**BOARD OF DIRECTORS’ AGENDA MEETING NOTICE**

**Date:** Wednesday, July 6, 2016  
**Time:** 8:30 a.m.  
**Location:** CCRTA Staples Street Center  
602 North Staples Street  
Corpus Christi, Texas

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>SPEAKER</th>
<th>EST. TIME</th>
<th>REFERENCE</th>
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<tbody>
<tr>
<td>1. Pledge of Allegiance</td>
<td>C. Rock</td>
<td>1 min.</td>
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<td>2. Moment of Reflection</td>
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<td>1 min.</td>
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<td>3. Roll Call –</td>
<td>M. Saenz</td>
<td>2 min.</td>
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<td>4. Adoption of Resolution for Outgoing Board Members</td>
<td>C. Rock</td>
<td>10 min.</td>
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<tr>
<td>a) Mary Saenz</td>
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<td>b) Thomas Dreyer</td>
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<td>5. Administer the Oath of Office to City of</td>
<td>C. Rock /</td>
<td>10 min.</td>
<td>No Attachment</td>
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<td>Corpus Christi Appointees to the CCRTA Board of</td>
<td>J. Bell</td>
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<td>Directors</td>
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<tr>
<td>a) A.R. ‘Butch’ Escobedo</td>
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<td>b) Larry D. Young, Sr.</td>
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<td>6. Personnel Recognition</td>
<td>S. Montez</td>
<td>4 min.</td>
<td>No Attachment</td>
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<td>a) Larry Briggs</td>
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<td>b) Kelly Coughlin (Telly Awards)</td>
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<td>7. Opportunity for Public Comment</td>
<td>C. Rock</td>
<td>3 min.</td>
<td>No Attachment</td>
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<td></td>
<td>Discussion and Possible Action</td>
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<td>8.</td>
<td>to Approve the Board Meeting Minutes of May 4, 2016 and June 1, 2016.</td>
<td>C. Rock</td>
<td>3 min.</td>
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<td>9.</td>
<td>Update on RCAT Committee Activities</td>
<td>A. Bauman / S. Montez</td>
<td>3 min.</td>
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<td>10.</td>
<td>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.</td>
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<tr>
<td></td>
<td>a) <strong>Action</strong> to Authorize the Chief Executive Officer (CEO) to Execute a One-Year Memorandum of Agreement with Texas A&amp;M University-Corpus Christi for Transportation Services</td>
<td>C. Rock</td>
<td>5 min.</td>
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<td></td>
<td>b) <strong>Action</strong> to Award a Contract to L&amp;M Industrial Supply for Fasteners and Miscellaneous Shop Supplies</td>
<td>C. Rock</td>
<td>5 min.</td>
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<td>11.</td>
<td>Discussion and Possible Action to Adopt the Texas Unified Certification Program (TUCP) Memorandum of Agreement (MOA) and Standard Operating Procedures (SOP)</td>
<td>R. Villarreal</td>
<td>5 min.</td>
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<td>12.</td>
<td>Discussion and Possible Action to Authorize Awarding a Contract to ACA Digital for Website Hosting, Maintenance, Updating and Campaign Creation</td>
<td>K. Coughlin</td>
<td>5 min.</td>
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<td>14.</td>
<td>Discussion and Possible Action to Authorize Issuing a Request for Proposal (RFP) for a Comprehensive Performance Audit</td>
<td>W. Laridis</td>
<td>3 min.</td>
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<td><strong>Discussion and Possible Action</strong> to Adopt the Updated Drug &amp; Alcohol Policy</td>
<td>A. Gaitan</td>
<td>5 min.</td>
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<td>17.</td>
<td><strong>Discussion and Possible Action</strong> to Ratify Payment for Windstorm &amp; Hail Policy</td>
<td>S. Montez</td>
<td>3 min.</td>
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|   | **Presentations:**  
|   | b) Operations Report for May 2016 | G. Robinson | 10 min. | Pages 47-57 | PowerPoint |
|   | c) Transit Plan 20/20 (COA) Update | G. Robinson | 10 min. | PowerPoint | PowerPoint |
|   | d) Bus Operators Safety Report | M. Rendon | 5 min. | PowerPoint | PowerPoint |
|   | e) Procurement Update | S. Montez | 5 min. | PowerPoint | PowerPoint |
| 19. | **Discussion (in Closed Session) and Possible Action Thereafter in Open Session** Concerning Staples Street Center Proposed Leases and Tenants | C. Rock | 5 min. | No Attachment |                       |
| 20. | **CEO's Report**  
|     | a) TTA Board Workshop - San Antonio | S. Montez | 5 min. | No Attachment |                       |
| 21. | **Chair's Report** | C. Rock | 5 min. | No Attachment |                       |
| 22. | **Adjournment** | C. Rock | ----- |                       |                       |
| 23. | **Information**  
|     | a) Audit, Finance & Health Pension Plan Minutes of May 25, 2016 | | | Attachments |                       |
|     | b) RCAT Minutes of May 25, 2016 | | | |                       |

**Total Estimated Time:** 2 hr., 11 min.

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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 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.

