

AGENDA MEETING NOTICE

Board of Directors Meeting

DATE: Wednesday, August 3, 2022

TIME: 8:30 a.m.

LOCATION: Staples Street Center – 2ND Floor Boardroom, 602 North Staples St., Corpus Christi, TX

BOARD OF DIRECTORS OFFICERS

Dan Leyendecker, Chair
Anna Jimenez, Vice Chair
Lynn Allison, Board Secretary
(Rural and Small Cities Chair)

BOARD OF DIRECTORS MEMBERS

Gabi Canales (Administration & Finance Chair)
Eloy Salazar (Operations & Capital Projects Chair)
Beatriz Charo Jeremy Coleman
Armando Gonzalez Erica Maymi
Aaron Muñoz Matt Woolbright

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	Pledge of Allegiance	D. Leyendecker	1 min.	-----
2.	Roll Call	M. Montiel	2 min.	-----
3.	Safety Briefing	M. Rendón	5 min.	-----
4.	Receipt of Conflict of Interest Affidavits	D. Leyendecker	2 min.	-----
5.	Opportunity for Public Comment 3 min. limit – no discussion	D. Leyendecker	3 min.	-----
Public Comment may be provided in writing, limited to 1,000 characters, by using the Public Comment Form online at 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.				
6.	Awards and Recognition – South West Transit Association (SWTA) – 5 Marketing Awards	J. Cruz-Aedo	3 min.	-----
7.	Discussion and Possible Action to Approve Board Minutes of the Board of Directors Meeting of July 6, 2022	D. Leyendecker	3 min.	Pages 1-13
8.	Committee Chair Reports a) Administration & Finance b) Operations & Capital Projects c) Rural and Small Cities	G. Canales E. Salazar L. Allison	3 min. 3 min. 3 min.	-----
9.	CONSENT ITEMS: The following items 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.		3 min.	Pages 14-16
<p>a) Action to Approve the FY 2022 Operating and Capital Budget – Amendment #1</p> <p>b) Action to Update the Award of Contracts for External and Internal Engine Parts to include C.C. Battery, C.C. Freightliner, CD Starter, Cummins Southern Plains, Gillig, Kirks Automotive, and Muncie</p>				
10.	Discussion and Possible Action to Recommend the Board of Directors Authorize the Award a Contract to Marshall Company for the Construction of the Del Mar South Campus – Bus Stops (2)	S. Montez	3 min.	Page 17-18 PPT

AGENDA MEETING NOTICE

11.	Discussion and Possible Action to Recommend the Board of Directors Approve the Design Concept of the New Port Ayers Transfer Station	S. Montez	5 min.	Page 19 <i>PPT</i>
12.	Presentations: a) Investment Report as of June 30, 2022 from Linda Patterson, CCRTA Investment Advisor b) June 2022 Financial Report c) August Procurement Update d) June 2022 Operations Report	R. Saldaña L. Patterson R. Saldaña R. Saldaña D. Majchszak	20 min.	<i>PPT</i> Pages 20-31 <i>PPT</i> <i>PPT</i> Pages 32-42 <i>PPT</i>
13.	CEO Report	J. Cruz-Aedo	10 min.	<i>PPT</i>
14.	Board Chair Report	D. Leyendecker	10 min.	-----
15.	Adjournment	D. Leyendecker	1 min.	-----

Total Estimated Time: 1 hour 20 mins.

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BOARD OF DIRECTORS BUDGET WORKSHOP #2

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	2023 Budget Workshop #2 a. Administrative Budgets	R. Saldaña	20 min.	<i>PPT</i> <i>Attachment</i>

Total Estimated Time: 20 min.

On **Friday, July 29, 2022** this Notice was posted by **Marisa Montiel** 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
BOARD OF DIRECTORS' MEETING MINUTES
WEDNESDAY, July 6, 2022**

Summary of Actions

1. **Pledge of Allegiance**
2. **Roll Call**
3. **Heard Safety Briefing**
4. **Receipt of Conflict of Interest Affidavits – None Received**
5. **Provided Opportunity for Public Comment**
6. **Adopted Resolutions for Outgoing City of Corpus Christi Appointed Board Members**
 - a) **Patricia B. Dominguez**
 - b) **Philip Skrobarczyk**
7. **Administered the Oaths of Corpus Christi Appointments to the CCRTA Board of Directors**
 - a) **Jeremy Coleman**
 - b) **Erica Maymi**
8. **Presented Awards and Recognition – The Government Finance Officers Association of the United States and Canada – Certificate of Achievement for Excellence in Financial Reporting for 2020**
9. **Heard Announcement of Committee Chairs and Appointments by the Board Chair and Confirmed Committee Chairs and Appointments**
10. **Approved Board of Director Meeting Minutes of June 1, 2022 and the Strategic Board of Directors Retreat Minutes of June 3, 2022**
11. **Heard Committee Chair Reports**
 - a) **Administration & Finance**
 - b) **Operations & Capital Projects**
 - c) **Rural & Small Cities**
12. **Approved Consent Items**
 - a) **Award Contracts to CD Starter Service, LLC, Cummins Southern Plains, and Gillig for External and Internal Engine Parts**
 - b) **Enter into an Interlocal Agreement with Dallas Area Rapid Transit for GoPass**
13. **Awarded a Contract to Acrisure LLC DBA Carlisle Insurance for Windstorm and Hail Insurance for FY 2022-2023**
14. **Heard Update on RCAT Committee Activities**
15. **Heard Presentations –**
 - a) **May 2022 Financial Report**
 - b) **July Procurement Update**
 - c) **May 2022 Operations Report**
16. **Heard CEO 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

Dan Leyendecker, Board Chair, called the meeting to order at 8:31 a.m., and asked Mr. Armando Gonzalez, Board Director, to lead the Pledge of Allegiance. Ms. Montiel called roll and it was noted that a quorum was present.

Board Members Present

Dan Leyendecker, Lynn Allison, Gabi Canales (joined at 9:36 a.m.), Beatriz Charo, Patricia Dominguez, Armando Gonzalez, Anna Jimenez, Aaron Muñoz, Eloy Salazar and Matt Woolbright.

Board Members Absent

Philip Skrobarczyk.

Staff Present

Jorge G. Cruz-Aedo, CEO; David Chapa, Derrick Majchszak, Sharon Montez, Rita Patrick, Mike Rendón, Robert Saldaña, Angelina Gaitan, and Marisa Montiel. MV Transportation: Ben Schmit.

Public Present

None

Safety Briefing

Mr. Mike Rendón presented the safety briefing to the Board and audience. He noted that if there is an emergency, the Board of Directors will exit through the kitchen, and the public will exit to his right. He noted that everyone will report to the clock tower, which is adjacent to the transfer station. Also, to not utilize the elevator in the process, and if there is a shelter in place, this will be done in the west side stairwell. He asked that during an emergency, please do not return to the building unless the all-clear has been given.

At this time, Chair Leyendecker took a moment to recognize the passing of Mr. Robert Adler. He acknowledged some of his accomplishments, stated he was one of the pillars of the community and called for a moment of silence in his honor.

Receipt of Conflict of Interest Affidavits

None received online or in-person.

Opportunity for Public Comment

None received online or in-person.



Adopt Resolutions for Outgoing City of Corpus Christi Appointed Board Members, Patricia B. Dominguez and Philip Skrobarczyk

At this time, Chair Leyendecker read aloud the Resolution for Director Dominguez highlighting her achievements while serving on the CCRTA Board. Director Dominguez thanked everyone and stated it was an honor to serve on the board and this is not goodbye. She states she will continue to be a champion for the students in this community and the surrounding communities that they serve. She says that they will come to the new campus and she will be there and so will RTA. Photos were taken at this time. Chair Leyendecker said he would go down the line and see if the Board has anything to say. Director Muñoz thanked Director Dominguez for her service and for how welcoming she was to him when he was new and wished her the best. Director Salazar said they are going to miss her and that she always supported the big issues. He says she is always about the students and the ridership. He also says her heart is in the right place and that she is a pillar in the community with Del Mar College. Secretary Allison said that she appreciates her advocacy so much and that it is a testament to the uniqueness that everyone brings to the board. She says they will miss her passion for the students and the mobility for them and the new campus. Vice Chair Jimenez said that she is sad to see her go but happy at the same time because she knows that she has bigger and better things to do. She says she has always been a great mentor and a great friend to her and appreciates her very much. Director Woolbright echoed what everyone else said and he appreciated her advocacy for Del Mar and the students. He says they have a shared vision for people trying to go places and wishes her the best of luck. Director Gonzalez wished her luck on her new campus and appreciated her insight during their time together on the board. Director Charo wished her luck as well and appreciates her efforts with the RTA. Chair Leyendecker thanked her for everything, told her to do great things out there and he will be seeing her.

VICE CHAIR ANNA JIMENEZ MADE A MOTION TO ADOPT THE RESOLUTION FOR OUTGOING CITY OF CORPUS CHRISTI APPOINTED BOARD MEMBER, PATRICIA B. DOMINGUEZ. DIRECTOR ELOY SALAZAR SECONDED THE MOTION. ALLISON, CHARO, GONZALEZ, JIMENEZ, LEYENDECKER, MUÑOZ, SALAZAR AND WOOLBRIGHT VOTING IN FAVOR. ABSENT CANALES.

Administer the Oath of Office of City of Corpus Christi Appointments and the City of Corpus Christi Reappointments to the CCRTA Board of Directors: Jeremy Coleman, Erica Maymi, Gabi Canales, Eloy Salazar and Matt Woolbright

At this time, Mr. John Bell, CCRTA Legal Counsel, administered the Oath of Office to City of Corpus Christi Appointees, Mr. Jeremy Coleman and Erica Maymi and the City of Corpus Christi Reappointments Eloy Salazar and Matt Woolbright. Photos were taken. Director Coleman said he is excited to work with the RTA and serve on the Board. He thanked everyone. Director Maymi said she is happy to be here and that she was born and raised in Corpus Christi. She says she is happy to be apart of something larger than being a mom and going to work every day. She says she is excited to work with everyone.



Awards and Recognition- The Government Finance Officers Association of the United States and Canada – Certificate of Achievement for Excellence in Financial Reporting for 2020

At this time, Mr. Cruz-Aedo welcomed the new board members and stated that on June 8th, the CCRTA received the Government Finance Officers Association Certificate of Achievement for excellence in financial reporting for the report year 2020. This certificate is the highest form of recognition in governmental accounting and financial reporting. Its attainment represents a significant accomplishment by the CCRTA staff and the management team. CCRTA has earned this certificate of achievement for 17 straight consecutive years and is a significant review process of the financial reports to ensure that clearly communicating the financial position to the community. He was pleased to present the award to the accounting and finance staff. Ms. Sandy Roddel recognized her staff, the leadership and the board for their support. The Board congratulated the staff and photos were taken.

Announcement of Committee Chairs and Appointments by the Board Chair and Action to Confirm Committee Chairs and Appointments

Chair Leyendecker announced his Committee Chairs and Appointments. Administration and Finance Committee: Gabi Canales (Committee Chair), Lynn Allison, Jeremy Coleman, Erica Maymi and Aaron Muñoz. Operations and Capital Projects Committee: Eloy Salazar (Committee Chair), Beatriz Charo, Armando Gonzalez, Anna Jimenez and Matt Woolbright. Rural and Small Cities Transit Committee: Lynn Allison (Committee Chair), Gabi Canales, Beatriz Charo, Jeremy Coleman and Armando Gonzalez. Chair Leyendecker also stated that the members will be required to confirm these appointments by a vote.

DIRECTOR SALAZAR MADE A MOTION TO CONFIRM THE COMMITTEE CHAIRS AND APPOINTMENTS. DIRECTOR AARON MUÑOZ SECONDED THE MOTION. ALLISON, COLEMAN, CHARO, GONZALEZ, JIMENEZ, LEYENDECKER, MAYMI, MUÑOZ, SALAZAR AND WOOLBRIGHT VOTING IN FAVOR. ABSENT CANALES.

Discussion and Possible Action to Approve the Board of Directors Meeting Minutes of June 1, 2022 and the Strategic Board of Directors Retreat of June 3, 2022

SECRETARY LYNN ALLISON MADE A MOTION TO APPROVE THE BOARD OF DIRECTORS MEETING MINUTES OF JUNE 1, 2022 AND THE STRATEGIC BOARD OF DIRECTORS RETREAT MINUTES OF JUNE 3, 2022. DIRECTOR ARMANDO GONZALEZ SECONDED THE MOTION. ALLISON, COLEMAN, CHARO, GONZALEZ, JIMENEZ, LEYENDECKER, MAYMI, MUÑOZ, SALAZAR AND WOOLBRIGHT VOTING IN FAVOR. ABSENT CANALES.



Committee Chair Reports

Director Salazar stated there was nothing to report on the Operations & Capital Projects Committee, however, there were some questions raised at the prior meeting but he believes Mr. Majchszak will address those today. Chair Leyendecker asked newly appointed Rural and Small Cities Committee Chair Allison if she had anything to report. She stated that she looks forward to working with this team and to make sure all the corners of the community are involved and get their fair share of attention from the RTA.

Consent Items

- a) Action to Award Contracts to CD Starter Service LLC, Cummins Southern Plains, and Gillig for External and Internal Engine Parts
- b) Action to Enter into an Interlocal Agreement with Dallas Area Rapid Transit for GoPass Subscription and License

DIRECTOR ELOY SALAZAR MADE A MOTION TO APPROVE CONSENT ITEMS A) & B). DIRECTOR BEATRIZ CHARO SECONDED THE MOTION. ALLISON, COLEMAN, CHARO, GONZALEZ, JIMENEZ, LEYENDECKER, MAYMI, MUÑOZ, SALAZAR AND WOOLBRIGHT VOTING IN FAVOR. ABSENT CANALES.

