



# AGENDA MEETING NOTICE

**DATE:** Wednesday, November 17, 2021

**TIME:** 8:30 a.m.  
**Administration & Finance Committee, and Operations & Capital Projects Committee**  
*(estimated at 9:30 a.m., although to be held immediately following the Administration & Finance Committee Meeting)*

**LOCATION:** Staples Street Center – 2<sup>ND</sup> Floor Boardroom (602 North Staples St., Corpus Christi, TX)

## ADMINISTRATION & FINANCE COMMITTEE

**PATRICIA DOMINGUEZ, Committee Chair**

Lynn Allison    Dan Leyendecker    Eloy Salazar    Philip Skrobarczyk

|   | TOPIC   | SPEAKER      | EST.TIME | REFERENCE                |
|---|---|--------------|----------|--------------------------|
| 1.  | <b>Roll Call</b>  | S. Alvarez   | 2 min.   | -----                    |
| 2.  | <b>Safety Briefing</b>  | M. Rendón    | 3 min.   | -----                    |
| 3.  | <b>Receipt of Conflict of Interest Affidavits</b>   | P. Dominguez | 2 min.   | -----                    |
| 4.  | <b>Opportunity for Public Comment<br/>3 min. limit – no discussion</b>  | P. Dominguez | 3 min.   | -----                    |
| <p><b>NOTE: DUE TO THE CURRENT CONDITIONS FOR COVID-19, WE ENCOURAGE SOCIAL DISTANCING AND REQUIRE FACIAL COVERINGS (AVAILABLE) FOR INDIVIDUALS ATTENDING THE MEETING.</b></p> <p>Public Comment may be provided in writing, limited to 1,000 characters, by using the <a href="#">Public Comment Form</a> online at <a href="http://www.ccrta.org/news-opportunities/agenda">www.ccrta.org/news-opportunities/agenda</a> or by regular mail or hand-delivery to the CCRTA at 602 N. Staples St., Corpus Christi, TX 78401, and MUST be submitted no later than 5 minutes after the start of a meeting in order to be provided for consideration and review at the meeting. All Public Comments submitted shall be placed into the record of the meeting.</p> |   |              |          |                          |
| 5.  | <b>Discussion and Possible Action</b> to Approve the Administration & Finance Committee Meeting Minutes of October 27, 2021   | P. Dominguez | 3 min.   | <b>Pages 1-3</b>         |
| 6.  | <b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Execute Payment of \$ 562,053 to Texas Municipal League Inter-Governmental Risk Pool (TMLIRP) for the Following Lines of Coverage for FY2022: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers' Compensation Insurance | M. Rendón    | 3 min.   | <b>Pages 4-5<br/>PPT</b> |
| 7.  | <b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee Award a Two-Year Contact to UNUM to Provide Long-Term Disability and Short-Term Disability Insurance  | A. Gaitan    | 3 min.   | <b>Pages 6-7<br/>PPT</b> |
| 8.  | <b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize   | R. Saldana   | 3 min.   | <b>Page 8<br/>PPT</b>    |

|     |   |                               |        |  |
|-----|---|-------------------------------|--------|--|
|     | the Chief Executive Officer (CEO) or Designee to Exercise Option Period for Depository and Banking Services   |                               |        |  |
| 9.  | <b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Exercise Option Period with Carr, Riggs & Ingram for Audit Engagement for 2021 & 2022 Financial Statements   | R. Saldana                    | 3 min. | <b>Pages 9-10</b><br><i>PPT</i>  |
| 10. | <b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Adopt a Resolution to Approve a Change to the Investment Policy, Designation of the Agency's Investment Advisor and Approve the list of Brokers/Dealers<br>a) Proposed Investment Policy Resolution<br>b) Proposed Investment Policy | R. Saldana<br>Linda Patterson | 3 min. | <b>Pages 11-13</b><br><i>Attachment A</i><br><i>Attachment B</i><br><i>PPT</i> |
| 11. | <b>Committee Chair Report</b>   | P. Dominguez                  | 3 min. | -----  |
| 12. | <b>Adjournment</b>  | P. Dominguez                  | 1 min. | -----  |

**Total Estimated Time: 32 min.**

### **OPERATIONS & CAPITAL PROJECTS**

**ANNA JIMENEZ, Committee Chair**

**Gabi Canales    Beatriz Charo    Armando Gonzalez    Matt Woolbright**

|   | TOPIC   | SPEAKER      | EST.TIME | REFERENCE                      |
|---|---|--------------|----------|--------------------------------|
| 1.  | <b>Roll Call</b>  | S. Alvarez   | 2 min.   | -----                          |
| 2.  | <b>Safety Briefing</b>  | M. Rendón    | 3 min.   | -----                          |
| 3.  | <b>Receipt of Conflict of Interest Affidavits</b>   | A. Jimenez   | 2 min.   | -----                          |
| 4.  | <b>Opportunity for Public Comment</b><br><b>3 min. limit – no discussion</b>  | A. Jimenez   | 3 min.   | -----                          |
| <p><b>NOTE: DUE TO THE CURRENT CONDITIONS FOR COVID-19, WE ENCOURAGE SOCIAL DISTANCING AND REQUIRE FACIAL COVERINGS (AVAILABLE) FOR INDIVIDUALS ATTENDING THE MEETING.</b></p> <p>Public Comment may be provided in writing, limited to 1,000 characters, by using the <a href="#">Public Comment Form</a> online at <a href="http://www.ccrta.org/news-opportunities/agenda">www.ccrta.org/news-opportunities/agenda</a> or by regular mail or hand-delivery to the CCRTA at 602 N. Staples St., Corpus Christi, TX 78401, and MUST be submitted no later than 5 minutes after the start of a meeting in order to be provided for consideration and review at the meeting. All Public Comments submitted shall be placed into the record of the meeting.</p> |   |              |          |                                |
| 5.  | <b>Discussion and Possible Action</b> to Approve the Operations & Capital Projects Committee Meeting Minutes October 27, 2021   | A. Jimenez   | 3 min.   | <b>Pages 1-3</b>               |
| 6.  | <b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Contract to Nelson\Nygaard | D. Majchszak | 3 min.   | <b>Pages 4-5</b><br><i>PPT</i> |

