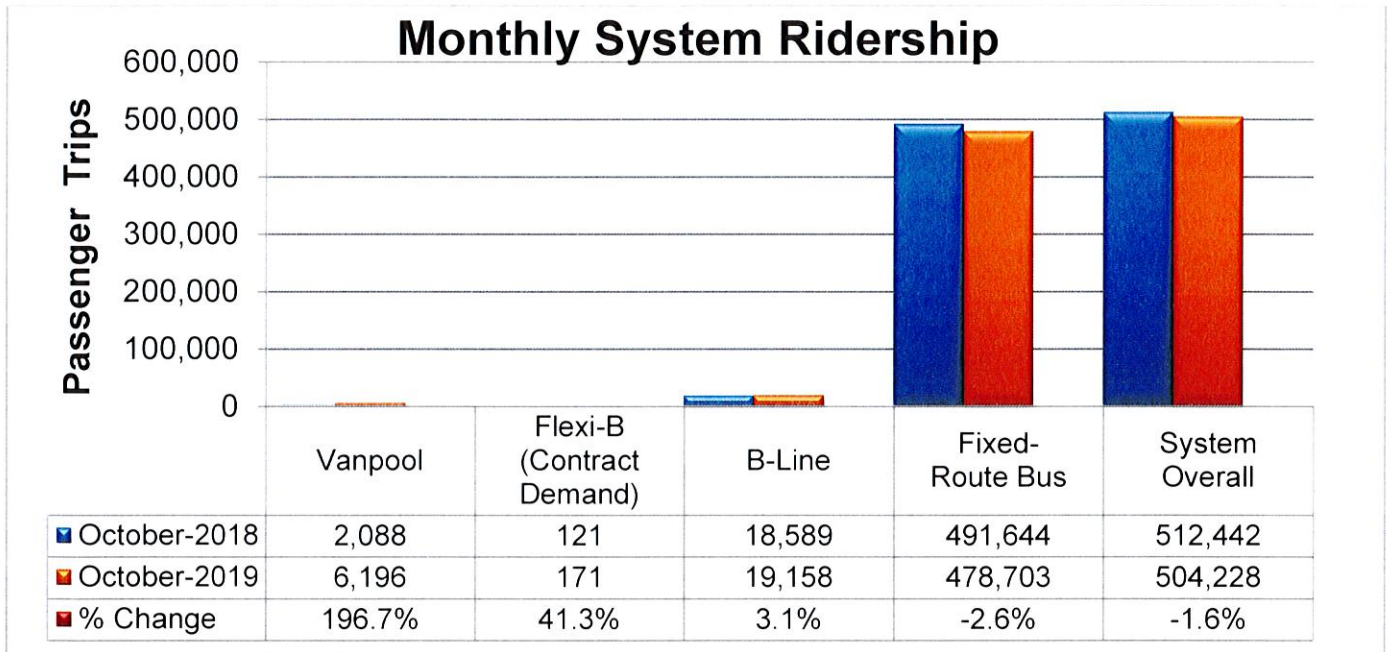
October 2019	October 2018	Variance
23 Weekdays	23 Weekdays	-
4 Saturdays	4 Saturdays	-
4 Sundays	4 Sundays	-
No Holidays	No Holidays	-
31 Days	31 Days	-

In October 2019, the average retail price for unleaded gas in Corpus Christi was approximately \$2.23 per gallon compared to approximately \$2.52 per gallon in October 2018¹. This month's rainfall was well below normal at 1.39 inches as compared to 2.58 inches for October 2018. Historically, average rainfall in October is 3.62 inches.² The average high temperature was just above normal at 86.6 degrees. Historically, the average high temperature for October is 84 degrees.

