



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

**AUDIT, FINANCE, AND HEALTH INSURANCE
SUBCOMMITTEE MEETING AGENDA**

**Wednesday, May 26, 2010
RTA Board Room
5658 Bear Lane
Corpus Christi, Texas
11:00 a.m.**

1. Review of Subcommittee Report – March 24, 2010 Attachment 1
2. Implementation of Electronic Payment Methods..... Attachment 2
3. Adjournment

In compliance with the Americans Disability 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 903-3561 at least 48 hours in advance so that appropriate arrangements can be made.

Chair: Mary Saenz
Members: Vangie Chapa, Gloria Perez, Crystal Lyons

On **Friday, May 21, 2010** this Notice was posted by **Beth Vidaurri, Executive Assistant** at the RTA Administrative Offices, 5658 Bear Lane, Corpus Christi, Texas.

**AUDIT, FINANCE, AND HEALTH INSURANCE
SUBCOMMITTEE MEETING MINUTES
WEDNESDAY, MARCH 24, 2010
RTA BOARD ROOM
5658 BEAR LANE
CORPUS CHRISTI, TEXAS
11:00 a.m.**

Subcommittee Members Present:

Subcommittee Members Absent: Crystal Lyons

Staff Members Present: Ed Carrion (CEO), Jorge Cruz-Aedo, Susan Vinson, Beth Vidaurri, Linda Socha

Public Present: Eloy Soza

Ms. Saenz called the meeting to order at 11:08 a.m.

Review of Subcommittee Report – June 24, 2009

The Subcommittee report was accepted as presented.

Update on 2009 Audit

Mr. Cruz-Aedo stated that as per the Local Government Code, the Texas Transportation Code, and federal regulations the firm of Collier, Johnson, and Woods, P.C. had been engaged as the independent audit firm to conduct a financial audit of the Agency for the year ending December 31, 2009. He reported that to date no findings had been reported. He complimented the Maintenance and Parts personnel for not having any issues. Mr. Cruz-Aedo said that the final audit report was projected to be completed by April 2010.

After completion of the internal audit, Mr. Cruz-Aedo reported that the Finance Department would be submitting a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA). He noted that for the last five years the Agency had received the GFOA's Certificate of Achievement.

A general discussion ensued and the consensus was that should the Agency receive a certificate for the 2009 CAFR, that it be publicized.

There being no further business, the meeting was adjourned at 11:17 a.m.

**REGIONAL TRANSPORTATION AUTHORITY
AUDIT, FINANCE, AND HEALTH INSURANCE SUBCOMMITTEE
PRESENTATION DOCUMENT**

DATE: May 26, 2010

SUBJECT: Implementation of Electronic Payment Methods

Background

The Corpus Christi Regional Transportation Authority has historically been on a cash basis for receipt of payments. Beginning with the Harbor Ferry Season last year, the RTA began using a credit card service, Automated Reservation System, Inc. (ARS), a third party reservation and electronic payment website to facilitate making reservations and making payments on-line. The service has been lightly used because of the difficulty to find the third party site and because of the service interruptions that occurred with the 2009 Harbor Ferry season.

The Customer Service Center has also been on a cash basis since many of our patrons who use the Center typically make small value transactions; however, an alternative form of payment processing could encourage larger value transactions for bus passes of longer duration and times. Additionally, with the improvement to our new website, the RTA has an opportunity to sell potential RTA services and passes through the website; however, we would need a payment system that can be processed electronically on our website.

Discussion

The RTA staff has initiated discussions with our depository bank, Wells Fargo, regarding the implementation of an electronic payment method, i.e., credit cards like Visa and Mastercard, and possibly with American Express and Discover. The advantage to an electronic payment method is that credit cards would now be available to our customers as an approved payment system. The credit card payment system would also allow for website commerce through the RTA website.

It should be noted that there are certain disadvantages on using electronic payment methods. The main concern is that obviously Visa and Mastercard are not free services. Simply stated, Visa and Mastercard networks collect a service fee for use of their systems, typically in the 2% to 4% range for the value of the transactions. The agreements with credit card companies prohibit the passing of this cost directly to customers. Most retail businesses absorb this cost in the retail price of the item being sold but some organizations, the minority of credit card merchants, pass this cost as a convenience fee. You have probably seen this when you have purchased a concert ticket or other large value purchase where the 2% to 4% fee adds up quickly and becomes a substantial sum and is collected as a convenience fee in addition to cost of item(s) being purchased.

The RTA staff will be moving forward quickly to offer electronic payments to the Customer Service Center and on the RTA website. Who and how the electronic payment service is offered is being reviewed. Whether we use our depository or go out for bid will be finalized over the next few weeks based on pricing of the depository bank. The discussion on credit card fees will also be addressed. It should be noted that for small value transactions, convenience or service fees will discourage credit card usage. Additionally, website use will require the RTA to mail passes or undergo programming changes to allow passes to be printed on line. These actions would require postage and or IT maintenance that isn't a present RTA expense. We may wish to recover these additional expenses or absorb the cost, this is still under review and study by staff.

This item is being brought before the Audit, Finance and Health Insurance Subcommittee to make you aware of efforts to bring electronic payments methods to the RTA in the current fiscal year to optimize the Website and offer customers an alternative payment method at the Customer Service Center.