Discussion and Possible Action to Award a Contract to Acrisure LLC DBA Carlisle Insurance for Windstorm and Hail Insurance for FY 2022-2023

Mr. Mike Rendón presented the item stating the Board Priority is Safety and Security and this will be little different from what was presented at committee. He says Acrisure LLC DBA Carlisle Insurance has provided windstorm and hail insurance for the last four years. He listed the premiums for the following years: 2018-2019 was \$84,000, 2019-2020 was \$92,589 with a 10% increase, 2020-2021 was \$109,410 with a 20% increase and 2021-2022 was \$132,048 with a 22% increase. He notes that the current coverage will expire on July 27th, 2022 and this was taken to the Administration and Finance Committee on March 23rd. On April 6th, the Board approved issuing an RFP and on April 19th, the following proposals were issued: Caller-Times, CCRTA Website and B2Gnow. The B2G now is about 100 insurance companies throughout the United States and it had 45 hits, with views totaling 186. The pre-proposal conference was held on May 3rd, 2022. On May 10th, two companies submitted RFIs, Risk Resources, LLC and HCDT Insurance. On May 31st, only one proposal was received. He continues that on June 7th, the CCRTA evaluation team met and Carlisle received the highest score of 93.80. He stated the policy term is from July 28, 2022 through July 27, 2023. He gave the following options: Option 1 is a 3% named storm with a total of \$242,744 and Option 2 was 5% named storm with \$210,663. On June 10th, the best and final offer was submitted by Acrisure LLC in the amount of \$242,744. The submitted premium difference is \$110,969 which is an 83% increase from the previous year. On June 17th, the authority entered into an agreement for a broker of record with Acrisure LLC dba Carlisle Insurance to negotiate lower premium prices with the carriers and at this time the price remains the same. Chair Leyendecker as if anyone had questions.

Director Coleman asked how many companies the RTA reached out to. Mr. Rendón replied that there are about 100 companies participating in the B2Gnow platform and of those, 45 viewed and then went back for a total of 186 times. He says that this means that they were looking at it back and forth and perhaps decided that it was too high of a risk. He said that



in a conference in Chicago, he ran into one of the participating companies and they said they considered it, but that they did not submit a bid due to the high risk. Director Salazar mentioned that he had brought up TWIA in a prior meeting and asked if they only insure up to \$4.2 million. Mr. Rendón replied only up to \$4 million and RTA needs up to \$45 million. Director Salazar then asked if the team looked at higher deductibles. Mr. Rendón replied yes, the committee presentation was recommending 3% and today there is a 5% option. Director Salazar asked the Optional \$20 million loss limit meant. Mr. Chase Carlisle, Vice President of Carlisle Insurance, introduced himself and stated that option is considered a loss limit which is the maximum that the policy would pay out in any one loss. He continues that local entities, the City of Corpus Christi and CCISD, who all have larger schedules, typically do not buy full wind limits but have loss limits as the loss of assets from a windstorm event are pretty slim. Director Salazar asked if the 5%, or 3%, is attributable to the entire coverage or each individual structure. Mr. Carlisle stated its per structure and only applicable to whichever building has damage or is affected. Director Salazar stated that it makes a difference if its only to this building or to the entire policy. Mr. Carlisle agreed. Director Allison asked if the \$20 million loss limit applies per structure or entire contents. Mr. Carlisle replied that it is policy level which means for the \$45 million of assets, the policy would pay out \$20 million of damage after the deductible.

Director Woolbright asked for a general breakdown of the \$45 million of assets minus the Staples St. building. Mr. Rendón stated it's the other structures like the operation building, Bear Lane, maintenance, the fuel station and some of the big bus stops. Director Woolbright asked if it includes any of the buses. Mr. Rendón replied no, that is general liability. Director Woolbright asked what the rating is for hurricane standing. Mr. Carlisle states that underwriting is the age, type of construction, age of roofs and proximity to the coast. Director Woolbright asked questions in regard to anticipated damages with a category 5 hurricane. Mr. Carlisle said he did not have these off hand but he says if you look at pricing here, its \$190,000 for the first \$20 million and the next \$25 million costs another \$30,000, so that tells him the risk is under \$20 million. Director Woolbright asked if there was much damage from Harvey and Anna. Mr. Rendón said minor but no heavy damage. Director Woolbright said in his mind, the odds of having a wipe out of every building are pretty slim. He asked if the building catches fire during a storm, if it would be covered. Mr. Carlisle said it is tricky, he would incline to say yes, however with insurance companies they may try to point the finger to one another. Director Woolbright asked if he agrees that fire would be the biggest loss risk during a storm and Mr. Carlisle agreed. Director Woolbright says he was told a couple of weeks ago that by having the broker of record would potentially be an advantage to have lower prices, but none were offered. He pointed out the competitive option, is a lower policy and asked how it adds up and what is the advantage of having the broker of record. Mr. Carlisle pointed out that it is quote, that is just another option being provided. Director Woolbright asked why is the staff recommending the higher option. Mr. Rendón replied that is their recommendation but they are providing additional options for the board to decide on. Mr. Cruz-Aedo said that when staff was addressing the proposals and looking at the coverage, the initial coverage was recommended, which was the 3%, however, today they are bringing the option to also consider 5%. Mr. Carlisle said he personally likes to take higher deductibles as he sees the risks everyday in his profession and odds are that you will never use your insurance, so he would rather keep the money in his pocket. He recommends to consider either taking the 5% or the \$20 million loss limit.

Director Woolbright asked if they could do both and Mr. Carlisle replied that they would have to revise the price and it would be hard to say off hand how much that would be. Mr. Carlisle went into how they got into this position with an 80% increase and when looking at



property insurance over a four-year period, saying it's a cyclical market and there are ups and downs. He says every peak is driven by natural disasters. He says soft markets are when the rates going down and it's good for the consumer and the hard markets are the complete opposite, which is what they are in right now. He says they have been in a soft market from hurricane Katrina up to 2017. On annual, the catastrophic losses are \$20 billion and in 2017 there was Hurricane Harvey and then Irma and Maria. He says that year alone, was close to \$200 billion in losses. He said that is what triggered the turning point from a soft market to a hard market. Those natural disasters and social unrest, that happened up to 2022 has not stopped and the market continues hardening every year. In 2021, there was the big Texas freeze which was about \$120 billion in global losses between the state, California catches on fire every year, Louisiana had two significant hurricanes last year, and Florida pretty much gets one every year. He says they are in an unprecedented territory right now where stuff is happening that normally doesn't happen. He suggests as they are sitting there and running these businesses in these hardened markets, is a time when they should take more risk and raise the deductibles or pull back on the type of coverages that they are buying. Mr. Carlisle says when they get back in the soft market and rates are coming down 20%, they can go out and buy nicer things like more lower deductibles. Director Woolbright asked why would the drop on the 3% be almost \$50,000, whereas, on a 5% it is only \$15,000. Mr. Carlisle replied that it is \$15,000 from the \$189,000, so 3% of \$20 million.

Director Salazar asked if the total loss on this structure would be 5% of the structure, which is \$23 million. Mr. Carlisle asked if he was asking about the deductible or the coverage. Mr. Salazar said this specific building. Mr. Carlisle said yes, this building is \$23 million. Director Salazar asked what the deductible would be for this building. Mr. Carlisle said at 5% it would be \$1.1 million. Director Salazar pointed out that some of them may have been misunderstanding thinking that the 5% would be of the \$45 million and not 5% per structure and that makes a difference. Mr. Carlisle said that he is correct. Secretary Allison addressed Mr. Carlisle appreciating his candor and recommendation though its been an unpopular topic. She said he mentioned the freeze last year impacting rates and asked if it's considered windstorm. Mr. Carlisle replied that the carriers that were buying just windstorm from are having other perils from other entities. Vice Chair Jimenez asked where the money would come from should they go with the \$20 million loss limit and then there is a total loss. Mr. Saldaña stated they would collect from insurance then the remainder would come from the unrestricted reserves and if absolutely necessary, the restricted reserves. Vice Chair Jimenez then asked if since they are renewing during hurricane season, does it impact the rates vs renewing say on December 1st. Mr. Carlisle said yes, it does, although it is not the peak of hurricane season, so it does help a little. He said November/December timeframe is not good to renew either since the carriers are renewing on January 1st. Director Woolbright asked if they could do a six-month contract and renew in January. Mr. Carlisle said yes, but it would cost the same. Director Woolbright if the cost savings would be significant. Mr. Carlisle replied no, it would not be significant savings but it could be looked at. Secretary Allison asked if they wanted to revisit in the spring, could they pro-rate that and then re-instate the policy in March. Mr. Carlisle said they could do that, but he does not know what the premiums would look like without running the numbers and the only savings they would have June 1st through July 28th, 2023, so a little bit of a return premium.

Director Maymi asked if anything in the policy change as to why there was such a significant increase of 80%. Mr. Carlisle replied that nothing changed other than the deductible going from 1% to 3%. Director Maymi asked what would have been the increase at 1%. Mr. Carlisle replied he did not have those numbers but the carrier was not willing to offer 1%.



He continues that he sounds like a broken record but it is purely the market. Director Maymi said she would like to see the price for the optional \$20 million loss limit with a 5% deductible. Chair Leyendecker asked staff to move up the timeline when they get the quotes so they are not doing this during hurricane season. Mr. Roland Barrera agreed and said during the committee meeting he suggested this. He said the system is an antiquated system and if they move to this system where there is an RFQ for which they assign an agent of record, you get a process and the individual offers some set of predictability and they can give insight on where the market is. Chair Leyendecker asked Mr. Barrera as the risk management consultant if he can work with staff to try to come up with a better process. Director Muñoz asked to clarify if the 3% deductible is what would apply to the \$20 million loss limit. Mr. Carlisle stated no, the 3% or 5% applies to the value of the building affected. Director Muñoz asked if those were two different options, the \$20 million loss limit and the 3% deductible. Mr. Carlisle replied that the \$242,744 is for the full \$45 million worth of coverage at 3%, the \$20 million of coverage is another option but still at 3% and Director Maymi asked to see that option at 5% as well. Director Muñoz asked under the \$20 million options, if they are covered for damages up to \$20 million and how much is fronted at the beginning. Mr. Carlisle replied it depends on which deductible you went with. He says that at 3%, they are on the hook for \$1.3 million if there was damage to every building. Director Allison said she is in favor in voting on either option 2 at the 5% or the \$20 million loss limit at 3% but not at 5%. Mr. Barrera says that as they decrease the premium, they are absorbing the risk on the building and he recommends the 3% deductible with the \$20 million loss limit and he adds that the first \$5 million is where all the risk is. Director Allison said she does make the motion for the \$20 million loss limit with 3% deductible and with the caveat that over all, she is not satisfied with this and that they go out for bid sooner to procure this and not during hurricane season. Director Canales seconded the motion. Director Salazar asked for clarification on which option it was. Director Allison stated that it was the lower portion of option one, the \$20 million loss limit. Vice Chair Jimenez asked the staff if they are comfortable with the selected option. Mr. Rendón stated that he is confident in the experts and they have provided the options to the board and it is up to them to review and make the best decision overall. Vice Chair Jimenez stated that insurance makes her nervous and she does not like taking the risk. Mr. Cruz-Aedo added that the option is one that they did recommend for their selection and they would not be uncomfortable with the risk and would not have brought the option forward if they were. Director Woolbright pointed out that at the committee meeting they asked for a month-to-month extension and if they got that number. Mr. Carlisle said there is not a carrier that will do a month-to-month extension number. Director Woolbright asked if there was no renewal offer even though it was sought. Mr. Carlisle said that was correct. Director Woolbright asked Director Maymi her thoughts on the items since she is an insurance expert. Director Maymi said she did some math and the annual savings between choosing the 3% or 5% on the \$20 million loss limit would be of about \$177,000 and the risk difference would be \$222,000 on the annual basis. Director Allison said that would maybe be around \$12,000. Director Maymi said \$14,000-\$15,000 and almost a month of free insurance by selecting the 5% vs the 3%. She says she would recommend the \$20 million loss limit with the 5% deductible. Mr. Carlisle said that the 3% or 5% deductible is applicable on the \$45 million not the \$20 million. He talked about the building scenarios and how the deductibles would apply. Director Woolbright asked if when they file a claim if the deductible is paid or deducted from the payment. Mr. Carlisle replied that the payment is made and they deduct the deductible.



SECRETARY LYNN ALLISON MADE A MOTION TO AWARD A CONTRACT TO ACRISURE LLC DBA CARLISLE INSURANCE FOR WINDSTORM AND HAIL INSURANCE FOR FY 2022-2023, OPTION \$20,000,000 LOSS LIMIT AT 3% DEDUCTIBLE FOR \$189,756. DIRECTOR GABI CANALES SECONDED THE MOTION. ALLISON, COLEMAN, CHARO, GONZALEZ, JIMENEZ, LEYENDECKER, MAYMI, MUÑOZ, SALAZAR AND WOOLBRIGHT VOTING IN FAVOR. ABSENT NONE.

Update on RCAT Committee Activities

Ms. Sharon Montez, Managing Director of Capital Programs and Customer Services, presented the item. She welcomed the new board members. She said RCAT is the Committee for Accessible Transportation. She stated the RCAT meeting was held on June 16, 2022 and she covered the items that were presented. She shared that RCAT received a B-Line update from Melanie Gomez, CCRTA's B-Line Eligibility Coordinator. They also received the RCAT Liaison Report and the B-Line Service Performance. She gave the dates of the upcoming RCAT Meetings. The next meeting will be held August 18, 2022.

Presentations

a) May 2022 Financial Report

Mr. Robert Saldaña presented the May financials and noted that the item lines up with the Board Priority of Public Image & Transparency. He presented the highlights for the month stating the Bus Advertising was 101.30% of baseline, Investment Income was 985.57% of baseline and Operating Expenses were 980.78% of baseline. He stated to new board members that the RTA has approximately \$17.6 American Rescue Plan moneys and \$7.5 million set aside for the shelter program, \$10 million for operational expenses. \$5.6 million to balance the budget this year, which was drawn down last month and \$4.4 million for next year. He then displayed the May 2022 Income Statement Snapshot. Total revenues come in at \$9,049,712 and total expenses were \$3,819,523. He displayed the revenue categories. He pointed out that the Sales Tax Revenue is an estimation as this figure will not be received until Monday or Tuesday of next week. He noted passenger service is up this month compared to the prior month. Next, he discussed and showed a pie chart of where the money went. Mr. Saldaña showed the expenses by object for May stating the goal is to have every category below 100%. Salaries and Wages are a little over 100% due to employee retention incentives and the corresponding benefits. The materials and supplies were driven up by the increase in fuel cost. He presented the YTD for the month of May stating the Bus Advertising was 117.16% of baseline, Investment Income was 392.67% of baseline and Operating Expenses were 223.77% of baseline. He presented the income YTD statement for May stating total revenues were \$22,456,029 on a budget of \$19,417,628, total expenses were \$17,124,009 on a budget of \$18,499,759. There was a revenue over expenditures of for the year of \$4.7 million surplus. He displayed the revenue by category year to date. He summarized where the money went year to date and expenses by object year to date. He discussed the fare recovery ratio. He explained to new board members that the Fare



Recovery Ratio is the amount of the fare revenues that pays for the operational costs. So, for example so far in 2022, fares paid for approximately 2.57% year-to-date operational costs. Mr. Saldaña displayed the sales tax update for April in which \$3,074,059 was received.