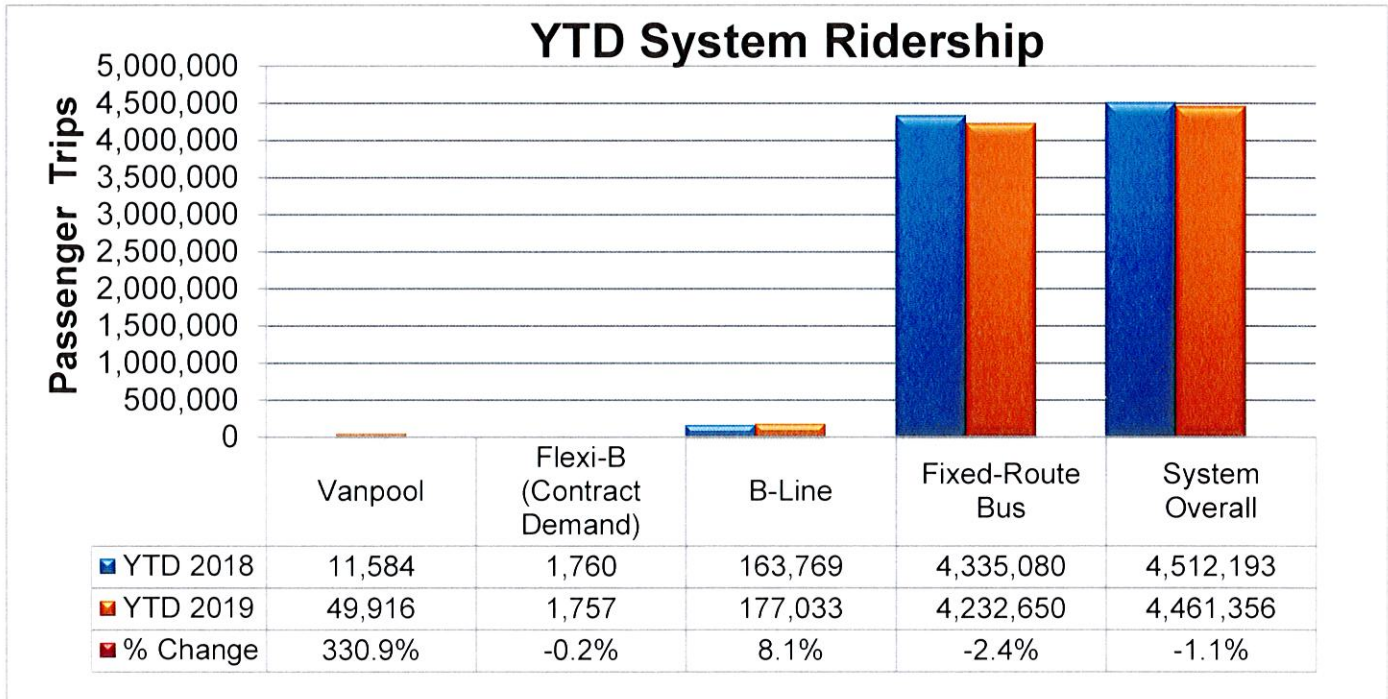


1. GasBuddy.com historical data at <http://www.gasbuddy.com>.
 2. <https://www.usclimatedata.com/climate/corpus-christi/texas/united-states>

The chart below shows monthly ridership results for all services. CCRTA recorded 8,214 fewer boardings for a decrease of -1.6% this month as compared to October 2018.



The chart below shows YTD ridership results for all services. CCRTA has recorded 50,837 fewer boardings for a YTD decrease of -1.1% in 2019 as compared to the same period in 2018.



The following table shows on-time performance of fixed route services.

Schedule Adherence	Standard	Jul-19	Aug-19	Sep-19	Oct-19	4-Month Average
Early Departure	<1%	0.0%	0.0%	0.0%	0.0%	0.0%
Departures within 0-5 minutes	>85%	94.3%	90.4%	88.4%	90.7%	90.9%
Monthly Wheelchair Boardings	No standard	5,222	5,097	4,373	4,759	4,863
Monthly Bicycle Boardings	No standard	9,304	9,629	8,115	8,780	8,957

The following construction projects potentially impact on-time performance:

- On Detour

 - **North Beach-U.S. 181 realignment (Harbor Bridge reconstruction)**
 - Routes 76 & 78
- On Detour

 - **Carroll Ln.** (Houston-Gollihar) (27) month project-To be complete mid-2020.
 - Route 17 (Final phase of a four-phase project has begun)
- On Detour

 - **Leopard St.** (at Crosstown/Brownlee) TxDOT project began June 2019.
 - Route 28
- On Detour

 - **Morgan Ave.** (Staples-Crosstown) (14) month project began August 2019.
 - **Morgan Ave.** (Staples-Ocean Dr) (15) month project began August 2019.
 - Route 23
- Future Detour

 - **Leopard Street TxDOT Project** (Mexico to Doss St.) (24) month project-To be complete late 2021
 - Routes 27 & 28
- No Detour

 - **South Staples St.** (Brawner Parkway-Kostoryz)-3/4 complete-traffic to be complete Jan. 2020.
 - Routes 17 & 29
- No Detour