|    |   |              |        |                                |
|----|---|--------------|--------|--------------------------------|
|    | Consulting Associates, Inc. for the Long Range System Plan  |              |        |                                |
| 7. | <b>Discussion and Possible Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Contract to Kapalua Marine Fuel &amp; Lubes for Unleaded Fuel Supply</b> | D. Majchszak | 3 min. | <b>Pages 6-7</b><br><i>PPT</i> |
| 8. | <b>Committee Chair Report</b>   | A. Jimenez   | 3 min. | -----                          |
| 9. | <b>Adjournment</b>  | A. Jimenez   | 1 min. | -----                          |

**Total Estimated Time: 23 min.**

On **Friday, November 12, 2021** this Notice was posted by **Stephanie Alvarez** 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 Regional Transportation Authority was created by the people to provide quality transportation in a responsible manner consistent with its financial resources and the diverse needs of the people. Secondly, The RTA will also act responsibly to enhance the regional economy.

**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  
ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES  
WEDNESDAY, October 27, 2021**

**Summary of Actions**

1. **Roll Call**
2. **Safety Briefing**
3. **Receipt of Conflict of Interest Affidavits**
4. **Opportunity for Public Comment**
5. **Action to Approve the Operations & Capital Projects Committee Meeting Minutes of July 28, 2021. Note: No Quorum for Meeting Dates August 25, 2021 and September 22, 2021.**
6. **Action to Recommend the Board of Directors Approve the Fiscal 2022 Board & Committee Meetings Calendar for 2022**
7. **Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Adopt a Resolution for Goodbuy Purchasing Cooperative**
8. **Committee Chair Report**
9. **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, 2<sup>nd</sup> Floor Board Room, Corpus Christi, Texas.

**Call to Order & Roll Call**

Patricia Dominguez Chair called the meeting to order at 8:30 a.m. Stephanie Alvarez called roll and state a quorum was present.

**Board Members Present** Patricia Dominguez, Lynn Allison, Dan Leyendecker, Eloy Salazar, and Philip Skrobarczyk

**Board Members Absent** None

**Staff Present** Jorge G. Cruz-Aedo, CEO; David Chapa, Angelina Gaitan, Derrick Majchszak, Sharon Montez, Rita Patrick, John Esparza, Robert Saldaña, Ashlee Winstead-Sherman and Stephanie Alvarez.

**Public Present** Ben Schmidt, MV Transportation

**Safety Briefing**

Mr. John Esparza reported on behalf of Mike Rendon. He explained the nearest emergency exists from the boardroom. He stated if shelter in place was needed,



everyone would shelter in place under the West stairwell. Mr. Esparza reported not to use the elevators during an emergency evacuation.

**Action to receive Conflict of Interest Affidavits**

None received

**Public Present**

***DUE TO THE CURRENT CONDITIONS FOR COVID-19, WE ENCOURAGE SOCIAL DISTANCING AND FACE MASKS (AVAILABLE) FOR INDIVIDUALS ATTENDING THE MEETING.***

Public Comment may be provided in writing, limited to 1,000 characters, by using the [Public Comment Form](http://www.ccrta.org/news-opportunities/agenda) online at [www.ccrta.org/news-opportunities/agenda](http://www.ccrta.org/news-opportunities/agenda) or by regular mail or hand-delivery to the CCRTA at 602 N. Staples St., Corpus Christi, TX 78401, and MUST be submitted no later than 5 minutes after the start of a meeting in order to be provided for consideration and review at the meeting. All Public Comments submitted shall be placed into the record of the meeting.

**Action to Approve the Operations & Capital Projects Committee Meeting Minutes of July 28, 2021**

**DAN LEYENDECKER MADE A MOTION TO APPROVE ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES OF JULY 28, 2021. DIRECTOR ELOY SALAZAR SECONDED THE MOTION. DOMINGUEZ, LEYENDECKER, SALAZAR AND SKROBARCZYK VOTING IN FAVOR.**

**Action to Recommend the Board of Directors Approve the Fiscal 2022 Board & Committee Meetings Calendar for 2022**

Mr. Jorge Cruz-Aedo reported that every first Wednesday of the month the Administration & Finance and Operations & Capital Projects Committee are held and on the fourth Wednesday of every month Board of Directors meetings are held. He explained in November the Committee meetings will be on the third Wednesday and no Committee meeting scheduled in December due to the holiday.

**DIRECTOR DAN LEYENDECKER MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS APPROVE THE FISCAL 2022 BOARD & COMMITTEE MEETINGS CALENDAR FOR 2022 DIRECTOR PHILLIP SKROBARCZYK SECONDED THE MOTION. DOMINGUEZ, LEYENDECKER, SALAZAR AND SKROBARCZYK VOTING IN FAVOR.**

**Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Adopt a Resolution for Goodbuy Purchasing Cooperative**



Mr. Robert Saldana reported an Adoption of Resolution for GoodBuy Purchasing Cooperative involved in the procurement process. He stated that the CCRTA utilizes a variety of ways to purchase goods and services. He explained that having the option to purchase BuyBoard allows the CCRTA to save time, resources, funds and given a discount. It was reported there is no membership fee with a Resolution for GoodBuy Purchasing Cooperative.