Chair Leyendecker asked for Mr. Saldaña to touch on the RTAs mean income. Mr. Saldaña confirmed that it is from sales tax. Director Salazar said it has been asked before, but asked if they could get a budget projection for the next three years. Mr. Saldaña stated that the first budget workshop will be held at the end of this month and the last budget workshop the final big picture and a five-year projection for revenues and expenses and to see how things are trending. Director Salazar says he brings it up because the money will dry up and they keep getting supplemental funds to keep operating. Mr. Saldaña stated there is \$4.4 million to balance next year's budget and a discussion was had to pull this down earlier to make money off of commercial paper and fixable prime. Director Salazar followed up asking if the projection is based on the fact that the RTA will not be getting the supplemental money. Mr. Saldaña replied that \$31 million unrestricted reserves are not tied to anything and this money would dwindle down. Director Salazar asked if the RTA got the full portion of the American Rescue Funds, then the funds would go down even further. Mr. Saldaña stated the \$31 million is artificial because it will dwindle down because they pulled the federal money earlier rather than later in the year. At this time, Director Maymi asked in regards to the salaries and wages, he originally said \$2 million but it says \$6 million and asked for clarification. He pointed out that the salaries and wages were \$6 million and the benefits side of the was the \$2 million. He emphasized that there are a lot of numbers and with new board members, he could always go slower or whatever pace they would like or for them to stop and ask questions at any time.

b) May Procurement Update

Mr. Robert Saldaña noted this item aligns with the Public Image and Transparency priority. He discussed the current procurements, Management Information System with a five-year supply and service contract and a cost of \$1,034,923. This received two proposals and they will be taken to Committee in either July or August. Texas Ultra Low Sulfur Diesel Fuel Supply with a two-year firm-price supply contract and a cost of \$1,009,360. Two Bus Stops for Del Mar College South Campus, Construction Contract with an estimated cost of \$2,326,868. The purchase, restoration and repurposing of the Kleberg Bank Building for a six-month contract. He noted that the first RFP went out and no proposals were submitted. The second RFP will need to be put out and will go to board in November/December if proposals are submitted. The total of current procurements is \$4,371,151. The three-month outlook under the CEO signature authority was displayed next. All of these items are \$50,000 or less. The items include Westmatic Corporation for \$15,000, Elevator Services for \$10,490, Solid Waste Collection and Disposal Services for \$45,000, Pest Control Services for \$34,000, IT support Services for \$29,200, Training Services for \$30,000 and Network Managed Services for \$32,445. These total \$196,135.



Director Woolbright asked if the contracts are on the RTAs end. Mr. Saldaña stated they are bilateral so both parties would need to exercise the option year. Director Woolbright followed up with asking what stops them from effectively being a \$90,000 contract for the third one for example. Mr. Saldaña stated there is nothing that stops it, just the fact that it is decided to renew or not. Director Woolbright asked from a legal perspective, wouldn't it have to go to RFP since it's over \$50,000. Mr. John Bell stated based on what the legal obligation is, which is if the RTA has not exercised the option year and it is less than \$50,000 it is within the CEO's signature authority and when he exercises the option year, if it's another \$45,000, it is still within his legal limits. Director Woolbright mentioned that he has not seen this with that many option years before so he was just curious. Mr. Saldaña said that they are trying to get the option years down as FTA is wanting the industry to go away from option years and that will probably happen in the future. Mr. Saldaña moved on to stating the Marina Space is about \$6,100. Director Salazar asked if the staff goes out to an RFP process when items are close to \$50,000 and he asked Mr. Bell if it's a board policy that can modify the option period or is it something that is required by the statute of law. Mr. Bell stated that it's a matter of board policy as far as the CEO's authority but only up to \$50,000 and that is the only commitment. Director Salazar asked about the option years stating it could exceed the \$50,000 and asked if it is a policy. Mr. Bell replied, it's a policy. Director Salazar asked if the policy could be amended if the board wished to say, okay, you go into a deal with an option year since we typically do and he is curious if an RFP goes out with these. Mr. Saldaña said for these under \$50,000 they do not go out for RFP. Even at \$50,000 the staff does not go out and just get one vendor, they still get quotes. Director Salazar stated he just wants to make sure that the due diligence is being done and that staff continues to search to get the best bang for the buck. Mr. Saldaña says they make sure they have competitive procurement and that the taxpayer's dollars are used properly.

c) May 2022 Operations Report

Mr. Derrick Majchszak noted the board image for this item is Public Image and Transparency. He provided the highlights for the month of May 2022 vs. May 2021. The Passenger Trips up 26.7%, the Revenue Service Hours were up 2.9% and the Revenue Service Miles were up 2.7%. He said those numbers were primarily up do to paratransit and vanpool increases. He displayed the RTA System Monthly Ridership Trends and the System-Wide Monthly Ridership by Mode. He noted the system overall was up 26.7% but down -48.3% vs. pre-covid. For YTD System-Wide Ridership by mode, the system is overall up by 13.7% but down -52.1% vs pre-covid. Mr. Majchszak discussed the fixed route bus on-time performance and reported no issues. He displayed a list of the upcoming impacts and pointed out the 79 bus stops to be closed due to these impacts. The B-Line service passengers per hour did not meet the performance standard, however, they did increase from April. There were no issues with the miles between road calls far exceeded the standard. There were 6 customer assistance forms for the month with no issues. The miles between road calls and the large bus fleet exceeded the standards as well with no issues.



Director Canales asked why the rural area service has decreased. Mr. Majchszak stated that he does not really know why but that talking with REAL, over the past year they have seen that across all of the counties they provide service on, there have been a limited number of people trying to use the service. He continued that he is hopeful that with the mobile app and other initiatives, people will be more aware of REAL and Paisano services. She thanked him for his response and just said she noted that she continues to see the numbers go down and has not seen an uptick since being back operational. Director Maymi asked if there is a way to create alternate stops for the almost 30 stops that are currently closed due to detour. Director Majchszak, stated it depends on the route, sometimes there are temporary ramp stops and others they add the route number to an existing alternate route, they are just not allowed to stop in the construction zone. Director Maymi followed up with asking if when stops are affected by construction detours, are alternate routes automatically looked at. Mr. Majchszak replied that the service development team participates in monthly meetings and communicates daily with Flatiron and the City of Corpus Christi, that way they know ahead of time when a stop will be affected. Director Maymi asked if they receive a report of all temporary additions due to construction. Mr. Majchszak replied that they currently do not, but it doesn't mean one couldn't be provided. Director Maymi asked about the app and asked it would be discussed soon. Mr. Majchszak replied that it was a consent item for the Dallas Area Rapid Transit Mobile Ticketing app called GoPass and provided a summary of the app and the approval timeline. Director Maymi asked if there will be a program or trainings that will be set up to teach individuals how to use the app. Mr. Majchszak replied that yes, and also because DART has been through this with several other agencies and has a pre-packaged marketing and instructional campaign for riders and staff and the RTA will tailor it to meet the community needs. Director Maymi asked if there would be a plan to set up shop at perhaps one of the transfer stations to physically teach and show the riders how to use the app. Mr. Majchszak said they have not gotten that far yet since the Board had not approved the item yet, but now could move forward in those planning stages. Director Salazar stated that he had the same concerns at the committee meeting and appreciates the discussion, he thought they were going to be covered. Chair Leyendecker asked if the app would be in English and Spanish and Mr. Majchszak replied it would be available in ten different languages.

CEO Report

Mr. Cruz-Aedo discussed that over the past month, the RTA has participated in several community events which required them to do some special movements. These include Free Rides to Cooling Center, Shuttle to County Judges and Commissioners Association Conference, Emergency Evacuation Drill, Operation Health and Wellness and Free Park and Ride to Big Bang Celebration. On the media coverage, the RTA received coverage on the Port Aransas Express, Emergency Evacuation Drill, Cooling Center Transportation, "Dump the Pump" Day, Operation Health and Wellness, "Cheaper Alternative to Driving" Feature, Active Shooter Training and the Big Bang Celebration Shuttle. He announced the five awards



received from SWTA which included the Spotlight Award for the Employee Appreciation Day, Event for CCRTA Buc Days Parade Event, Prints for Buc Days Wrap, Social Media for the Children's Buc Days Parade Campaign and Electronic for Job Fair Radio Ad. He noted the following upcoming events: SWTA Conference, July 25th-27th, APTA Transit Board and Administrators Seminars, July 30th – August 2nd and FTA Low-No Grant Application Announcement should come Mid-August. He states that the RTA does care about the community and the riders. Director Salazar asked where the APTA Conference would be held. Vice Chair Jimenez stated Salt Lake City, UT. Director Salazar suggested plans be made if they plan on attending.

Board Chair Report

Chair Leyendecker asked Board Members for any comments. Director Muñoz congratulated Directors Coleman and Maymi for being newly appointed and stated he looked forward to working with them. He also said good job to the staff and stated he was excited about the interlocal agreement with DART and talked about his rider experience. He provided one constructive comment stating that the Directors want to work with staff on items but just need adequate time and all of the information ahead of time. He said Directors are willing to provide whatever is necessary to help improve the process. Director Salazar congratulated the newly appointed Directors and stated he looks forward to working with them. He continued that in regards to the insurance options, he pointed out that not all the options presented today were available at the committee meeting, hence, there has been a lot of questions and conversation. He stated it was good that they were presented today, however, it would have been better if they had more time to review. Director Maymi thanked everyone for welcoming her and said she is excited to be a part of this board. She added that she will do her due diligence to do her part and gather as much information and data that she needs. Vice Chair Jimenez welcomed the new Board Members and offered her collaboration and asked that they let her know if they have any questions. She let staff know that she is proud to be a part of the board and the team makes her proud. Director Woolbright said great job staff and welcomed the new directors to the team. Director Charo welcomed the new Directors and congratulated the staff. Chair Leyendecker welcomed Director Coleman and Director Maymi and stated they look forward to working with them. He let them know that they have a great staff that works hard, but if they have any questions, to please reach out to him and his board is always open. Director Canales also welcomed the new Directors to the Board and welcomed Mr. Cruz-Aedo back while congratulating the team on the awards received.

Adjournment

There being no further review of items, the meeting adjourned at 10:35 a.m.

Lynn Allison, Board Secretary

Submitted by: Marisa Montiel



Subject: Authorize to Approve the FY 2022 Operating and Capital Budget – Amendment #1

Background

On November 3, 2021, the CCRTA Board of Directors adopted the Fiscal Year 2022 Operating and Capital Budget. The Board of Directors adopted a balance budget, which included revenues and expenses both totaling \$55,246,147.

Identified Need

As a result of the COVID-19 pandemic, the US Government approved three (3) different stimulus packages to help the national economy recover from the shutdown to control the spread of COVID-19. These three (3) rounds of stimulus monies helped supplement the CCRTA's revenue stream while in the midst of a depressed economy.

1. Coronavirus Aid, Relief, and Economic Security Act (CARES Act) - \$16.3 million
2. Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) - \$6.8 million
3. American Rescue Plan - \$17.6 million

The Fiscal Year 2022 Operating and Capital budget is being amended to include the operating portion of the third round of federal supplemental monies.

Financial Impact

The total revenues will increase by \$4,459,019 due to the availability of \$17.6 million from the American Rescue Plan (ARP) grant. The timing of the amendment is take advantage of rising interest rates. With the high inflationary rates that we have been experiencing throughout the calendar 2022 year, the Federal Reserve has been periodically increasing the Fed Funds rate to slow down the economy in anticipation for a "soft landing" to minimize the potential for a recession. Because of the increasing Fed Funds rate over the past several months, the CCRTA has seen opportunity to ladder investments and recognize an increase in our investment returns.

Board Priority

The Board Priority is Public Image & Transparency.

Recommendation

Staff request that the Board of Directors authorize the Chief Executive Officer (CEO) or Designee to approve the 2021 Operating and Capital Budget – Amendment #1.

Respectfully Submitted,

Submitted by: Robert M. Saldaña
Managing Director of Administration

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



Subject: Update the Award of Contracts for External and Internal Engine Parts to include C.C. Battery, C.C. Freightliner, CD Starter, Cummins Southern Plains, Gillig, Kirks Automotive, and Muncie.

Background

The RTA purchases the majority of parts needed to maintain the RTA fleet through bus and engine parts contracts. Replacement parts are distinct to meet or exceed Original Equipment Manufacturer (OEM) or approved equals.

The Vehicle Maintenance Department may only purchase a portion of the parts that are under this agreement; however, it is advantageous to lock in supply contract prices with various suppliers utilizing volume discounts, with parts acquired only as needed.

Identified Need

An External and Internal Engine Parts contract help will ensure product availability meets parts demands while maintaining competitive pricing. The contract will include parts for all specialized external and internal engine parts to keep the fleet in state of good repair and maintain any warranty coverages.

The IFB was issued for a one (1) year contract. Awarding of contracts for External and Internal Engine Parts was originally approved at the July 6th Board meeting. After the initial award we were contacted by other vendors, who had submitted bids, regarding difficulty cross referencing OEM part numbers with manufacturer part numbers.

Disadvantaged Business Enterprise

There is no DBE requirement for this procurement.

Financial Impact

Total expenditures will be determined by the actual parts usage. Funding historically includes combined resources from Federal Preventative Maintenance and local funds. The estimated one-year total cost of the contracts, at the current service levels, is \$196,053.24, and funds are allocated in the Board approved annual operating budgets.

Recommended Awardees for Contracts:

Vendor	Total # of Parts	Total Estimated Cost
CC Battery	560	\$ 1,930.15
CC Freightliner	2,061	\$ 71,927.80
CD Starter	561	\$ 3,824.72
Cummins Southern Plains	1,346	\$ 80,516.31
GILLIG	862	\$ 27,305.13
Kirk's Automotive	4	\$ 4,548.00
Muncie	609	\$ 6,001.13
TOTAL		\$ 196,053.24

Board Priority

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


Recommendation

Staff requests that the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Update the Award of Contracts for External and Internal Engine Parts to include C.C. Battery, C.C. Freightliner, CD Starter, Cummins Southern Plains, Gillig, Kirks Automotive, and Muncie.