 - **Everhart Rd.** (Holly Rd-SPID) (22) month project-Began September 2019.
 - Routes 17 & 32
- No Detour

 - **Ayers St.** (SPID-Gollihar) (12) month project-To begin November 2019.
 - Routes 19G & 19M
- No Detour

 - **S. Staples St.** (Kostoryz- Baldwin) (29) month project-To be complete 2021.
 - Route 29
- Future Detour

 - **Leopard St.** (Palm-Nueces Bay) (14) month project-To be complete late 2021.
 - Routes 27 & 28 Detour to begin late-2019
- Future Detour

 - **Leopard St.** (Doss-Palm) (13) month project-To be complete late 2021.
 - Routes 27 & 28 Detour to begin late-2019
- No Detour

 - **Sea Town Improvements** (5) month project-To begin December 2019
 - Routes 76 & 78
- Future Detour

 - **Airline Rd.** (SPID-McArdle) (9) month project-To be complete early-2021
 - Routes 26 & 65

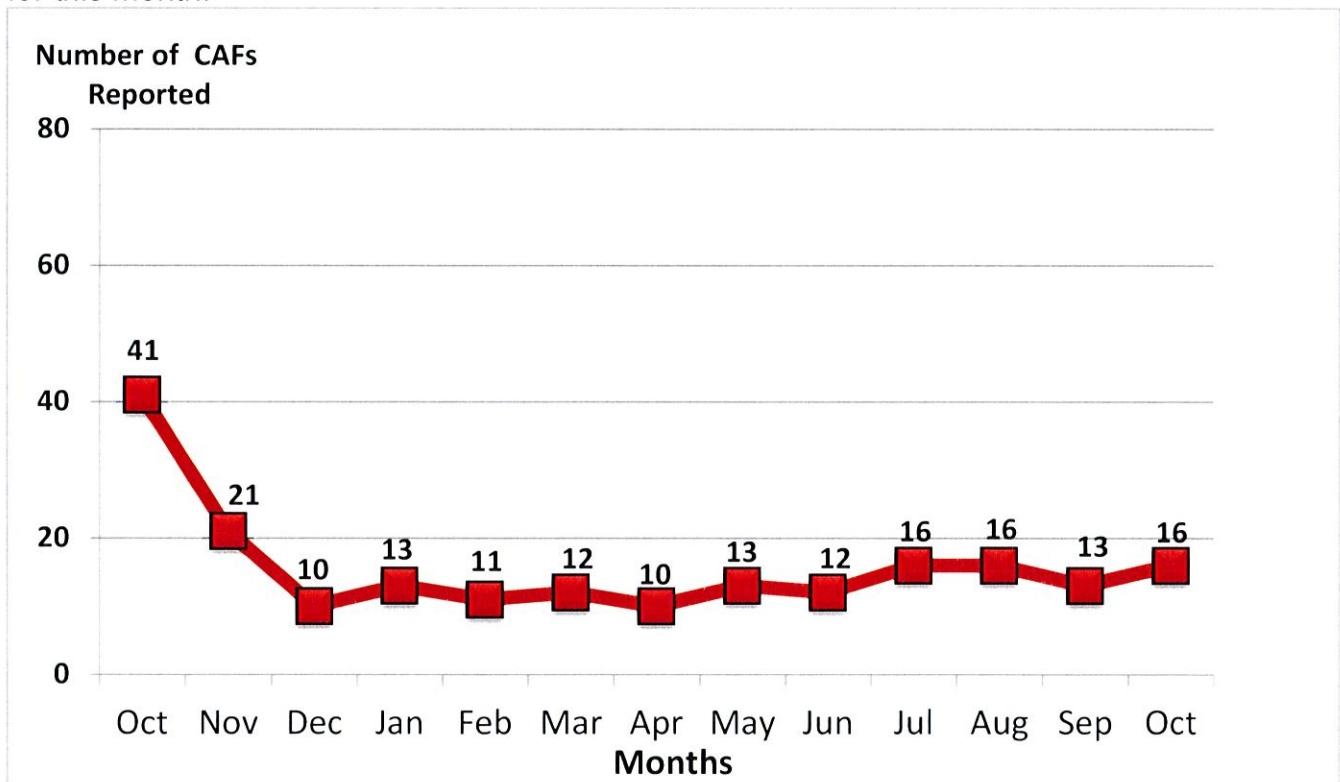
2. Purchased Transportation Department Report: B-Line Service Contract Standards & Ridership Statistics