**DIRECTOR ELOY SALAZAR MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO ADOPT A RESOLUTION FOR GOODBUY PURCHASING COOPERATIVE DIRECTOR LYNN ALLISON SECONDED THE MOTION. DOMINGUEZ, ALLISON, LEYENDECKER, SALAZAR AND SKROBARCZYK VOTING IN FAVOR.**

**Heard Committee Chair Report**

Nothing reported at this time.

**Adjournment**

There being no further review of items, the meeting adjourned at 8:38 a.m.

Reviewed by: Ashlee Winstead-Sherman  
Submitted by: Stephanie Alvarez



**Subject:** Action to Execute Payment of \$562,053 to Texas Municipal League Inter-Governmental Risk Pool (TMLIRP) for the Following Lines of Coverage for FY2022: 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 FY2022 have increased by 8.61% or \$46,404 over 2021. Six lines of coverage out of eight lines of coverage contributions have increased.

The main increases and decreases are explained as follows:

#### Increases:

- *General Liability*- rate charge for additional limits increased
- *Errors & Omissions Liability* –rate charge for additional limits increased
- *Automobile Catastrophe*- higher valued vehicles added to the schedule; and rate increase
- *Law Enforcement Liability*- rate charge for additional limits increased
- *Real and Personal Property* – rate increase for this type of coverage

#### Decreases:

- *Automobile Liability/Medical Payments* – reduction in fleet
- *Workers' Compensation* – improved loss experience resulting in the best workers' compensation modifier of .3 for CCRTA; the low modifier is sensitive to any loss experience decrease

### **Disadvantaged Business Enterprise**

There is no DBE goal.

## Financial Impact

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

| Types of Coverage   | Limit        | Deductible | 2020<br>Contribution | 2021<br>Contribution | 2022<br>Contribution | Inc./Dec<br>2021 & 2022 |
|---|--------------|------------|----------------------|----------------------|----------------------|-------------------------|
| General Liability   | \$9,000,000  | \$0        | 2,904                | 2,885                | 3,783                | 898                     |
| Errors & Omissions Liability  | \$2,000,000  | \$10,000   | 8,341                | 8,994                | 13,550               | 4,556                   |
| Automobile Liability/Medical Payments   | \$500,000    | \$0        | 200,183              | 238,761              | 232,769              | -5,992                  |
| Automobile Catastrophe  | \$10,000,000 | \$10,000   | 30,460               | 30,460               | 103,029              | 72,569                  |
| <b>Sub Total:</b>   |              |            | <b>241,888</b>       | <b>281,100</b>       | <b>353,131</b>       | <b>72,031</b>           |
| Law Enforcement Liability   | \$5,000,000  | \$1,000    | 732                  | 764                  | 1,618                | 854                     |
| Real & Personal Property (Includes Flood and Earthquake with a \$25,000 deductible) | \$39,474,870 | \$10,000   | 39,126               | 40,136               | 46,975               | 6,839                   |
| 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    | 734                  | 807                  | 837                  | 30                      |
| <b>Sub Total:</b>   |              |            | <b>40,592</b>        | <b>41,707</b>        | <b>49,430</b>        | <b>7,723</b>            |
| <b>TOTAL: LIABILITY, PROPERTY &amp; CRIME</b>                                       |              |            | <b>282,480</b>       | <b>322,807</b>       | <b>402,561</b>       | <b>79,754</b>           |
| Workers' Compensation   | Statutory    |            | 158,002              | 192,842              | 159,492              | -33,350                 |
| <b>GRAND TOTAL</b>  |              |            | <b>440,482</b>       | <b>515,649</b>       | <b>562,053</b>       | <b>46,404</b>           |

## Board Priority

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

## Recommendation

Staff requests the Administration & Finance Committee to recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to execute payment of \$562,053 to Texas Municipal League Inter-Governmental Risk Pool for the following lines of coverage for FY2021: 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





**Subject: Award a Two-Year Contract to UNUM to Provide Long-Term Disability and Short-Term Disability Insurance**

**Background**

The current contract with United Healthcare expires on December 31, 2021. The Authority provides long-term disability insurance to full time employees who have been employed for one (1) year. The Authority pays for the premium cost. The Authority also offers short-term disability insurance to active employees working a minimum of 32 hours per week and the employee is responsible for the premium cost.

**Identified Need**

A Request for Proposal (RFP) was issued on Wednesday, August 4, 2021. A total of (4) proposals were received on Wednesday, October 27, 2021. However, three (3) were deemed as disqualified due to the following reasons:

- Did not Bid LTD OY#1 or OY#2
- Did not Bid STD Base or OY#2
- Revealed prices for STD in proposal
- Altered Two Year Base Price Schedule; changed number of lives; changed monthly salaries; and didn't include option years

| Summary Average              |  |  |                                |                                  |  |                                |
|------------------------------|--|--|--------------------------------|----------------------------------|--|--------------------------------|
| Firms                        | Approach and Work Plan<br>(30 Points Max.) | Qualification and References<br>(20 Points Max.) | Experience<br>(20 Points Max.) | Totals -<br>Maximum Points<br>70 | Proposed Revenue<br>Schedule<br>(30 Points Max.) | Totals -<br>Maximum Points 100 |
| EG Bowman Co., Inc.          | 27.25                                      | 14.50  | 15.00                          | 56.75                            | Disqualified                                     | #VALUE!                        |
| MetLife - San Antonio Region | 17.60                                      | 16.20  | 14.60                          | 48.40                            | Disqualified                                     | #VALUE!                        |
| MetLife - Dallas Region      | 20.60                                      | 15.60  | 15.60                          | 51.80                            | Disqualified                                     | #VALUE!                        |
| UNUM                         | 29.20                                      | 18.80  | 20.00                          | 68.00                            | 30.00  | 98.00                          |

The one proposal from UNUM was deemed responsive and provided a compatible proposal to the product we currently have in place. CCRTA requested a BAFO (best and final offer) for the pricing available on Long-Term Disability and UNUM responded with a lower amount than what was originally submitted.