Respectfully Submitted,

Submitted by: Bryan Garner
Director of Maintenance

Reviewed by: Derrick Majchszak
Managing Director of Operations

Final Approval by: 

Jorge Cruz-Aedo
Chief Executive Officer



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo

August 3, 2022

Subject: Award a Contract to Marshall Company for the Construction of Del Mar South – Bus Stops (2)

Background

In late 2019, the CCRTA received a competitive grant for three capital projects, which consisted of Bear Lane Bus Parking Lot Improvements (completed), a new Port Ayers Station (design underway) and Del Mar South – Bus Stops (2).

Identified Need

Del Mar College is expanding their campus footprint, to now include a southside campus. The new campus, Del Mar College – Oso Creek, Phase 1 of the of construction, will be fully completed in January of 2023.

The CCRTA's CEO and Del Mar's President, Dr. Escamilla, met and developed a concept for the placement of two new bus stops (one on Yorktown and one on Rodd Field) at the campus, to serve not only the students at the new campus but also, the surrounding residential and multifamily housing areas. Additionally, at the Del Mar Oso Creek campus, the City of Corpus Christi, has committed to building a new Police Academy on Del Mar's new campus, as well. Consequently, will be three prominent agencies, at this one campus, Del Mar College, City of Corpus Christi and the CCRTA.

Analysis

The bids were issued June 30th, the pre-bid was held July 7th, and the bid opening was July 28th. There were five general contractors in attendance at the pre-bid. The invitation for bids was posted in Mass Transit, CCRTA's website, Texas Transit Association, Caller Times and outreach with made with various general contractors and DBE vendors. The CCRTA received one bid. The bid was responsive and responsible. The table below displays the bid information.

Company Name	Total Award
Marshall Company – General Contractors	\$2,544,900.00

The company was established in 1941. Mr. Michael Dodson is the president. They have performed work for Del Mar College, Texas A & M Kingsville, Workforce Solutions, Diocese of Corpus Christi, Texas Parks and Wildlife and Rock Engineering.

Financial Impact

The estimated amount of the contract is \$2,544,900 and is budgeted in the 2022 Capital Projects budget. This project is funded with 75% federal funds and 25% local funds. The amount of the grant award for the project was \$2,844,510.

Board Priority

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

Disadvantaged Business Enterprise

The DBE Goal for this project is 20%, and Marshall Company has committed to meeting that goal. CCRTA's DBE Department reached out to an estimated 21 companies, to notify them of the bid opportunity.

Committee Review

A Placeholder Informational document was presented at the Operations & Capital Projects Committee meeting held on July 27, 2022, to inform the Committee of this item going straight to the Board of Directors' meeting on August 3rd, since bids were not received the day after the Committee meeting.

Recommendation

Staff recommends the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Award a contract to Marshall Company for the Construction of the new Del Mar South (Oso Creek) – Bus Stops (2) for \$2,544,900.

Respectfully Submitted,

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

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



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo

August 3, 2022

Subject: Approve the Design Concept for the new Port Ayers Transfer Station

Background

In late 2019, the CCRTA received a competitive grant for three capital projects, which consisted of Bear Lane Bus Parking Lot Improvements (completed), a new Port Ayers Station (design underway) and Del Mar South – Bus Stops (2).

Identified Need

Gignac and Associates has completed the schematic design concept for the new Port Ayers Transfer Station and has presented it to the CEO and Senior Staff. The next step in the process is to present to the CCRTA's Board of Directors for the approval to proceed with the design.

Board Priority

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

Recommendation

Staff recommends the Board of Directors authorize the Chief Executive Officer (CEO) or designee to approve the design concept for the new Port Ayers Transfer Station.

Respectfully Submitted,

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

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



Subject: June 2022 Financial Report

Overview: The results from the **operating budget** for the month of **June** report **Revenues** in excess of **Expenses** by **\$236,218**. Total operating revenues totaled \$3,642,315, representing 89.91% of the budget baseline, while total operating expenses finished at \$3,406,097, or 93.37% of baseline. For the **year to date**, operating revenues total \$26,122,307, or 112.12% of the budget baseline, largely driven by federal operating assistance received through the American Recovery Plan (ARP) grant. Meanwhile, operating expenses for the year to date total \$20,530,108, or 92.70% of baseline.

The CIP budget report for June reflects the \$129,525 budgeted portion of the depreciation expense only, as there were no grant revenues posted from capital projects. For the year to date, capital grant revenues totaled \$247,507 for purchases for projects from 2021 CIP listing which includes: six (6) bus engines from the Engine Overhaul Program, twenty-one (21) security camera replacements, one transmission jack, one king-pin removal system and a payment to a contractor for the Bear Lane Bus Parking Lot Concrete Replacement project. Total CIP expenditures totaled \$777,153 exceeded grant funding by \$777,153 through June, which again represents the budgeted portion of depreciation expense.

The overall performance for the month provides an increase of \$106,693 to the fund balance with the operating budget contributing \$236,218, decreased by \$129,525 from the CIP budget performance for the month.

This information is presented in greater detail in the financial reports located at the end of this document.

SUMMARY: Results from all Activities Compared to Budget

Total Revenues reported for the month of **June** totaled **\$3,642,315**, all of which is attributable to the **Operating Budget (Table 4 and PPT Slides 3 and 4)**. The performance from two revenue categories from the Operating Budget are discussed as follows.

Operating Revenues, which include only resources generated from transit operations, **totaled \$81,673**, or **\$35,948** less than forecasted (PPT Slide 5). **Fare Revenues** were 27.82% lower than May, and ended the month at 65.47% of the baseline expectation. This reduction was caused by lower sales of passes in-person and by-phone, as well as less contracted service income attributable to agreements with the college and university. Meanwhile, commissions from bus and bench advertising ended the month at \$11,959, or 98.72% of baseline. **Other Operating Revenues** totaled \$1,842, or 100% of baseline, which includes an adjustment to align with the receipt of the federal CNG fuel credit that comprises the majority of this category's budget expectation. **(Table 4.1)**.

Non-Operating Revenues, which **includes** sales tax, investment income, lease income from tenants, and federal assistance grants totaled **\$3,560,641**, reaching **90.52%** of the **\$3,933,546** budget expectation, generating **\$372,905** less than forecasted **(Table 4.1)**. Federal operating grant assistance was down from May, when all 2022 funds available through ARP were

recognized as revenue. Investment income continues to perform well against the budget, as a result of additional increases to the federal funds rate.

For clarification, please keep in mind that all revenues reported are **actual** revenues received or earned with the exception of the sales tax revenue. The Sales Tax Revenue, has been **estimated** since the amount will not be determined until payment is received on August 12, 2022. Out of the seven (7) sources included in this revenue category, 80.00% of total revenue came from the sales tax revenue estimate as indicated in the table on the following page:

June 2022 Revenue Composition – Table 1

Line #	Revenue Source	Actual	%
1	Sales Tax Revenue	3,296,818	90.51%
2	Passenger Service	67,873	1.86%
3	SSC Lease Income	43,113	1.18%
4	Bus Advertising	11,959	0.33%
5	Investment Income	62,638	1.72%
6	Grant Assistance Revenue	158,072	4.34%
7	Other Revenue	1,842	0.05%
	Total (excluding capital)	\$3,642,314	100.00%

The **Investment Portfolio** closed the month of June 2022 with a market value of **\$55,701,637**, an increase of **\$5,905,711** from the end of May 2022. This investment portfolio does not include any assets from pension plans but only assets from operations.

During the month of June, short-term investments totaling \$15mm were purchased and consist of four investments in commercial paper maturing on a laddered basis from November 2022 through February 2023. The expected income from these investments totals \$278,195, with an average interest rate of 2.546%. For the month of June earned interest income was recorded at \$62,638 of which \$28,017 was from TexPool, which ended the month with a 1.4853 daily net yield. The balances from TexPool are gradually being moved to higher interest investments that are in accordance with the current investment policy.

The **Sales tax** allocation for June 2022 is **estimated** at **\$3,296,818**. The estimate is necessary since allocations lag two months behind and will not be received until August 12, 2022.

The Sales Tax revenue payment of **\$3,067,990** for May 2022 was received July 11, 2022 and was \$23,964, or 0.79% more than the **\$3,044,026** May reported estimate. The payment included the allocation from internet sales of \$28,787, a decrease of \$5,272 or 15.48% from the prior month. RTA started receiving internet sales tax revenue in December 2019, and to date have received \$808,029. Retailers started collecting sales tax on internet sales October 1, 2019.

The sales tax revenue over the last five years' averages to 73.53% of total income. In 2021, Sales Tax Revenue represented 66.95% of total revenues. Sales tax typically 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. During this reporting period, sales tax represented 90.51% of total operating revenues. **Table 2** illustrates the sales tax revenue trend from the beginning of the year.

Transparency Disclosure

The sales tax revenue reported as 2022 Actual is higher than what is reported by the state comptroller's website. The difference represents the \$27,374 that is deducted by the state comptroller each month as repayment of \$1,177,082 that occurred in December 2019 as a result of an audit. The repayment is over 43 months and as of June have made 19 installments. This amount is added back in order to calculate the growth rate when compared to the same period last year.

As you can see from the below table, RTA reported a year-over-year increase of 8.11% in January's collections while February's were up considerably with a 16.82% over same period last year. Meanwhile, the March sales tax payment came in short by 7.17% or negative \$270,481, with April exceeding prior year collections by \$67,537 or 2.25%. May showed a slight growth of \$23,215 or 0.86% versus prior year. The estimated growth for 2022 is 1.49% over 2021.

Sales Tax Growth – Table 2

Month Revenue was Recognized	2022 Actual	2021 Actual	\$ Growth	% Growth
January (actual)	\$ 2,700,560	\$ 2,497,985	\$ 202,575	8.11%
February (actual)	2,726,132	2,333,543	392,589	16.82%
March (actual)	3,504,497	3,774,978	(270,481)	-7.17%
April (actual)	3,074,059	3,006,523	67,536	2.25%
May (actual)	3,067,990	3,041,775	26,215	0.86%
June (estimate)	3,296,818	3,445,918	(149,100)	-4.33%
July (estimate)	0	0	0	0.00%
August (estimate)	0	0	0	0.00%
September (estimate)	0	0	0	0.00%
October (estimate)	0	0	0	0.00%
November (estimate)	0	0	0	0.00%
December (estimate)	0	0	0	0.00%
	<u>\$ 18,370,056</u>	<u>\$ 18,100,723</u>	<u>\$ 269,333</u>	<u>1.49%</u>

The detail of all revenue and expense categories are presented in the following tables, along with the fare recovery ratio for June 2022:

Revenue – June 2022 – Revenue Composition (Includes Operating and Capital Funding) – Table 3

Revenue Source	June 2022	%	YTD	%
Passenger Service	\$ 67,873	1.86%	\$ 468,077	1.78%
Bus Advertising	11,959	0.33%	82,927	0.31%
Other Revenue	1,842	0.05%	28,181	0.11%
Sales Tax Revenue	3,296,818	90.51%	18,370,056	69.66%
Grants – Operating	158,072	4.34%	6,779,957	25.71%
Grants – Capital	-	0.00%	247,507	0.94%
Investment Income	62,638	1.72%	136,418	0.52%
SSC Lease Income	43,113	1.18%	256,691	0.97%
Total Revenue	<u>\$ 3,642,315</u>	<u>100.00%</u>	<u>\$ 26,369,814</u>	<u>100.00%</u>

Revenue – June 2022 Operating and Capital Funding and Transfer-In – Table 4

	06/2022				
	2022 Adopted Budget	June 2022 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	\$ 1,243,979	\$ 67,873	\$ 103,665	5.46%	65.47%
Bus advertising	145,371	11,959	12,114	8.23%	98.72%
Other operating revenues	393,098	1,842	1,842	0.47%	100.00%
Sales Tax Revenue	37,509,003	3,296,818	3,296,818	8.79%	100.00%
Federal, state and local grant assistance	7,102,211	158,072	591,851	2.23%	26.71%
Investment Income	45,094	62,638	3,758	138.91%	1666.87%
Staples Street Center leases	493,434	43,113	41,120	8.74%	104.85%
Total Operating Revenues	46,932,190	3,642,315	4,051,168	7.76%	89.91%
Capital Grants & Donations	8,313,957	-	-	0.00%	0.00%
Total Revenues & Capital Funding	\$ 55,246,147	\$ 3,642,315	\$ 4,051,168	6.59%	89.91%

	06/2022				
	2022 Adopted Budget	YTD 2022 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	\$ 1,243,979	\$ 468,077	\$ 621,990	37.63%	75.25%
Bus advertising	145,371	82,927	72,686	57.04%	114.09%
Other operating revenues	393,098	28,181	28,181	7.17%	100.00%
Sales Tax Revenue	37,509,003	18,370,056	18,754,502	48.98%	97.95%
Federal, state and local grant assistance	7,102,211	6,779,957	3,551,106	95.46%	190.93%
Investment Income	45,094	136,418	22,547	302.52%	605.04%
Staples Street Center leases	493,434	256,691	246,717	52.02%	104.04%
Total Operating Revenues	46,932,190	26,122,307	23,297,729	55.66%	112.12%
Capital Grants & Donations	8,313,957	247,507	247,507	2.98%	100.00%
Total Revenues & Capital Funding	\$ 55,246,147	\$ 26,369,814	\$ 23,545,236	47.73%	112.00%

Revenue – June 2022 From Operations – Table 4.1

	06/2022				
	2022 Adopted Budget	June 2022 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	\$ 1,243,979	\$ 67,873	\$ 103,665	5.46%	65.47%
Bus advertising	145,371	11,959	12,114	8.23%	98.72%
Other operating revenues	393,098	1,842	1,842	0.47%	100.00%
Total Operating Revenues	1,782,448	81,673	117,621	4.58%	69.44%
Sales Tax Revenue	37,509,003	3,296,818	3,296,818	8.79%	100.00%
Federal, state and local grant assistance	7,102,211	158,072	591,851	2.23%	26.71%
Investment Income	45,094	62,638	3,758	138.91%	1666.87%
Staples Street Center leases	493,434	43,113	41,120	8.74%	104.85%
Total Non-Operating Revenues	45,149,742	3,560,641	3,933,546	7.89%	90.52%
Total Revenues	\$ 46,932,190	\$ 3,642,314	\$ 4,051,167	7.76%	89.91%

June 2022 Expenses

The results of all expenditure activities, including capital, are presented below. Overall, the total operating expenses came in \$241,827 under the anticipated baseline of \$3,647,923. Departmental expenses came in \$182,393 under the anticipated baseline or 5.48%. Debt service payments are fixed by the terms of the bond contract, which is the reason for the resulting 100% actual to baseline. Street Improvements is also a fixed amount that represents one-twelfth of the

annual amount budgeted for all member cities, though the budget is slightly higher than the actual amount allocated to the member cities for 2022, resulting in the marginal variance against the baseline.