- Productivity: **2.85** PPH did meet the contract standard of 2.50 PPH.
- Denials: 0 denials or **0.0%** did meet contract standard of 0.0%.
- Miles between Road Calls: **15,261** did meet contract standard of 12,250 miles.
- Ridership Statistics: **13,242** ambulatory boardings; **4,779** wheelchair boardings

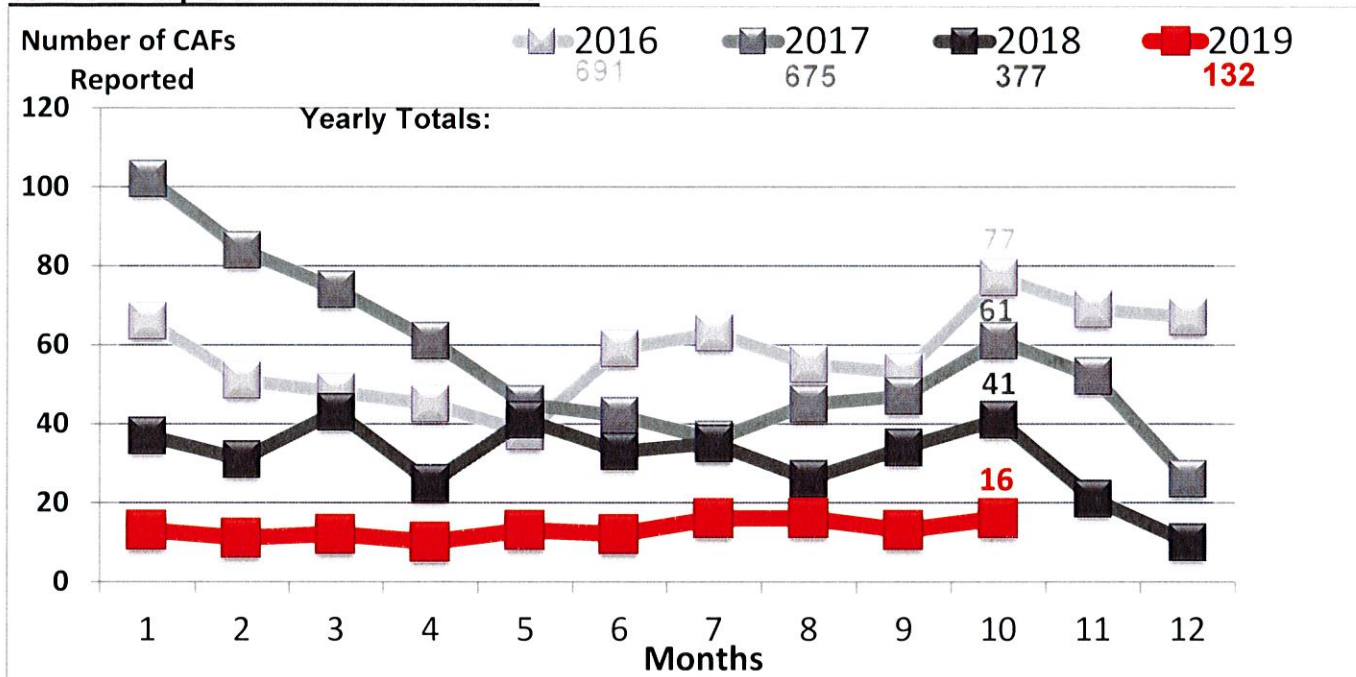
Metric	Standard	Jul-19	Aug-19	Sep-19	Oct-19	(4) Month-Ave.
Passengers per Hour	2.50	2.84	2.83	2.85	2.85	2.84
Denials	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%
Miles Between Road calls	12,250	8,602	5,078	5,836	15,261	8,694
Monthly Wheelchair Boardings	No standard	4,843	4,882	4,305	4,779	4,702

3. Customer Programs Monthly Customer Assistance Form (CAF) Report

For October 2019, Customer Service received and processed 25 Customer Assistance Forms (CAF's) of which 16 or 64% were verified as valid. There were three commendations received for this month.