**Financial Impact**

The projected cost of the two (2) year base contract is \$309,016.32 for Long-Term and Short-Term Disability Insurance. This cost is split with a portion of about \$75,386.40 being paid by the employee for the STD voluntary premium and the remaining \$233,629.92 paid by the CCRTA for the long-term disability insurance for the two-year base period. Funds are budgeted out of individual department FY2022 operating budgets.

| Vendor        | Two-Year<br>Base Bid<br>Total | Option Year 1<br>Total | Option Year 2<br>Total |
|---------------|-------------------------------|------------------------|------------------------|
| UNUM-LTD      | \$233,629.92                  | \$116,814.96           | \$116,814.96           |
| UNUM-STD      | \$75,386.40                   | \$37,693.20            | \$37,693.20            |
| <b>TOTALS</b> | <b>\$309,016.32</b>           | <b>\$154,508.16</b>    | <b>\$154,508.16</b>    |

**Board Priority**

This item aligns with Board Priority – Transparency.

**Recommendation**

Staff recommends that the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Award a two-year contract to UNUM for Long-Term Disability and Short-Term Disability Insurance.

Respectfully Submitted,

Submitted by: Angelina Gaitan  
Director of Human Resources

Final Approval:   
Jorge Cruz-Aedo  
Chief Executive Officer



**Subject:** Authorization to Exercise Option Period from January 1, 2022 to December 31, 2023 for Depository and Banking Services.

**Background**

The CCRTA entered into a depository and banking services agreement on January 1, 2019 with Frost Bank for an initial three-year term period starting January 1, 2019 through December 31, 2021 with one two-year option. The option period extends services from January 1, 2022 through December 31, 2023.

**Identified Need**

Exercising the option period of this contract will allow the continuity of the various depository and banking services currently being provided through December 31, 2023. Frost has met the depository and banking needs of the Authority in a satisfactory manner.

**Financial Impact**

Bank fees are waived as long as the Authority maintains a \$2 million minimum bank account balance each month. Services include cash and treasury management services, zero-balance accounts (ZBA), banking portals, lockbox services, third-party purchase cards, merchant payment processing, and technical and banking support.

**Recommendation**

Staff requests that the Administration and Finance Committee recommend that the Board of Directors authorize the Chief Executive Officer (CEO) or designee to exercise the option period with Frost Bank for Depository and Banking Services.

**Board Priority**

This Board Priority aligns with Public Image and Transparency.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel  
Director of Finance

Reviewed by: Robert Saldaña  
Managing Director of Operations

Final Approval by:   
Jorge Cruz-Aedo  
Chief Executive Officer



**Subject:** Exercise the Option Period under the existing contract with Carr, Riggs, & Ingram to extend the audit engagement for the 2021 and 2022 financial statements.

**Background**

The CCRTA entered into a contract with Carr, Riggs & Ingram for independent auditing services on February 8, 2019. The contract covers a three-year base period audit engagement with one (1) two-year option period. The base period commenced with the audit of its 2018 financial statements and ended with the audit of the 2020 financial statements. The option period extends the auditing services for two years starting January 1, 2021 and ending with the financial audit of its 2022 financial statements.

The services consist of auditing the financial statements of CCRTA, Defined Benefit Plan, and Federal Single Audit of grant assistance funding. This service also includes the observation of inventories which is a generally accepted auditing procedure.

**Identified Need**

Exercising this option is the most advantageous method of achieving compliance with various regulatory statutes that require the financial and grant activities of CCRTA to be audited by an independent auditor. In addition, there is also the compliance requirement of auditing the Defined Benefit Plan. The past performance record of Carr, Riggs, and Ingram has been considered and the contractor’s performance on this contract has been acceptable, receiving satisfactory ratings from staff.

**Financial Impact**

The fees for the option period have been set in the price schedule under the current contract and are reflected as follows:

| Description                         | Fees for 2021 & 2022 Audits |
|-------------------------------------|-----------------------------|
| Financial & Single Audit Services   | \$122,000                   |
| Employee Defined Benefit Plan Audit | 35,000                      |
| <b>Total for 2 years</b>            | <b>\$157,000</b>            |

**Board Priority**

This Board Priority aligns with Public Image and Transparency.

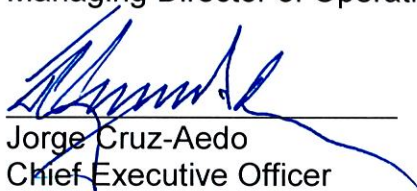
**Recommendation**

Staff requests that the Administration and Finance Committee recommend that the Board of Directors authorize the CEO or his designee to exercise the option period under the existing contract with Carr, Riggs, & Ingram to extend the audit engagement for the 2021 and 2022 financial statements.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel  
Director of Finance

Reviewed by: Robert Saldaña  
Managing Director of Operations

Final Approval by:   
Jorge Cruz-Aedo  
Chief Executive Officer



**Subject:** Resolution Approving a Change to the Investment Policy, and the Designation of Investment Advisor and List of Approved Brokers/Dealers

### **Background**

Statute - *The Texas Government Code Section 2256.005a* governs the investment of public funds in Texas and holds governmental units to strict compliance under the *Public Funds Investment Act (PFIA)* and federal, state, and local statutes, rules or regulations. PFIA has eight compliance components. CCRTA is in compliance with PFIA's specific requirements under each of the following components.