June 2022 Total Expenses & Capital Expenditures – Table 6

	06/2022				
	2022 Adopted Budget	June 2022 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Expenditures					
Departmental Operating Expenses	\$ 39,930,292	\$ 3,145,131	\$ 3,327,524	7.88%	94.52%
Debt Service	1,600,408	-	-	0.00%	0.00%
Street Improvements	3,147,945	260,794	262,329	8.28%	99.41%
Subrecipient Grant Agreements	696,845	172	58,070	0.02%	0.30%
Total Operating Expenses	45,375,490	3,406,097	3,647,923	7.51%	93.37%
Grant Eligible Costs	8,316,352	-	-	0.00%	0.00%
Depreciation Expenses	1,554,305	129,525	129,525	8.33%	100.00%
Total Expenses & Capital Expenditures	\$ 55,246,147	\$ 3,535,622	\$ 3,777,448	6.40%	93.60%

	06/2022				
	2022 Adopted Budget	YTD 2022 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Expenditures					
Departmental Operating Expenses	\$ 39,930,292	\$ 18,704,139	\$ 19,965,145	46.84%	93.68%
Debt Service	1,600,408	260,141	260,141	16.25%	100.00%
Street Improvements	3,147,945	1,564,764	1,573,973	49.71%	99.41%
Subrecipient Grant Agreements	696,845	1,064	348,423	0.15%	0.31%
Total Operating Expenses	45,375,490	20,530,108	22,147,684	45.24%	92.70%
Grant Eligible Costs	8,316,352	247,507	247,507	2.98%	100.00%
Depreciation Expenses	1,554,305	777,153	777,153	50.00%	100.00%
Total Expenses & Capital Expenditures	\$ 55,246,147	\$ 21,554,768	\$ 23,172,344	39.02%	93.02%

EXPENSES – REPORTED BY EXPENSE OBJECT CATEGORY

The **Financial Accounting Standards Board (FASB)** requires expenses to be reported by object category which include expenses that can be traced back to a specific department and or activity. It excludes depreciation expenses, expenses associated with the Street Improvement Program, debt service expenses, and pass through activities (Sub-recipients).

Accordingly, for the month of June 2022, total departmental operating expenses realized favorable variances against the baseline expectation in most categories. The positive variance is largely associated with the timing of the receipt of invoices. Meanwhile, expense categories showing unfavorable variances include Salaries & Wages and Materials & Supplies.

Salaries & Wages reached 102.11% of the baseline expectation, or \$148,482 over the budget projection, due to the payout of accrued employee personal leave in June.

Meanwhile, Materials & Supplies ended the month at 104.28% of the baseline expectation, or \$62,047 over the budget projection, primarily driven by increased fuel costs, as well as the purchase of repair parts for bus fare boxes, operator uniforms, and shelter maintenance supplies.

June 2022 Departmental Expense Breakdown – Table 7.1

	06/2022				
	2022 Adopted Budget	June 2022 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Departmental Operating Expense Object Category					
Salaries & Wages	\$ 14,105,606	\$ 1,200,634	\$ 1,175,467	8.51%	102.14%
Benefits	5,877,139	387,680	489,762	6.60%	79.16%
Services	5,995,853	372,701	499,654	6.22%	74.59%
Materials & Supplies	2,897,982	302,122	241,499	10.43%	125.10%
Utilities	769,625	59,010	64,135	7.67%	92.01%
Insurance	632,545	44,033	52,712	6.96%	83.53%
Purchased Transportation	8,843,472	732,046	736,956	8.28%	99.33%
Miscellaneous	808,071	46,905	67,339	5.80%	69.65%
Total Departmental Operating Expenses	\$ 39,930,292	\$ 3,145,131	\$ 3,327,524	7.88%	94.52%

	06/2022				
	2022 Adopted Budget	YTD 2022 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Departmental Operating Expense Object Category					
Salaries & Wages	\$ 14,105,606	\$ 7,201,285	\$ 7,052,803	51.05%	102.11%
Benefits	5,877,139	2,753,509	2,938,569	46.85%	93.70%
Services	5,995,853	2,181,156	2,997,926	36.38%	72.76%
Materials & Supplies	2,897,982	1,511,038	1,448,991	52.14%	104.28%
Utilities	769,625	352,906	384,813	45.85%	91.71%
Insurance	632,545	264,196	316,272	41.77%	83.53%
Purchased Transportation	8,843,472	4,141,003	4,421,736	46.83%	93.65%
Miscellaneous	808,071	299,046	404,035	37.01%	74.01%
Total Departmental Operating Expenses	\$ 39,930,292	\$ 18,704,139	\$ 19,965,145	46.84%	93.68%

2022 Self-Insurance Claims, Medical & Vision and Dental – Table 9

Month	Medical & Vision	Dental	Total
January	\$ 200,829	\$ 3,201	\$ 204,030
February	353,837	7,145	360,982
March	275,153	10,171	285,324
April	253,145	6,918	260,063
May	213,986	7,135	221,121
June	166,250	8,427	174,678
	\$ 1,463,201	\$ 42,998	\$ 1,506,199

Fare Recovery Ratio – Table 10

Description	6/30/2022	Year to Date
Fare Revenue or Passenger Revenue	\$ 67,873	\$ 468,077
Operating Expenses	3,145,131	18,704,139
Fare Recovery Ratio	2.16%	2.50%
*Excluding Depreciation		

Note: Same period last year (June 2021) the FRR was 2.57%

June 2022 – Table 11

For the month of June, total Revenues exceeded Expenses by \$106,693. The year to date financial performance presented Revenues in excess of Expenses by \$4,815,046. A greater detail of the financial results is explained in the accompanied Power Point presentation.

	06/2022				
	2022 Adopted Budget	June 2022 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Operating Revenues	\$ 46,932,190	\$ 3,642,315	\$ 4,051,168	7.76%	89.91%
Capital Funding	8,313,957	-	-	0.00%	0.00%
Total Revenues	55,246,147	3,642,315	4,051,168	6.59%	89.91%
Operating Expenses	45,375,490	3,406,097	3,647,923	7.51%	93.37%
Capital Expenditures	9,870,657	129,525	129,525	1.31%	100.00%
Total Expenses	55,246,147	3,535,622	3,777,448	6.40%	93.60%
Revenue over Expenditures	\$ -	\$ 106,693	\$ 273,720		

	06/2022				
	2022 Adopted Budget	YTD 2022 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Operating Revenues	\$ 46,932,190	\$ 26,122,307	\$ 23,297,729	55.66%	112.12%
Capital Funding	8,313,957	247,507	247,507	2.98%	100.00%
Total Revenues	55,246,147	26,369,814	23,545,236	47.73%	112.00%
Operating Expenses	45,375,490	20,530,108	22,147,684	45.24%	92.70%
Capital Expenditures	9,870,657	1,024,660	1,024,660	10.38%	100.00%
Total Expenses	55,246,147	21,554,768	23,172,344	39.02%	93.02%
Revenue over Expenditures	\$ -	\$ 4,815,046	\$ 372,892		

NET POSITION

The Total Net Position at the end of the month was **\$106,755,696**, an increase of **\$5,062,555** from December 2021 which closed at **\$101,693,141**. The December 2021 fund balance is subject to change as the annual audit of The Authority’s financial information is currently underway.

The Total Net Position is made up of three (3) components: Net Investment in Capital Assets, Funds Restricted for the FTA’s Interest, and Unrestricted which represents the residual amount of the net position that is available for spending.

Of the Total Net Position of **\$106,755,696**, the portion of the fund balance that is not restricted in accordance with GASB Concepts Statement No 4 is **\$51,285,159**, but only **\$31,290,387** is available for spending as a result of the internal restrictions placed by the Board for specific reserves which total **\$19,994,772**. 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, 39% of the unrestricted portion is assigned by the Board to fund reserves that are earmarked to meet certain unexpected demands.

FUND BALANCE AS OF JUNE 30, 2022:

<u>FUND BALANCE</u>	
Net Invested in Capital Assets	\$ 54,690,914
Restricted for FTA Interest	779,623
Unrestricted	→ 51,285,159
OTAL FUND BALANCE	106,755,696
<u>UNRESTRICTED BREAKDOWN</u>	
Designated for Operating Reserve (25% OpEx less EBR)	9,722,010
Designated for Capital Reserve (25% of total CIP)	9,275,118
Designated for Employee Benefits Reserve	997,644
Total Designated Reserves (38.99%)	\$ 19,994,772
Unrestricted (61.01%)	31,290,387
TOTAL DESIGNATED & UNRESTRICTED	→ \$ 51,285,159

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
 Operating and Capital Budget Report
 For the month ended June 2022

OPERATING BUDGET	06/2022				
	2022 Adopted Budget	June 2022 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
	A	B	C = A / 12	B / A	C vs B
Revenues					
Passenger service	\$ 1,243,979	\$ 67,873	\$ 103,665	5.46%	65.47%
Bus advertising	145,371	11,959	12,114	8.23%	98.72%
Other operating revenues	393,098	1,842	1,842	0.47%	100.00%
Sales Tax Revenue	37,509,003	3,296,818	3,296,818	8.79%	100.00%
Federal, state and local grant assistance	7,102,211	158,072	591,851	2.23%	26.71%
Investment Income	45,094	62,638	3,758	138.91%	1666.87%
Staples Street Center leases	493,434	43,113	41,120	8.74%	104.85%
Total Revenues	46,932,190	3,642,315	4,051,168	7.76%	89.91%
Expenses					
Transportation	9,995,330	776,533	832,944	7.77%	93.23%
Customer Programs	541,368	42,663	45,114	7.88%	94.57%
Purchased Transportation	8,843,472	732,046	736,956	8.28%	99.33%
Service Development	1,216,369	105,174	101,364	8.65%	103.76%
MIS	1,593,626	114,592	132,802	7.19%	86.29%
Vehicle Maintenance	5,948,949	513,463	495,746	8.63%	103.57%
Facilities Maintenance	3,055,747	256,275	254,646	8.39%	100.64%
Contracts and Procurements	413,128	32,744	34,427	7.93%	95.11%
CEO's Office	1,146,867	71,238	95,572	6.21%	74.54%
Finance and Accounting	851,229	64,168	70,936	7.54%	90.46%
Materials Management	252,362	22,126	21,030	8.77%	105.21%
Human Resources	928,063	59,298	77,339	6.39%	76.67%
General Administration	529,824	41,581	44,152	7.85%	94.18%
Capital Project Management	330,767	30,038	27,564	9.08%	108.98%
Marketing & Communications	734,725	61,039	61,227	8.31%	99.69%
Safety & Security	2,184,567	148,947	182,047	6.82%	81.82%
Staples Street Center	1,160,899	73,038	96,742	6.29%	75.50%
Port Ayers Cost Center	3,000	168	250	5.61%	67.27%
Debt Service	1,600,408	-	-	0.00%	0.00%
Special Projects	200,000	-	16,667	0.00%	0.00%
Subrecipient Grant Agreements	696,845	172	58,070	0.02%	0.30%
Street Improvements Program for CCRTA Region Entities	3,147,945	260,794	262,329	8.28%	99.41%
Total Expenses	45,375,490	3,406,097	3,647,923	7.51%	93.37%
Revenues Over Expenses - Operating Budget	1,556,700	236,218	403,245		
CIP BUDGET					
	2022 Adopted Budget	June 2022 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
	A	B	C = A / 12	B / A	
Funding Sources					
Grant Revenue	8,313,957	-	-	0.00%	0.00%
Total Funding Sources	8,313,957	-	-	0.00%	0.00%
Capital Expenditures					
Grant Eligible Costs	\$ 8,316,352	-	-	0.00%	0.00%
Depreciation Expenses	1,554,305	129,525	129,525	8.33%	100.00%
Total Expenditures	9,870,657	129,525	129,525	1.31%	100.00%
Funding Sources Over Expenditures	(1,556,700)	(129,525)	(129,525)	8.32%	100.00%
Revenues Over Expenses - Operating Budget	1,556,700	236,218	403,245		
Revenues Over Expenses - CIP Budget	(1,556,700)	(129,525)	(129,525)		
Revenues Over Expenses (including rounding)	0	106,693	273,720		

Corpus Christi Regional Transportation Authority
 Operating and Capital Budget Report
 For the month ended June 2022

OPERATING BUDGET	06/2022				
	2022 Adopted Budget	YTD 2022 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
	A	B	C = A / 2	B / A	C vs B
Revenues					
Passenger service	\$ 1,243,979	\$ 468,077	\$ 621,990	37.63%	75.25%
Bus advertising	145,371	82,927	72,686	57.04%	114.09%
Other operating revenues	393,098	28,181	28,181	7.17%	100.00%
Sales Tax Revenue	37,509,003	18,370,056	18,754,502	48.98%	97.95%
Federal, state and local grant assistance	7,102,211	6,779,957	3,551,106	95.46%	190.93%
Investment Income	45,094	136,418	22,547	302.52%	605.04%
Staples Street Center leases	493,434	256,691	246,717	52.02%	104.04%
Total Revenues	46,932,190	26,122,307	23,297,729	55.66%	112.12%
Expenses					
Transportation	9,995,330	4,930,669	4,997,665	49.33%	98.66%
Customer Programs	541,368	254,103	270,684	46.94%	93.87%
Purchased Transportation	8,843,472	4,141,003	4,421,736	46.83%	93.65%
Service Development	1,216,369	576,048	608,184	47.36%	94.72%
MIS	1,593,626	692,045	796,813	43.43%	86.85%
Vehicle Maintenance	5,948,949	2,992,988	2,974,474	50.31%	100.62%
Facilities Maintenance	3,055,747	1,457,513	1,527,874	47.70%	95.39%
Contracts and Procurements	413,128	183,056	206,564	44.31%	88.62%
CEO's Office	1,146,867	547,788	573,434	47.76%	95.53%
Finance and Accounting	851,229	377,710	425,615	44.37%	88.74%
Materials Management	252,362	150,389	126,181	59.59%	119.19%
Human Resources	928,063	395,262	464,032	42.59%	85.18%
General Administration	529,824	205,558	264,912	38.80%	77.59%
Capital Project Management	330,767	176,127	165,384	53.25%	106.50%
Marketing & Communications	734,725	282,763	367,363	38.49%	76.97%
Safety & Security	2,184,567	848,250	1,092,283	38.83%	77.66%
Staples Street Center	1,160,899	491,872	580,449	42.37%	84.74%
Port Ayers Cost Center	3,000	995	1,500	33.18%	66.36%
Debt Service	1,600,408	260,141	260,141	16.25%	100.00%
Special Projects	200,000	-	100,000	0.00%	0.00%
Subrecipient Grant Agreements	696,845	1,064	348,423	0.15%	0.31%
Street Improvements Program for CCRTA Region Entities	3,147,945	1,564,764	1,573,973	49.71%	99.41%
Total Expenses	45,375,490	20,530,108	22,147,684	45.24%	92.70%
Revenues Over Expenses - Operating Budget	1,556,700	5,592,199	1,150,045		
CIP BUDGET					
	A	B	C = A / 2	B / A	C vs B
Funding Sources					
Grant Revenue	8,313,957	247,507	247,507	2.98%	0.00%
Total Funding Sources	8,313,957	247,507	247,507	2.98%	100.00%
Capital Expenditures					
Grant Eligible Costs	\$ 8,316,352	247,507	247,507	2.98%	0.00%
Depreciation Expenses	1,554,305	777,153	777,153	50.00%	100.00%
Total Expenditures	9,870,657	1,024,660	1,024,660	10.38%	100.00%
Funding Sources Over Expenditures	(1,556,700)	(777,153)	(777,153)	49.92%	100.00%
Revenues Over Expenses - Operating Budget	1,556,700	5,592,199	1,150,045		
Revenues Over Expenses - CIP Budget	(1,556,700)	(777,153)	(777,153)		
Revenues Over Expenses (including rounding)	0	4,815,046	372,892		