3a. CAF Reports: Historical Trends



3d. October 2019 CAF Breakdown by Service Type:

CAF Category	RTA Fixed Route	B-Line ADA Paratransit	MV Fixed Route	Totals
ADA				
Service Stop Issues				
Driving Issues	2		1	3
Customer Services	2	1		3
Late/Early – No Show	3			3
Alleges Injury	6			6
Fare/Transfer Dispute				
Clean Trash Can				
Dispute Drop-off/Pickup				
Add Bench/Stop				
Tie Down Issues				
Inappropriate Behavior	1			1
B-line Calls				
Incident at Stop				
Incident on Bus				
Incident at Station	1			1
Policy				
Denial of Service	1			1
Safety & Security	1			1
Rude	1			1
Facility Maintenance	1			1
Service Development				
Transportation (Other)				
Over Crowded Vehicle				
Route Suggestion	1			1
Service Maintenance				
Commendations	2	1		3
Total CAFs	22	2	1	25

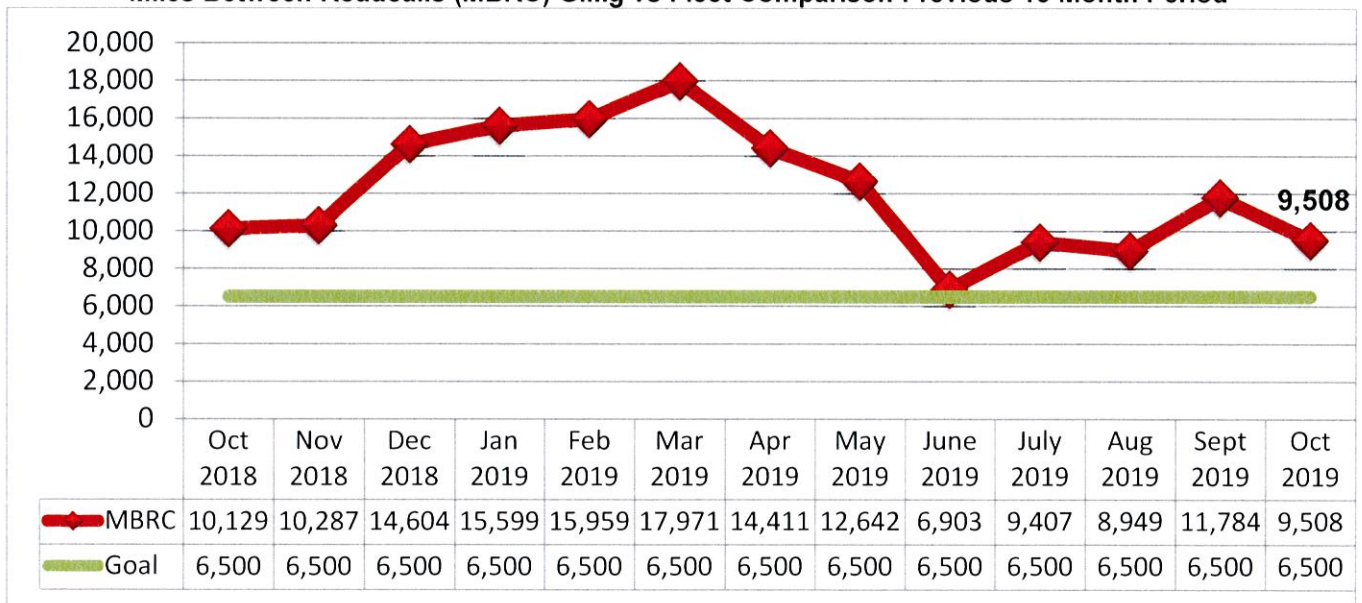
3c. Route Summary Report for October 2019:

Route	# of CAFs	Route	# of CAFs
#3 NAS Shuttle		#32 Southside Mini-B	
#4 Flour Bluff Mini B		#34 Robstown North Circulator	
#5 Alameda		#35 Robstown South Circulator	
#5x Alameda Express		#37 Crosstown/TAMUCC	2
#6 Santa Fe/Malls		#50 Calallen/NAS Ex (P&R)	
#12 Saxet Oak Park	1	#51 Gregory/NAS Ex (P&R)	
#15 Kostoryz		#53 Robstown/NAS Ex (P&R)	
#16 Morgan		#54 Gregory/Downtown Express	
#17 Carroll/Southside	1	#56 Flour Bluff/Downtown Express	
#19 Ayers	2	#63 The Wave	
#19G Greenwood		#65 Padre Island Connection	
#19M McArdle		#76 Harbor Bridge Shuttle	
#21 Arboleda		#78 North Beach Shuttle	
#23 Molina		#90 Flexi-B Port Aransas	
#25 Gollihar/Greenwood		#94 Port Aransas Shuttle	
#26 Airline/Lipes		#95 Port Aransas Express	
#27 Northwest	3	B-Line (Para-transit) Services	2
#27x Northwest (Express)		Safety/Transportation	9
#28 Leopard /Omaha		Facilities Maintenance	
#29 Staples	2	Customer Service Department	
#29F Staples/Flour Bluff	1	Service Development/Facilities	2
#29SS Staples/Spohn South		Transportation (Other)	
#30 Westside/Health Clinic		TOTAL CAF's	25