1. Investment Policies; Strategies; Investment Officer
2. External Policy Certification
3. Standard of Care
4. Investment Training
5. Authorized Investments
6. Internal Management Reports
7. Qualified Brokers
8. Definitions Authority Applicability

Investment Policy - PFIA requires a written investment policy that must be adopted and review by the governing body annually. The Texas Legislature approves amendments to Chapter 2256 of the Government Code from time to time. These changes are communicated to the Board by the Authority's Investment Advisor, Linda Patterson. The Investment Policy was first adopted on February 5, 2014 and has been either revised or re-certified over the years. The Investment Policy was last reviewed and approved by the Board on **November 4, 2020**.

Investment Advisor - In accordance with *PFIA section 2256.003(b)* CCRTA may contract with an investment management firm registered under the Investment Advisors Act of 1940 or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control.

Eligible Investments - As provided in the *Public Funds Investment Act*, except those specifically not authorized in *Texas Government Code (TGC) Section 2256.009(b)* only those investments allowed by law may be made with all funds under the control of the Authority with the exception of pension and retirement funds which are specifically excluded by the act and referred to as public retirement funds.

Qualifications of Broker/Dealer – *Public Funds Investment Act Section 2256.005e*, requires a review and designation of an authorized broker/dealer list at least annually. The Investment Advisor continually works with different brokerage firms to find the best

value for the Authority which requires changes to be made to the list of authorized brokers. Broker/Dealer firms must have the following qualifications:

- Registered with the Financial Industry Regulatory Authority (FINRA) and provide the FINRA Reports for both the broker and the firm;
- Complies with the Municipal Securities Rulemaking Board (MSRB) rules and regulations;
- Acknowledgement of thorough review and understanding of the CCRTA's Investment Policy;
- Be examined by and/or subject to the rules and regulations of one or more of the following agencies:
  - Securities and Exchange Commission (SEC)
  - Federal Deposit Insurance Corporation (FDIC)
  - National Credit Union Share Insurance Fund (NCUSIF)
  - New York Stock Exchange (NYSE)
  - Federal Reserve System; or
  - The Comptroller of the Currency

### Investment Definitions

- **US Treasury Obligations:** Treasury Notes and Bills with full faith and credit of the US Government meaning its taxing ability
- **US Agencies:** obligations of the US Government's agencies such as FNMA and FHLMC, these carry the implicit guarantee of the US Gov't
- **Money market mutual funds:** securities where funds are pooled for investment under a strict policy and the goal is to return \$1 for each \$1 invested with interest
- **Local pools:** operated like money market funds these are created under the Inter-Local Cooperation Act
- **Commercial paper:** short term debt of a corporation must be rated A1/P1 by two nationally recognized rating agencies
- **State and local debt:** debt issued by local or state governments rated A minimum
- **Bankers' Acceptances:** created on international trade, represents an obligation of two banks being used in the trade process
- **Repurchase Agreement (repo):** an investment of cash backed by collateral which CCRTA buys and the sells back after set time – a flex is a longerterm repo used strictly for CIP funds providing a set rate but total w/draw flexibility
- **Certificates of deposit:** time deposits placed in a bank in Texas, insured by FDIC or collateralized per CCRTA policy
- **Book value:** the value of a security in the portfolio representing purchase cost and any amortization or accretion as the security moves to maturity
- **Market value:** the value at which the security could be sold on a free and open market
- **Beginning and ending values:** the book and market values at the beginning and end of the reporting period

- **DVP:** process when buying a security – CCRTA never releases its money until the security is held by the custodian

**Identified Need**

The Investment Policy is up for Board review. To stay in compliance, the Board is required to review and approve the following items:

- ***Investment policy that governs investing Authority Funds***  
Under Section 3. Policy Objectives, the second to the last paragraph has been changed to read that a six-month (6) month Treasury Bill will be used as a benchmark on the overall portfolio reflecting the CCRTA’s ongoing need for liquidity instead of twelve-months (12).
- ***Designation of the Investment Advisor***  
Because the investing environment is driven by complex regulatory and market forces that requires daily attention, CCRTA has continued to opt for a professionally managed investment portfolio through the services of an Investment Advisor. Linda Patterson with Patterson & Associates, a SEC-registered Investment Advisor, is currently serving the Authority under a professional agreement which expires on December 31, 2021. Staff has prepared the necessary procurement documents to retain Linda Patterson through December 31, 2022.
- ***Approval of the list of broker/dealers***  
Changes to this list:
  - The removal of *International FC Stone* and replacing with the firm name *StoneXGroup*. The change is necessary to reflect the name change.
  - Addition of the firms; *Jefferies, Oppenheimer, and Robert W. Baird* raising the total number of firms from eleven to fourteen.

**Relevance to Board’s Priorities**

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

**Recommendation**

Staff requests that the Board of Directors adopt a Resolution which approve the change to the Investment Policy, Designate Linda Patterson from Patterson and Associates as the Investment Advisor, and approve the list of broker/dealers submitted.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel  
Director of Finance

Reviewed by: Robert M. Saldaña  
Managing Director of Administration

Final Approval by:   
Jorge Cruz-Aedo  
Chief Executive Officer



# Corpus Christi Regional Transportation Authority



## Resolution

### APPROVE A CHANGE TO THE INVESTMENT POLICY, DESIGNATION OF INVESTMENT ADVISOR AND LIST OF APPROVED BROKERS/DEALERS

**WHEREAS**, the Corpus Christi Regional Transportation Authority most recently adopted an Investment Policy on December 1, 2021 in accordance with Public Investment Act (Texas Government Code Chapter 2256) governs local government investment; and

**WHEREAS**, the Public Investment Act (Section 2256.005a), Texas Government Code Chapter 2256 requires the Board to adopt an Investment Policy, Investment Strategies, and Broker/Dealer List by rule, order, ordinance or resolution governing the investment of funds under its control;

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

**WHEREAS**, the Public Investment Act (Section 2256.005e), requires the resolution approving the Broker/Dealer List recording any changes made thereto; and

**WHEREAS**, the Authority has chosen to make certain changes material to the Policy to include the following:

Six-month Treasury Bill will be used as a benchmark instead of twelve-month  
Recording name changes of Broker/Dealers on the approved list

**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 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.

The foregoing Resolution was adopted by the Board of Directors of the Regional Transportation Authority at a duly held meeting on December 1, 2021.