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Net Position
Month ended June 30, 2022, and year ended December 31, 2021

	Unaudited June 30 2022	Unaudited December 31 2021
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 31,860,305	\$ 48,526,571
Short Term Investments	22,767,961	-
Receivables:		
Sales and Use Taxes	6,310,060	6,851,829
Federal Government	158,072	54,642
Other	127,906	668,824
Inventories	1,108,582	1,019,062
Prepaid Expenses	707,099	410,275
Total Current Assets	63,039,985	57,531,203
Non-Current Assets:		
Restricted Cash and Cash Equivalents	779,623	779,623
Net Pension Asset	1,632,590	941,537
Capital Assets:		
Land	4,882,879	4,882,879
Buildings	52,689,967	52,689,967
Transit Stations, Stops and Pads	25,112,677	25,112,677
Other Improvements	5,525,123	5,525,123
Vehicles and Equipment	67,270,387	67,270,387
Construction in Progress	356,089	356,089
Current Year Additions	657,716	0
Total Capital Assets	156,494,839	155,837,122
Less: Accumulated Depreciation	(86,344,645)	(85,567,494)
Net Capital Assets	70,150,194	70,269,629
Total Non-Current Assets	72,562,407	71,990,789
TOTAL ASSETS	135,602,392	129,521,992
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions	1,345,223	1,345,223
Deferred outflow related to OPEB	42,767	42,767
Deferred outflow on extinguishment of debt	3,120,721	3,120,721
Total Deferred Outflows	4,508,711	4,508,711
TOTAL ASSETS AND DEFERRED OUTFLOWS	140,111,103	134,030,703
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	412,287	750,211
Current Portion of Long-Term Liabilities:		
Long-Term Debt	890,000	890,000
Compensated Absences	331,157	331,157
Sales Tax Audit Funds Due	164,244	328,488
Distributions to Regional Entities Payable	6,035,923	4,471,159
Other Accrued Liabilities	737,158	781,910
Total Current Liabilities	8,570,769	7,552,925
Non-Current Liabilities:		
Long-Term Liabilities, Net of Current Portion:		
Long-Term Debt	17,690,000	17,690,000
Compensated Absences	950,274	950,274
Sales Tax Audit Funds Due	492,746	492,746
Net OPEB Obligation	853,090	853,090
Total Non-Current Liabilities	19,986,110	19,986,110
TOTAL LIABILITIES	28,556,879	27,539,035
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions	4,798,527	4,798,527
Total Deferred Inflows	4,798,527	4,798,527
TOTAL LIABILITIES AND DEFERRED INFLOWS	33,355,406	32,337,562
Net Position:		
Net Invested in Capital Assets	54,690,914	54,810,350
Restricted for FTA Interest	779,623	779,623
Unrestricted	51,285,159	46,103,168
TOTAL NET POSITION	\$ 106,755,696	\$ 101,693,141

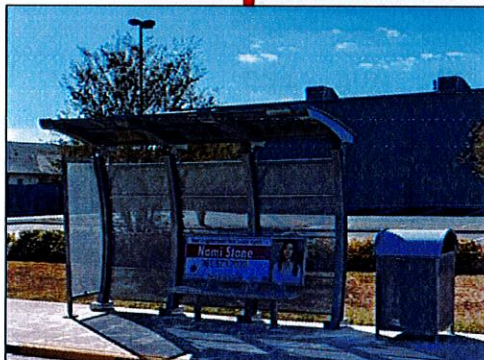
**Corpus Christi Regional Transportation Authority
Statement of Cash Flows (Unaudited)
For the month ended June 30, 2022**

	<u>6/30/2022</u>
Cash Flows From Operating Activities:	
Cash Received from Customers	\$ 66,930
Cash Received from Bus Advertising and Other Ancillary	66,006
Cash Payments to Suppliers for Goods and Services	(2,139,311)
Cash Payments to Employees for Services	(874,622)
Cash Payments for Employee Benefits	(170,580)
Net Cash Used for Operating Activities	<u>(3,051,578)</u>
Cash Flows from Non-Capital Financing Activities:	
Sales and Use Taxes Received	3,046,685
Grants and Other Reimbursements	5,821,233
Distributions to Subrecipient Programs	(172)
Distributions to Region Entities	-
Net Cash Provided by Non-Capital Financing Activities	<u>8,867,746</u>
Cash Flows from Capital and Related Financing Activities:	
Federal and Other Grant Assistance	59,587
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	(175,175)
Net Cash Used by Capital and Related Financing Activities	<u>(115,588)</u>
Cash Flows from Investing Activities:	
Investment Income	28,017
Purchases of Investments	(15,000,000)
Maturities and Redemptions of Investments	-
Premiums/Discounts on Investments	209,555
Net Cash Used by Investing Activities	<u>(14,762,429)</u>
Net decrease in Cash and Cash Equivalents	(9,061,848)
Cash and Cash Equivalents (Including Restricted Accounts), June 1, 2022	41,701,776
Cash and Cash Equivalents (Including Restricted Accounts), June 30, 2022	\$ <u><u>32,639,928</u></u>



Subject: June 2022 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.

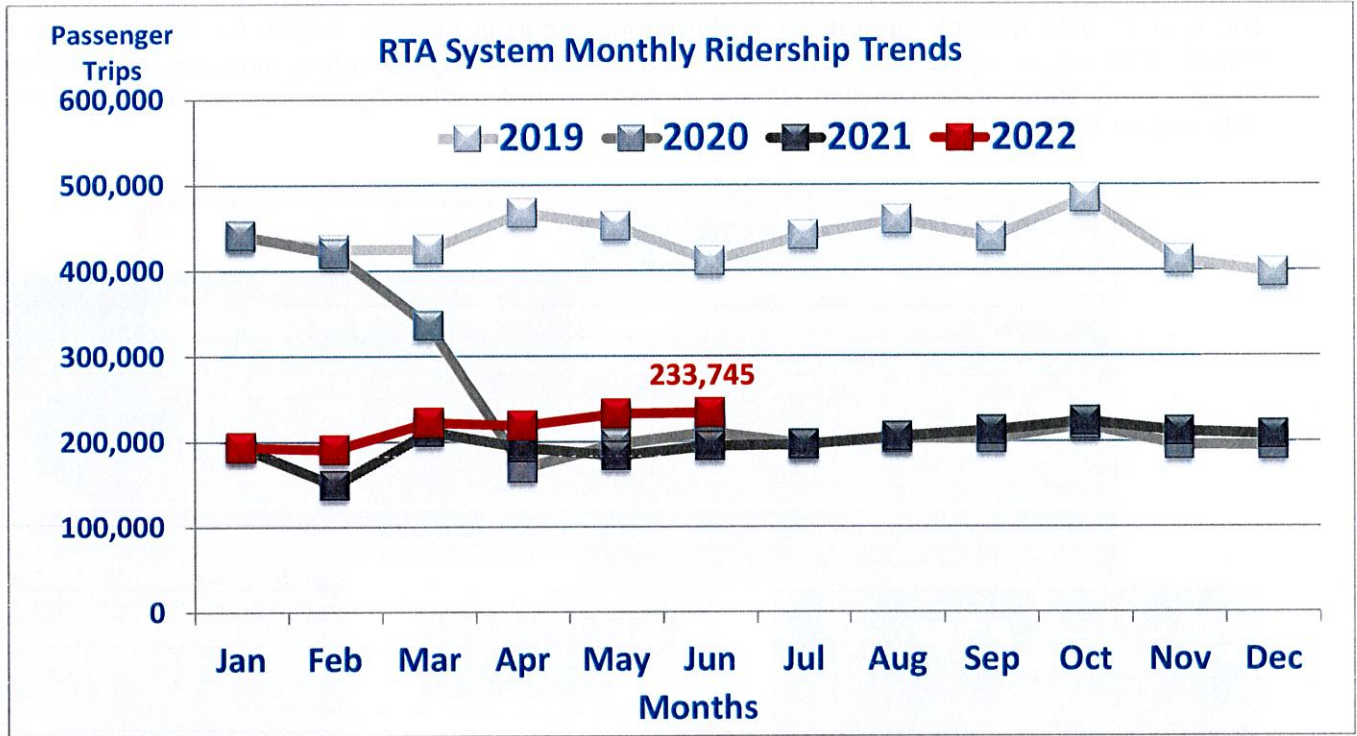


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System-wide Ridership and Service Performance Results

June 2022 system-wide ridership levels continued to be adversely impacted by the COVID-19 pandemic. Passenger trips totaled 233,745 which represents a 20.1% increase as compared to 194,631 passenger trips in June 2021 with 39,114 more trips provided this month. In comparison to the pre-COVID-19 (Pre-Covid) period in June 2019 with 411,568 passenger trips, the 233,745 passenger trips represent a 43.2% decrease with 177,823 fewer trips.

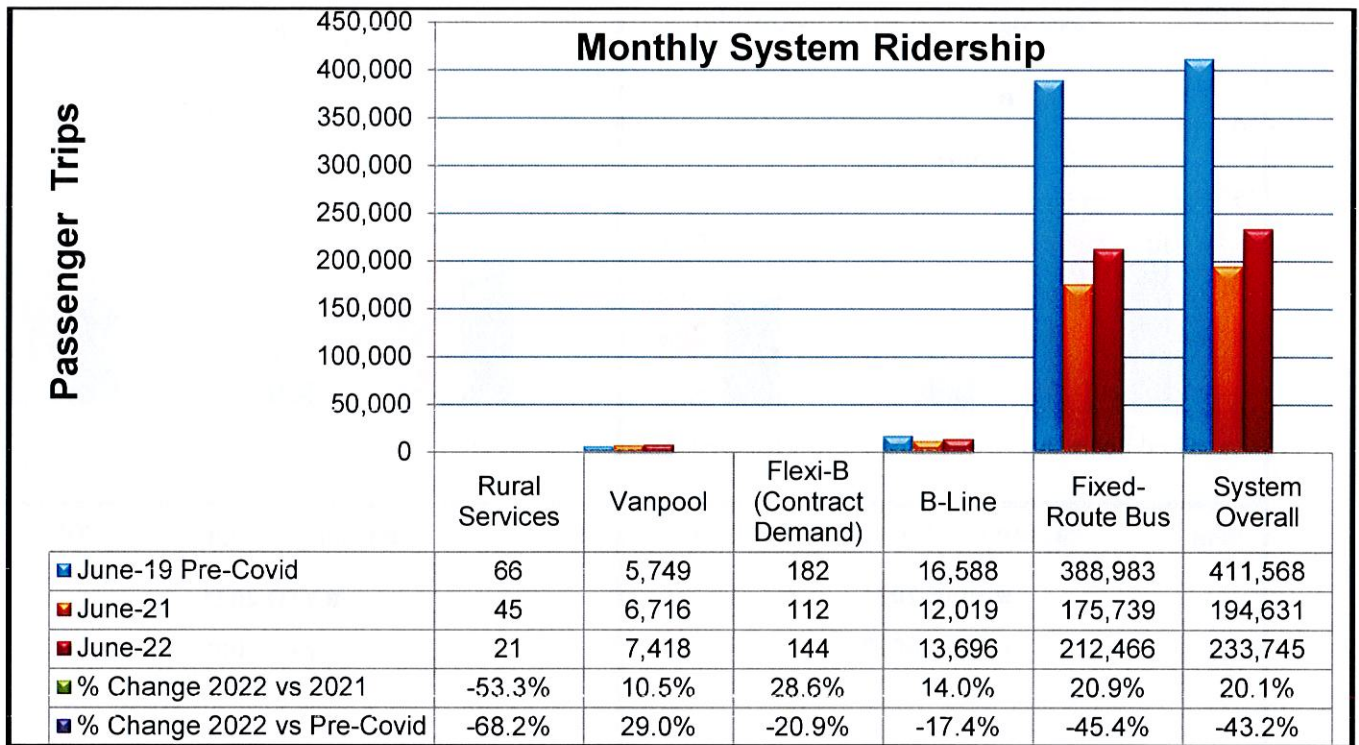


June 2022	June 2021	Variance
22 Weekdays	22 Weekdays	-
4 Saturdays	4 Saturdays	-
4 Sundays	4 Sundays	-
Holiday	Holiday	-
30 Days	30 Days	-