4. Vehicle Maintenance Department Monthly Miles Between Road Calls Report

For October 2019, there were 9,508 miles between road calls (MBRC) recorded as compared to 10,129 MBRC in October 2018. This represents a difference of 651 miles. A standard of 6,500 miles between road calls is used based on the fleet size, age, and condition of CCRTA vehicles.

Miles Between Roadcalls (MBRC) Gillig vs Fleet Comparison Previous 13 Month Period



Board Priority

The Board Priority aligns with Public Image and Transparency.

Respectfully Submitted,

Submitted by: Wesley Vardeman
Planning Outreach Coordinator

Submitted by: Gordon Robinson
Director of Planning

Reviewed by: Bryan Garner
Director of Maintenance

Final Approval by: 
Jorge G. Cruz-Aedo
Chief Executive Officer

Board Member Inquiry

Meeting Date	Agenda Item #	Member Name	Inquiry	Response	Response Date
11/6/2019 Board	14.	Matt Woolbright	In reference to Award a Contract to A Ortiz Construction & Paving, Inc. for the Refurbishment of Shelters, Mr. Woolbright asked when the contract will be awarded, asking if the contract will start in 2020.	Ms. Montez stated the contract will begin in 2019, most likely this month, and there is current funding for the contract.	11/6/2019
11/6/2019 Board	14.	Matt Woolbright	In reference to Award a Contract to A Ortiz Construction & Paving, Inc. for the Refurbishment of Shelters, Mr. Woolbright asked what was the outcome of the conversation when the board discussed a three year or three plus three year contract since this is an three year model to touch each shelter every three years.	Mr. Cruz-Aedo stated the request for the contract was for five years so the pricing is based on five years. One option the Agency has on every contract is to defund the contract, to kill it, regardless of the time. So there is oversight.	11/6/2019
11/6/2019 Board	14.	Matt Woolbright	In reference to Award a Contract to A Ortiz Construction & Paving, Inc. for the Refurbishment of Shelters, Mr. Woolbright asked how many contracts have been killed during Mr. Cruz-Aedo's tenure.	Mr. Cruz-Aedo stated zero, the Agency hasn't killed any contracts but it's still an option.	11/6/2019
11/6/2019 Board	14.	Matt Woolbright	In reference to Award a Contract to A Ortiz Construction & Paving, Inc. for the Refurbishment of Shelters, Mr. Woolbright asked if killing a contract constitutes a breach of contract.	Mr. Bell stated every government contract is subject to appropriations.	11/6/2019
11/6/2019 Board	15.b.	Lynn Allison	In reference to the Procurement Update, Ms. Allison asked if the Marina Rental Space is subleased.	Mr. Saldana stated the slip was going to be subleased but the Marina did not approve the lease.	11/6/2019
11/6/2019 Board	15.b.	Lynn Allison	In reference to the Procurement Update, Ms. Allison asked when the Marina Rental Space is going to end.	Mr. Saldana stated this is a month-to-month lease and if the Agency would let it go, there is no other space large enough for a "Harbor Ferry" for a possible future endeavor.	11/6/2019
11/6/2019 Board	15.c.	Anne Bauman	In reference to the September 2019 Safety & Security Report, Ms. Bauman asked if there was an increase in complaints at the Port Ayers Transfer Station since the homeless population is migrating.	Mr. Rendon stated the Agency has increased patrol of all areas, along with K9 Unit searches.	11/6/2019

Board Member Inquiry

Meeting Date	Agenda Item #	Member Name	Inquiry	Response	Response Date
11/6/2019 Board	15.c.	Patricia Dominguez	In reference to the September 2019 Safety & Security Report, Ms. Dominguez asked if the K9 Unit searches interfere with the timing of the routes.	Mr. Rendon stated buses arrive 3 minutes before departure time, and the K9 service only takes one minute.	11/6/2019
11/6/2019 Board	15.d.	Lynn Allison	In reference to the September 2019 September Operations Report, Ms. Allison asked what happens in October that bumps the ridership up.	Mr. Robinson stated vacations are over, and schools are back in session.	11/6/2019