**DULY PASSED, APPROVED AND ADOPTED** this 1 day of December, 2021.

ATTEST:

CORPUS CHRISTI REGIONAL  
TRANSPORTATION AUTHORITY

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Dan Leyendecker  
Board Secretary

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Edward Martinez  
Board Chairman

**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY  
BOARD POLICY**

**INVESTMENTS - 2021**

**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"). ***The management of its funds is designed to protect CCRTA assets as a primary public fiduciary duty.***

The investment of public funds is statutorily guided by the Public Funds Investment Act (Government Code, Ch. 2256) with protection of principal as its highest priority. Restriction to the highest credit quality is paramount and investments are restricted to the debt markets. Stocks (equities) are strictly prohibited by the Texas Constitution as it represents the lending of the public entity's credit.

**Section 2. Scope of Policy.**

This Investment Policy applies to investment transactions of the CCRTA operating and capital funds, including sales tax revenues. 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.

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 longer duration funds have a significantly longer maturity horizon and can accept additional risk.***

**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 six-month (6) month Treasury Bill*** will be used as a benchmark on the overall portfolio ***reflecting the CCRTA's ongoing need for liquidity***. 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 **a 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 **270** days.
- 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 **guidelines** 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<br>(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.

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 FIRREA<sup>1</sup>. 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
- 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

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

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

Revised/Approved – December 5, 2018

Revised/Approved – November 6, 2019

Revised/Approved – November 4, 2020

**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
- Jefferies
- StoneX Group
- Mizuho Securities
- Morgan Stanley Securities
- Mutual Securities
- Oppenheimer
- Piper Sandler
- RBC Capital Markets
- Robert W. Baird
- SAMCO Capital Markets
- Stifel Nicolaus
- Wells Fargo Securities (money market funds only)



**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY  
OPERATIONS & CAPITAL PROJECTS COMMITTEE MEETING MINUTES  
WEDNESDAY, OCTOBER 27, 2021**

**Summary of Actions**

1. **Roll Call**
2. **Safety Briefing**
3. **Receipt of Conflict of Interest Affidavits**
4. **Opportunity for Public Comment**
5. **Action to Approve the Operations & Capital Projects Committee Meeting Minutes of September 22, 2021**
6. **Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Approve the Fiscal Year 2022 Holidays and Service Levels**
7. **Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award the Option Year to Nash Entities, Inc. for Power Washing of the Transfer Stations**
8. **Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Enter into Negotiations for Design Services with Hanson Professional Services, Inc. and Zarinkelk Engineering Services, Inc., for ADA Bus Stop Improvements – Phase VIII**
9. **Committee Chair Report**
10. **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, 2<sup>nd</sup> Floor Board Room, Corpus Christi, Texas.

**Call to Order & Roll Call**

Anna Jimenez Committee Chair called the meeting to order at 8:30 a.m. Ms. Stephanie Alvarez called roll and stated a quorum was present.

**Board Members Present** Anna Jimenez, Gabi Canales, Beatriz Charo, and Matt Woolbright

**Board Members Absent** Armando Gonzalez

**Staff Present** Jorge G. Cruz-Aedo, CEO; David Chapa, Angelina Gaitan, Derrick Majchszak, Sharon Montez, Rita Patrick, Robert Saldaña, Ashlee Winstead-Sherman and Stephanie Alvarez

**Public Present** Ben Schmidt, MV Transportation

**Safety Briefing**

Mr. John Esparza reported on behalf of Mike Rendon. He explained the nearest emergency exists from the boardroom. He stated; if shelter in place was needed, everyone would shelter in place under the West stairwell. Mr. Esparza reported not to use the elevators during an emergency evacuation.

**Action to receive Conflict of Interest Affidavits**

None Received



**Public Comment**

None Received

***DUE TO THE CURRENT CONDITIONS FOR COVID-19, WE ENCOURAGE SOCIAL DISTANCING AND FACE MASKS (AVAILABLE) FOR INDIVIDUALS ATTENDING THE MEETING.***

Public Comment may be provided in writing, limited to 1,000 characters, by using the [Public Comment Form](http://www.ccrta.org/news-opportunities/agenda) online at [www.ccrta.org/news-opportunities/agenda](http://www.ccrta.org/news-opportunities/agenda) or by regular mail or hand-delivery to the CCRTA at 602 N. Staples St., Corpus Christi, TX 78401, and MUST be submitted no later than 5 minutes after the start of a meeting in order to be provided for consideration and review at the meeting. All Public Comments submitted shall be placed into the record of the meeting.

**Action to Approve the Operations & Capital Projects Committee Meeting Minutes of September 22, 2021**

**DIRECTOR MATT WOOLBRIGHT, MADE A MOTION TO APPROVE THE OPERATIONS & CAPITAL PROJECTS COMMITTEE MEETING MINUTES OF SEPTEMBER 22, 2021. DIRECTOR BEATRIZ CHARO SECONDED THE MOTION. JIMENEZ, CHARO AND WOOLBRIGHT VOTING IN FAVOR.**

**Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Approve the Fiscal Year 2022 Holidays and Service Levels**

Mr. Derrick Majchszak reviewed a list of all holidays honored for 2022. He reported every year the CCRTA service standard require Board of Directors approval of service levels on holiday dates. It was reported that CCRTA does not operated services on Easter, Thanksgiving and Christmas, and other recognized holidays were modified operating schedule. Mr. Majchszak stated that the cost associated with fiscal year 2022 holidays and service level are included the proposed 2022 Operating Budget.