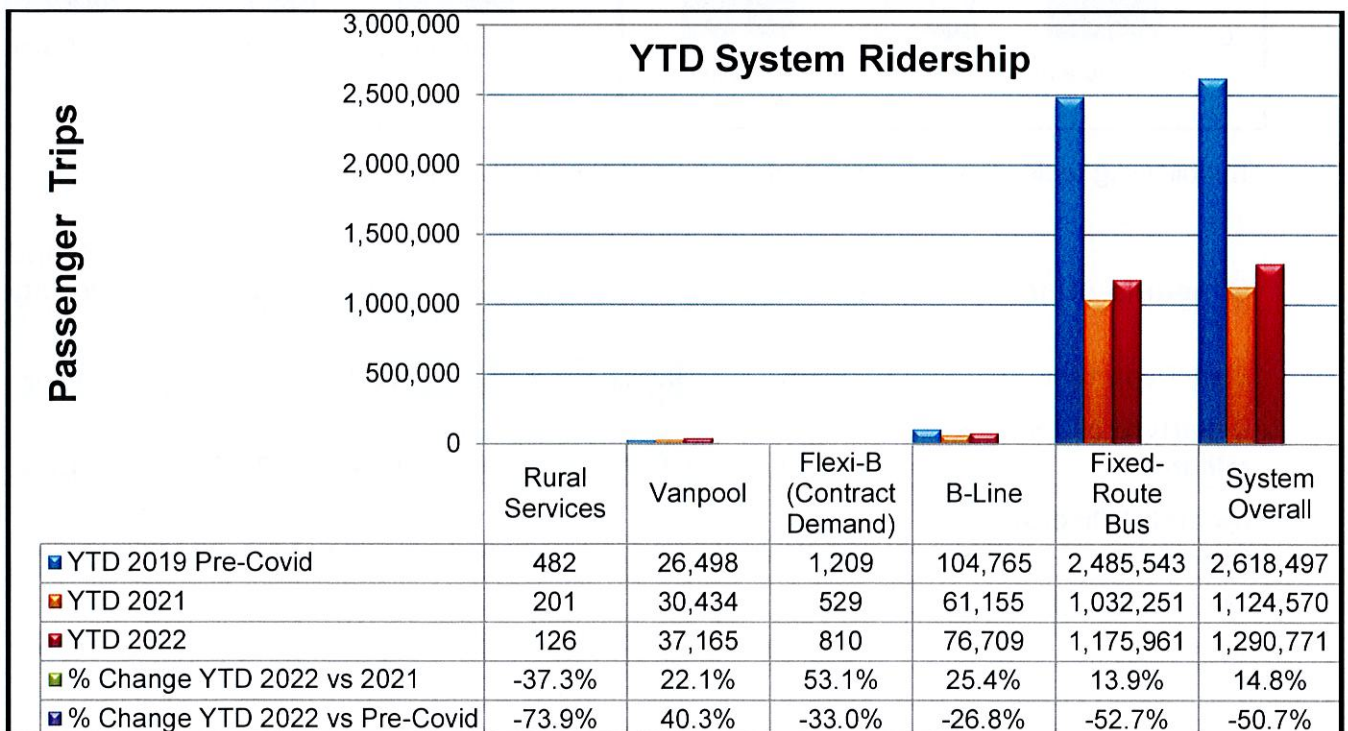
In June 2022, a weekday service level was operated on the Juneteenth Holiday observed on Monday, June 20th. The average retail price for unleaded gas in Corpus Christi was approximately \$4.49 per gallon as compared to \$2.76 per gallon in June 2021¹. A 61% increase in the average cost per gallon. Rainfall was below normal at 0.27 inches as compared June 2021 with 4.01 inches². Normal June rainfall is approximately 3.5 inches. The recorded 93.0-degree average temperature was higher than the average monthly temperature of 91.5 degrees.

1. GasBuddy.com historical data at <http://www.gasbuddy.com>.
 2. <https://etweather.tamu.edu/rainhistory>

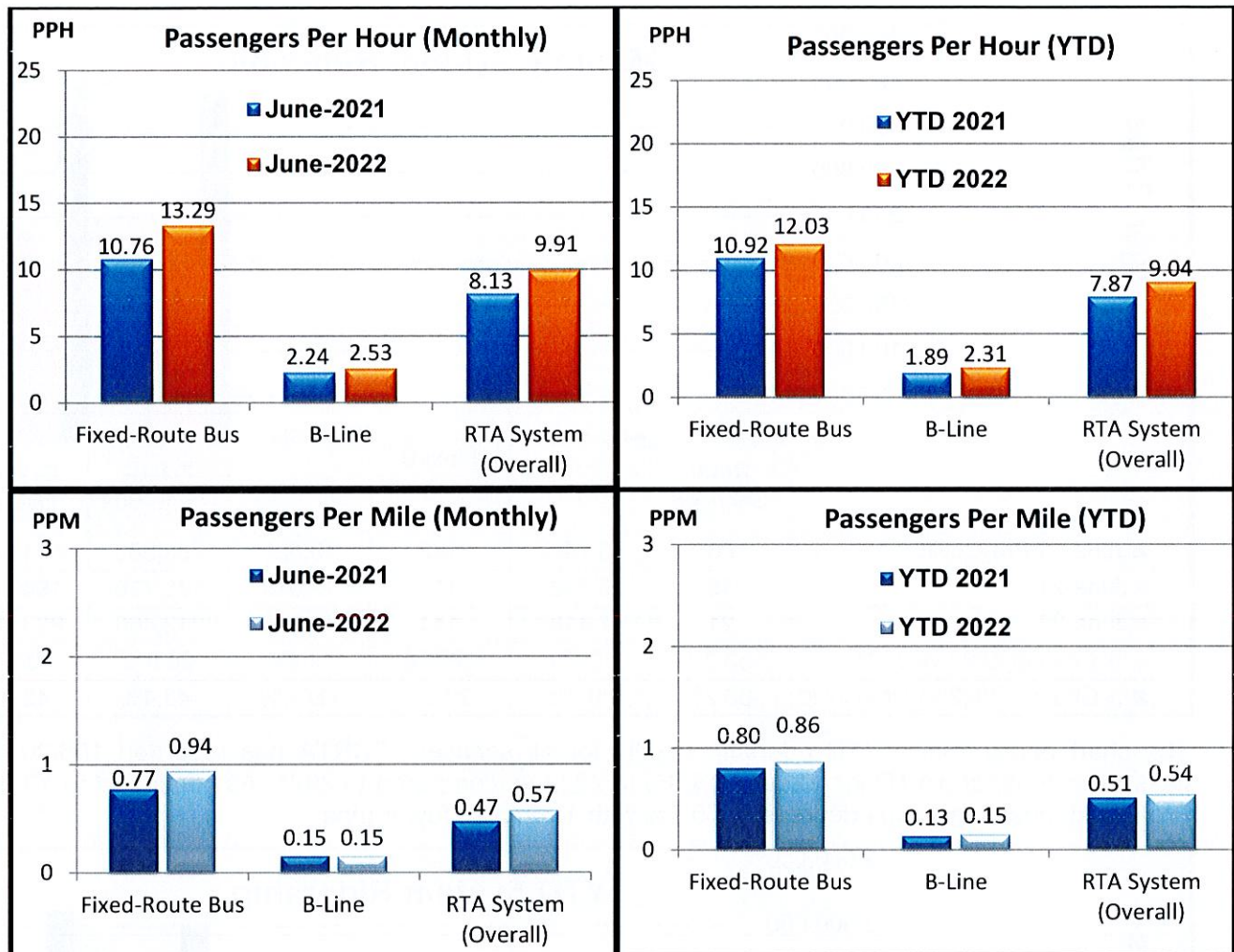
The chart below shows monthly ridership results for all services. CCRTA recorded 39,114 more passenger trips for a 20.1% increase as compared to June 2021. As compared to June 2019 Pre-Covid, passenger trips decreased 43.2%.



The chart below shows YTD ridership results for all services. CCRTA has recorded 166,201 more passenger trips for a YTD increase of 14.8% in 2022 as compared to 2021. As compared to YTD 2019 Pre-Covid, passenger trips decreased 50.7% with 1,327,726 fewer trips.



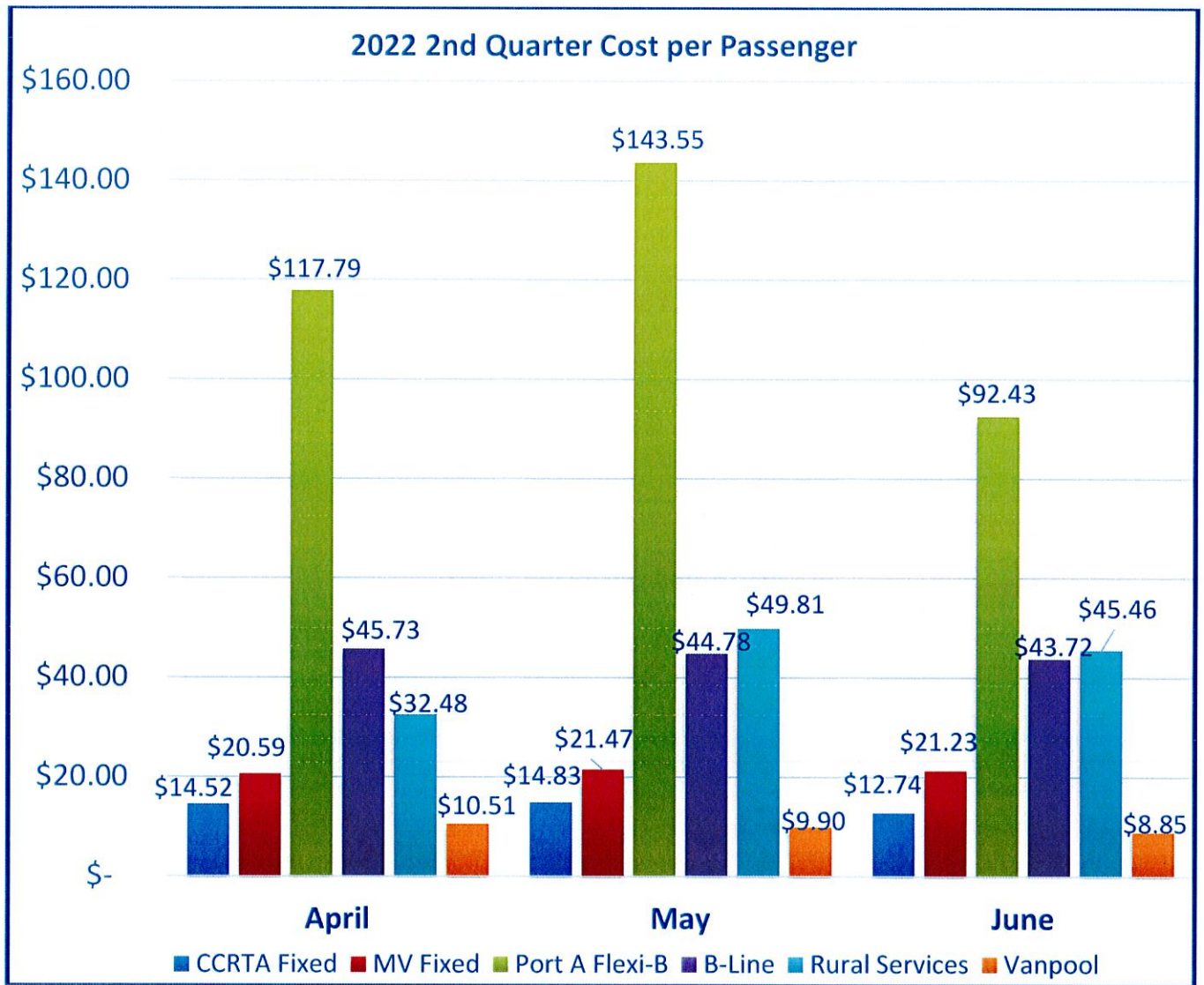
The following charts report system-wide productivity for the month of June 2022 vs. June 2021 and YTD figures.



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

Schedule Adherence	Standard	Mar-22	Apr-22	May-22	Jun-22	4-Month Average
Early Departure	<1%	0.3%	0.0%	0.0%	0.0%	0.1%
Departures within 0-5 minutes	>85%	91.8%	89.7%	92.1%	92.5%	91.5%
Monthly Wheelchair Boardings	No standard	2,341	2,485	3,132	3,351	2,827
Monthly Bicycle Boardings	No standard	4,133	4,159	5,051	5,311	4,664

The following tables include Cost per Passenger totals by service mode for the second quarter of 2022. In addition, year-to-date (YTD) averages by service mode are included.



Cost per Passenger - 2nd Quarter 2022

Month	CCRTA Fixed	MV Fixed	Port Aransas Flexi-B	B-Line	Rural Services	Vanpool
April	\$ 14.52	\$ 20.59	\$ 117.79	\$ 45.73	\$ 32.48	\$ 10.51
May	\$ 14.83	\$ 21.47	\$ 143.55	\$ 44.78	\$ 49.81	\$ 9.90
June	\$ 12.74	\$ 21.23	\$ 92.43	\$ 43.72	\$ 45.46	\$ 8.85
2nd Quarter Average	\$ 14.03	\$ 21.10	\$ 117.92	\$ 44.74	\$ 42.58	\$ 9.75

The following construction projects potentially impact current or future on-time performance:

<p>On Detour</p>	<ul style="list-style-type: none"> • U.S.181 & 361 Interchange in Gregory: Began mid-2019 and is now half complete. <ul style="list-style-type: none"> ➤ Route 51 (No stops impacted) • New Harbor Bridge (North Beach): Routes 76 & 78 remain on minor detour under U.S. HWY 181 in the inbound direction. (No stops impacted) • Park Road 22 water exchange bridge: Began late 2020. Slight detour only. <ul style="list-style-type: none"> ➤ Route 65 (No stops impacted) • Winnebago & Lake St. (Harbor Bridge reconstruction): Began August 2020. <ul style="list-style-type: none"> ➤ Route 12 (10 stops impacted) • Leopard St. (Nueces Bay to Palm) (14) month project: Began April 2021-anticipated completion is late-2022. <ul style="list-style-type: none"> ➤ Routes 27 & 28 (4 stops closed) • Port Ave. Utility Replacement Project (6) month project: Began March 2022 with anticipated completion in September 2022. <ul style="list-style-type: none"> ➤ Routes 21, 23 & 37 (2 stops impacted) • S. Staples St. (Kostoryz-Baldwin) (29) month project: Began March 2021 <ul style="list-style-type: none"> ➤ Route 29 (12 Stops closed) Detour from Staples to Alameda to Texan Trail • Richter St. (Holly-SPID) Project completed mid-June and now open to traffic. <ul style="list-style-type: none"> ➤ Route 15 (5 Stops now open)
<p>No Detour</p>	<ul style="list-style-type: none"> • Waldron Road (SPID to Purdue) To begin fall-2022 <ul style="list-style-type: none"> ➤ Route 4 (13 stops will be impacted)
<p>Detours may be required</p>	<ul style="list-style-type: none"> • Widecat (Northwest Blvd. to Teague) To begin late 2022 <ul style="list-style-type: none"> ➤ Route 27 (4 stops may be impacted) • McArdle (Carroll to Kostoryz) To begin late-2022 <ul style="list-style-type: none"> ➤ Route 19 (8 stops may be impacted) • Gollihar (Crosstown to Greenwood) To begin late-2022 <ul style="list-style-type: none"> ➤ Routes 23 & 25 (11 stops may be impacted) • Leopard St. (Crosstown to Palm) (14) month project to begin late 2023 This Bond project will extend the current/existing Leopard St. detour. <ul style="list-style-type: none"> ➤ Routes 27 & 28 (9 stops will be impacted) • Alameda (Chamberlain to Texan Tr.) To begin late-2023 <ul style="list-style-type: none"> ➤ Routes 5 & 17 (8 stops will be impacted)
<p>No Detour</p>	<ul style="list-style-type: none"> • Everhart Rd. (SPID-S. Staples): Project could begin late-2023. <ul style="list-style-type: none"> ➤ Routes 32 & 37 (7 stops will be impacted)

For June 2022, there were 12 detoured routes out of 32 fixed route services in operation. This equates to approximately 38% of CCRTA services travelling on the local streets. Detoured bus route services include: 12, 15, 21, 23, 27, 28, 29, 37, 51, 65, 76 & 78.

Total number of bus stops currently impacted or closed is **28**.

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

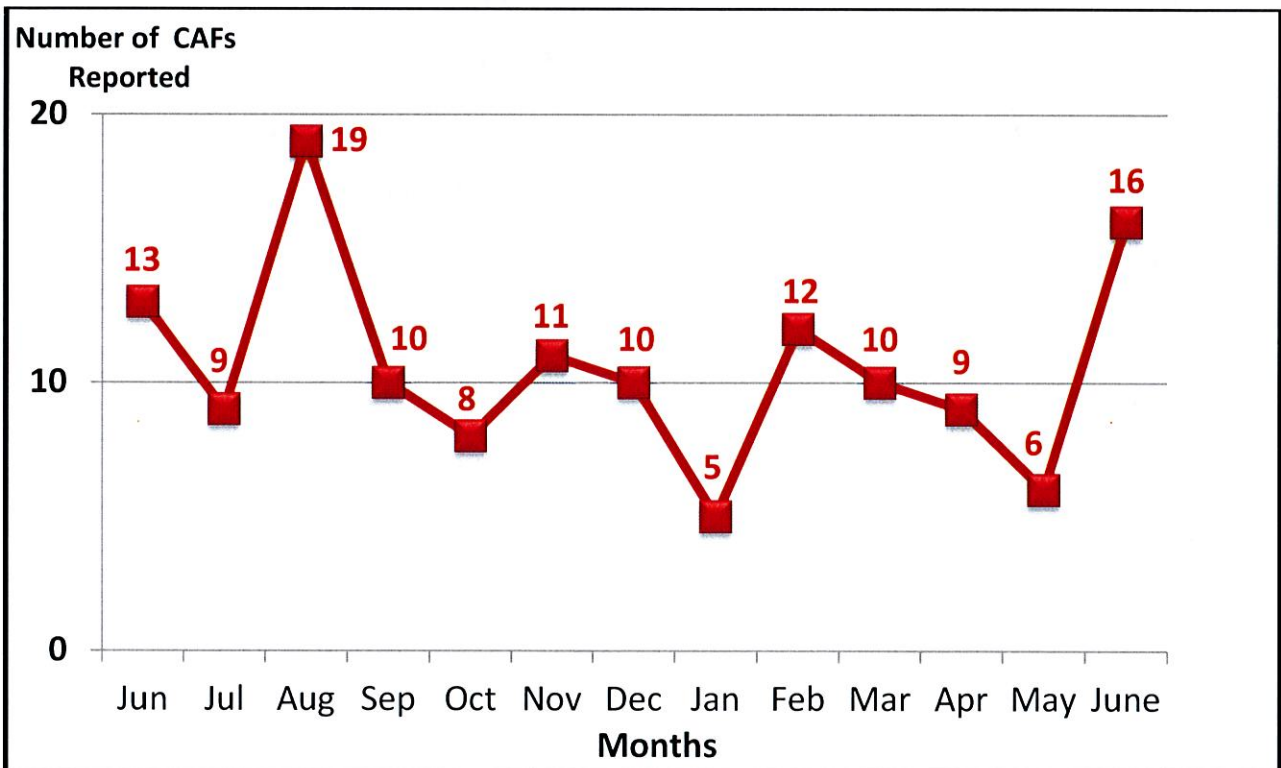
In June 2022, B-Line service metrics were impacted by the COVID-19 pandemic.

- Productivity: **2.53** Passengers per Hour (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 (MBRC): **12,934** did meet the contract standard of 12,250 miles.
- Ridership Statistics: **9,251** ambulatory boardings; **3,653** wheelchair boardings

Metric	Standard	Mar-22	Apr-22	May-22	Jun-22	(4) Month-Ave.
Passengers per Hour	2.50	2.34	2.37	2.35	2.53	2.40
Denials	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%
Miles Between Road Calls	12,250	28,451	15,950	18,076	12,934	18,853
Monthly Wheelchair Boardings	No standard	3,737	3,670	3,741	3,653	3,700

Customer Programs Monthly Customer Assistance Form (CAF) Report

For June 2022, Customer Service received and processed 16 (CAF's) Customer Assistance Forms including one commendation. 16 CAF's is 10 more than the previous month and represents a 167% increase.



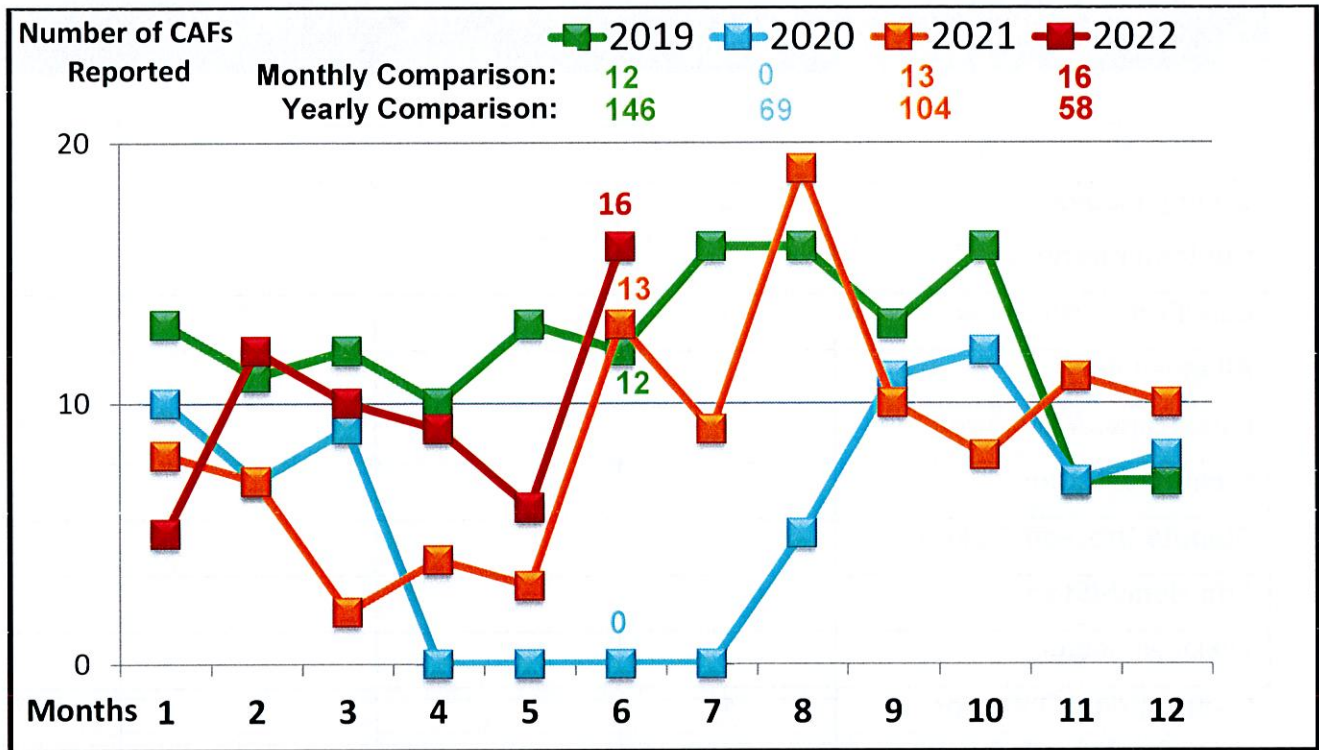
Route Summary Report:

Route	# of CAFs	Route	# of CAFs
#3 NAS Shuttle		#34 Robstown North Circulator	
#4 Flour Bluff		#35 Robstown South Circulator	1
#5 Alameda		#37 Crosstown/TAMUCC	1
#5x Alameda Express		#50 Calallen/NAS Ex (P&R)	
#6 Santa Fe/Malls		#51 Gregory/NAS Ex (P&R)	
#12 Saxet Oak Park		#53 Robstown/NAS Ex (P&R)	
#15 Kostoryz		#54 Gregory/Downtown Express	
#16 Morgan/Port	1	#56 Flour Bluff/Downtown Express	
#17 Carroll/Southside	1	#60 Islander Connection	
#19 Ayers	1	#65 Padre Island Connection	
#19G Greenwood		#76 Harbor Bridge Shuttle	
#19M McArdle		#78 North Beach Shuttle	
#21 Arboleda		#90 Flexi-B Port Aransas	
#23 Molina	1	#93 Flex	2
#25 Gollihar/Greenwood		#94 Port Aransas Shuttle	
#26 Airline/Lipes		#95 Port Aransas Express	3
#27 Northwest	2	B-Line (Paratransit) Services	1
#27x Northwest (Express)		Safety & Security	2
#28 Leopard/Omaha		Facilities Maintenance	
#29 Staples		Customer Service Department	
#29F Staples/Flour Bluff		Service Development/Facilities	
#29SS Staples/Spohn South		Facilities/Service Development	
#30 Westside/Health Clinic		Transportation (Other) ADA	
#32 Southside		TOTAL CAF's	16

CAF Breakdown by Service Type:

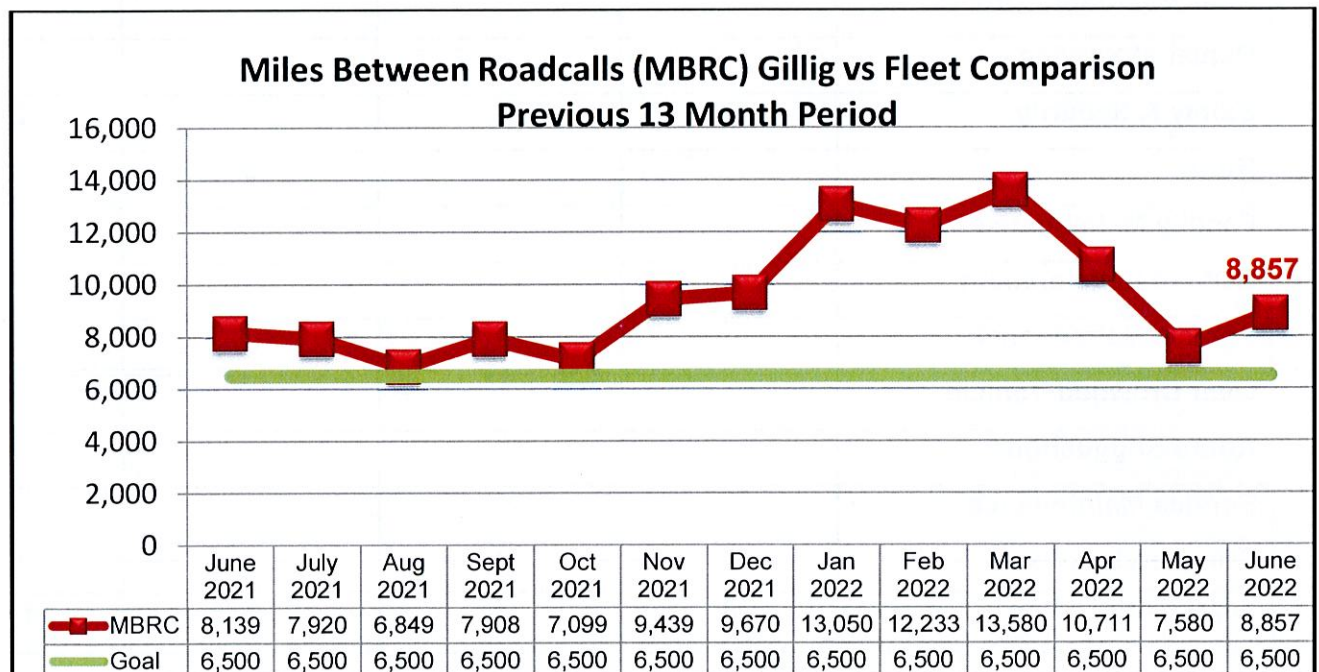
CAF Category	RTA Fixed Route	B-Line ADA Paratransit	MV Fixed Route	Totals
ADA				
Service Stop Issues				
Driving Issues	3			3
Customer Services				
Late/Early – No Show	1		2	3
Alleges Injury				
Fare/Transfer Dispute	1			1
Clean Trash Can				
Dispute Drop-off/Pickup				
Add Bench/Stop				
Tie Down Issues				
Inappropriate Behavior	1			1
B-line Calls				
Incident at Stop				
Incident on Bus			2	2
Incident at Station				
Policy/Standing Orders				
Denial of Service				
Safety & Security	2			2
Rude			3	3
Facility Maintenance				
Service Development				
Vehicle Maintenance				
Over Crowded Vehicle				
Route Suggestion				
Service Maintenance				
Commendations		1		1
Total CAFs	8	1	7	16

CAF Reports: Current and Historical (4) Year Trends



Vehicle Maintenance Department: Miles Between Road Calls Report

In June 2022, there were 8,857 miles between road calls (MBRC) recorded as compared to 8,139 MBRC in June 2021. A standard of 6,500 miles between road calls is used based on the fleet size, age and condition of CCRTA vehicles. Above average high temperatures for the month contributed to the number of road calls.



Board Priority

The Board Priority is Public Image and Transparency.

Respectfully Submitted,

Submitted by: Gordon Robinson
Director of Planning

Reviewed by: Derrick Majchszak
Managing Director of Operations

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