Director Mr. Matt Woolbright asked what percent of employees take off on Black Friday? Mr. Derrick Majchszak replied; most operators work due to Black Friday and it being one of the busiest operating service days.

**DIRECTOR BEATRIZ CHARO MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO APPROVE THE FISCAL YEAR 2022 HOLIDAYS AND SERVICE LEVELS DIRECTOR MATT WOOLBRIGHT SECONDED THE MOTION. JIMENEZ, CHARO AND WOOLBRIGHT VOTING IN FAVOR.**

**Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award the Option Year to Nash Entities, Inc. for Power Washing of the Transfer Stations**

Ms. Sharon Montez referenced all four transfer stations Robstown Station, Southside Station, Port Ayers Station, and Staples Street Station. The Invitation for Bids (IFB) was issued and noted that thirteen proposals were received. Ms. Montez stated that Nash Entities, Inc. was the lowest



bidder. She listed a table of total cost for all four stations. Ms. Montez briefed a work history of Nash Entities, Inc.; the company has been in business since 2008 and services performed for the CCRTA has been satisfactory. Awarding the option year to Nash Entities Inc. the price would be the same as previous years.

**DIRECTOR GABI CANALES MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO AWARD THE OPTION YEAR TO NASH ENTITIES, INC. FOR POWER WASHING OF THE TRANSFER STATION DIRECTOR MATT WOOLBRIGHT SECONDED THE MOTION. *JIMENEZ, CANALES, CHARO AND WOOLBRIGHT VOTING IN FAVOR.***

**Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Enter into Negotiations for Design Services with Hanson Professional Services, Inc. and Zarinkelk Engineering Services, Inc., for ADA Bus Stop Improvements – Phase VIII**

Ms. Sharon Montez reported CCRTA is in the next phase of ADA Transition plan at phase VIII, with 852 bus stops in ADA compliant. Ms. Montez stated in previously years CCRTA used a bidding model that divided the bus stops improvements into two zones to give smaller contractors the opportunity to meet the bonding requirement for projects for two engineer firms. Ms. Montez reported all five firms with total scoring points and Hanson Professional Service scored 98.2 and Zarinkelk Engineering Service scored 83.2 which were the two top highest score. Ms. Montez stated that CCRTA goal is to continue to reach 100 percent ADA compliancy for the bus stops. The DBE goal for this contract would be at six percent participation.

**DIRECTOR GABI CANANLES MADE A MOTION TO RECOMMEND THE BOARD OF DIRECTORS AUTHORIZE THE CHIEF EXECUTIVE OFFICER OR DESIGNEE TO ENTER INTO NEGOTIATIONS FOR DESIGN SERVICES WITH HANSON PROFESSIONAL SERVICE, INC. AND ZARINKELK ENGINEERING SERVICES, INC. FOR ADA BUS STOPS IMPROVEMENTS-PHASE VIII DIRECTOR BEATRIZ CHARO SECONDED THE MOTION. *JIMENEZ, CANALES, CHARO AND WOOLBRIGHT VOTING IN FAVOR.***

**Heard Committee Chair Report**

Ms. Anna Jimenez thanked RTA Staff for all their research and hard work.

**Adjournment**

Adjourned at 9:10 a.m.

Reviewed by: Ashlee Winstead-Sherman

Submitted by: Stephanie Alvarez



**Subject:** Award a Contract to Nelson\Nygaard Consulting Associates, Inc. for the Long Range System Plan

### **Background**

Approximately every 5 years, transit systems develop long range system plans to re-align system-wide services to meet public needs and to identify phased service and capital improvements in accordance with financial projections. The CCRTA Long Range System Plan (LRSP) will provide a road map aimed to boost ridership through the identification of innovative service improvements, defined service implementation timelines, and prioritize capital investments including bus stop amenities outlined within annual operating, capital improvement, and financial plans through year 2027 and beyond. In respect to the COVID-19 pandemic, the LRSP will provide a comprehensive action plan to increase ridership while meeting diverse customer needs.

In the past, the CCRTA has completed multiple short and long range service plans. In 2012, the Vamonos Long Range Plan aimed to provide a new vision for the transit system which included multi-year service implementation timelines and a financial projection. In 2016, the CCRTA completed Transit Plan 20/20 which included a five-year fixed route service improvement plan geared to attract riders, improve service effectiveness, intensify operational performance, and fulfill unmet customer needs. Multiple service improvements identified within each plan have been implemented within the CCRTA service area.

### **Identified Need**

Since March 2020, the COVID-19 pandemic has had an impact on ridership and service levels. The award of a contract to complete the LRSP is necessary to re-evaluate our system-wide service and capital improvement needs to effectively meet customer needs aimed at boosting ridership levels. The LRSP will outline and prioritize various transit needs and respective financial resources. Public and stakeholder outreach activities will guide LRSP recommended outcomes.

The LRSP includes the following scope of work items:

- Evaluate system-wide ridership performance
- Identify innovative service and capital improvement recommendations
- Analyze student needs involving Del Mar College and Texas A&M Corpus Christi University and other academic organizations
- Conduct Americans with Disabilities Act (ADA) bus stop assessment
- Complete Park and Ride site evaluation
- Perform passenger trip 100% count including required National Transit Database Passenger Miles Traveled sampling
- High speed water ferry service evaluation
- Develop phased service and capital improvements with financial projections

It is anticipated that the LRSP will be completed in November 2022.



**Analysis**

The Request for Proposals were issued August 31<sup>st</sup>. The pre-proposal meeting was held September 14<sup>th</sup> and the responses were due October 12<sup>th</sup>. Although seven vendors attended the pre-proposal meeting, the CCRTA received one response, deemed responsive, from Nelson\Nygaard Consulting Associates, Inc. This firm has completed short and long range plans for the CCRTA in the past. The quality of work completed in the past met the scope of services within budget and on schedule. Other vendors stated resource limitations prevented them from being able to accomplish the scope of work with the timeframe requested.

**Disadvantaged Business Enterprise**

Not applicable.

**Financial Impact**

The cost for this project is \$643,639.00. Funds are accounted for in the approved 2022 Operating Budget. The bid from Nelson/Nygaard Consulting Associates was under the estimated cost of \$660,185.00.

| LONG RANGE SYSTEM PLAN<br>RFP NO. 2021-S-14 |              |
|---|--------------|
| Vendor                                      | Cost         |
| Nelson\Nygaard Consulting Associates, Inc.  | \$643,639.00 |

**Board Priority**

This item aligns with the Board Priority – Innovation.

**Recommendation**

Staff requests that the Operations & Capital Projects Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to award a contract to Nelson\Nygaard Consulting Associates, Inc. for the Long Range System Plan.

Submitted by: Gordon Robinson  
Director of Planning

Final Review by: Derrick Majchszak  
Managing Director of Operations

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



**Subject:** Award a Contract to Kapalua Marine Fuel & Lubes for Unleaded Fuel Supply

**Background**

The RTA will require approximately 218,108 gallons of unleaded fuel in 2022 and 394,868 gallons of unleaded fuel in 2023 for the contracted paratransit and fixed route services fleet, security and supervisor SUVs, and support vehicles. Projected usage is based on current consumption, projected delivery of 13 gasoline powered ARBOCs in late spring of 2022, 9 more ARBOCs by the end of 2022, MPG (miles per gallon), and estimated service miles for FY2022 and FY2023.

**Identified Need**

An unleaded fuel supply agreement assures that the RTA will be able to meet demand, maintain firm pricing, and eliminate supply shortages. Contract pricing is based on vendor mark-ups or discounts from the Oil Price Information Service (OPIS) price schedule on each delivery of unleaded fuel.

The cutaway van fleet is currently transitioning from the use of CNG to unleaded fuel to improve the reliability and versatility of our fleet, and to diversify our fuel source requirements. These future purchases include the projected delivery of 13 ARBOCs in late spring of 2022 and 9 more by the end of 2022.

The proposed contract is structured with a two (2) year base and a one (1) year option following Board approval.

**Bids Received**

|    | Bidder                                 | Year One of Two Year Base Discount (Per Gallon) | Year One of Two Year Base Mark-up (Per Gallon) | Year Two of Two Year Base Discount (Per Gallon) | Year Two of Two Year Base Mark-up (Per Gallon) | One-Year Option Discount (Per Gallon) | One-Year Option Mark-up (Per Gallon) |
|----|--|---|--|---|--|---------------------------------------|--------------------------------------|
| 1  | Arguindegui Oil Company                |   | 0.0995   |   | 0.0995   |                                       | 0.0995                               |
| 2  | Colonial Oil Sales                     |   | 0.0641   |   | 0.0673   |                                       | 0.0707                               |
| 3  | Gladieux Energy                        |   | 0.0297   |   | 0.0297   |                                       | 0.0297                               |
| 4  | <b>Kapalua Marine Fuel &amp; Lubes</b> | <b>-0.0100</b>                                  |  | <b>-0.0100</b>                                  |  | <b>-0.0100</b>                        |                                      |
| 5  | Merrimac Energy Group                  |   | 0.0090   |   | 0.0090   |                                       | 0.0090                               |
| 6  | O'Rourke Petroleum                     |   | 0.0225   |   | 0.0294   |                                       | 0.0275                               |
| 7  | Petroleum Traders Corporation          |   | 0.0567   |   | 0.0567   |                                       | 0.0567                               |
| 8  | Pinnacle Petroleum, Inc.               |   | 0.0666   |   | 0.0412   |                                       | 0.0412                               |
| 9  | Sun Coast Resources                    |   | 0.0240   |   | 0.0240   |                                       | 0.0240                               |
| 10 | World Fuel Services, Inc.              |   | 0.0892   |   | 0.0892   |                                       | 0.0892                               |

**Disadvantaged Business Enterprise**

There is no DBE requirement for this procurement.

**Financial Impact**

Total expenditures will be determined by consumption and OPIS. The projected cost in 2022 is \$499,466.90 on 218,108 gallons, and the projected cost in 2023 is \$904,247.30 on 394,868 gallons. The increase in 2023 is due to the delivery of additional ARBOC's that will have the entire paratransit fleet on unleaded fuel, along with a possible return to pre-covid service levels on the small fixed routes. Funds are accounted for in the Board approved annual operating budgets.

| Year | Estimated Annual Miles | Estimated Annual Usage in Gallons | Estimated Annual Cost |
|------|------------------------|-----------------------------------|-----------------------|
| 2022 | 1,373,247              | 218,108                           | \$ 499,466.90         |
| 2023 | 2,345,427              | 394,868                           | \$ 904,247.30         |

**Board Priority**

This Board Priority aligns with Public Image & Transparency.

**Recommendation**

Staff requests that the Operations & Capital Projects Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to award a contract to Kapalua Marine Fuel & Lube for Unleaded Fuel Supply.

Respectfully Submitted,

Submitted by: Bryan J. Garner  
Director of Maintenance

Reviewed by: Derrick Majchszak  
Managing Director of Operations

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