On **Friday July 1, 2016** this Notice was posted by **Dena Linnehan** at the Nueces County Courthouse, 901 Leopard, Corpus Christi, Texas, the CCRTA Staple Street Center, 602 N. Staples Street, Corpus Christi, Texas, and sent to the Nueces County Clerk and the San Patricio County Clerk.
CORPORUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS’ MEETING MINUTES
WEDNESDAY, MAY 4, 2016

SUMMARY OF ACTIONS

1. Conducted Roll Call
2. Held Personnel Recognition
3. Provided Opportunity for Public Comment
4. Heard Update on RCAT Committee Activities
5. Heard Update on Staples Street Center Project
6. Approved the Board of Directors’ Minutes of April 6, 2016
8. Approved Consent Agenda Item: a. Action to Adopt a Revised 2016 Emergency Preparedness Board Policy; b. Action to Authorize Exercising the First Option Year with EDMI Supply of Electronic Bus Passes
9. Authorized CEO Pursue Alternative Transportation Options and Adopted a Resolution Supporting Transportation Network Companies
10. Adopted a Resolution Approving TX DOT Advanced Funding Agreement for MPO Awarded State Grant Funds and Authorized Issuing a Request for Proposals for Bike Facilities
11. Authorized Entering Into Contracts for State and Federal Legislative Consulting Services
12. Authorized Entering into an Interlocal Agreement with the City of Corpus Christi for Street Repairs on Sections of Josephine, Sam Rankin, Mexico, N. Alameda, and Leopard
13. Authorized Entering into an Interlocal Agreement with the City of Corpus Christi for Pedestrian ADA Sidewalk Improvements on Ayers, Between Gollihar and the Port/Ayers Station
14. Authorized Issuing a Request for Proposals (RFP) for Security Services for the Staples Street Center
16. Heard CEO’s Report on Illuminated Night Parade and TTA Rodeo Update
17. Heard Chair’s Report
18. Adjournment

The Regional Transportation Authority Board of Directors met at 8:30 a.m. in the Regional Transportation Authority Facility located at 5658 Bear Lane, Corpus Christi, Texas.
**Board Members Present:** Curtis Rock, Chair; Mike Reeves, Vice Chair; Mary Saenz, Secretary, George B. Clower, Thomas Dreyer, Conrado Garcia, Angie Granado, Scott Harris, Glenn Martin, Edward Martinez, Tom Niskala,

**Board Members Absent:** None

**Staff Present:** Jorge Cruz-Aedo, CEO; David Chapa; Kelly Coughlin, Angelina Gaitan, Terry Klinger, CJ Loomis, Sharon Montez, Cindy O’Brien, Rosa Villarreal, Mike Rendon, Gordon Robinson, Robert Saldaña, William Laridis, Dena Linnehan

**Public Present:** John Bell, Wood, Boykin, Wolter, CCRTA Legal Counsel; Roland Barrerra, Entrust;

**Call to Order**
Mr. Rock called the meeting to order at 8:30 a.m. Ms. Mary Saenz called the roll and declared that a quorum was present.

**Held Personnel Recognition**
Mr. Cruz-Aedo recognized Mr. Oscar Zamora for his dedicated work at the RTA and congratulated him in winning 2nd Place in State at the 2016 Texas Transit Association (TTA) Roadeo. Mr. Cruz-Aedo also noted that Mr. Zamora won 2012 RTA Rodeo Champion and 2012 Bus Operator of the Year.

**Provided Opportunity for Public Comment**
Mr. Phillip Burks, Disadvantage Business Enterprise (DBE) Program Manager for the Harbor Bridge Project. Mr. Burks extended a big thank you to Mr. Cruz-Aedo and to the RTA staff for assisting his efforts to obtain small businesses locally. He mentioned both Mr. Cruz-Aedo and Ms. Laura Yaunk have been ideal partners in helping them reach out to the small business minority community and wanted to thank us.

Ms. Rosie Aguilar, commented concerns regarding a healthcare that has not been resolved. A meeting was held in March with Ms. Aguilar, Human Resources and Mr. Barrera of Entrust to resolve a claim from November 2015 that has not been paid. Ms. Aguilar asked us to look at Mr. Barrera’s presentation in detail going forward.

Mr. Roland Estrada, Local ATU 1769 President, commented about a segment recently published by the news media regarding security cost and security personnel at the RTA. Mr. Estrada voiced his opinion that they were satisfied with the job security does and the response time is one which meets standards for any incident or accident. Operators and employees feel they are safe with current system. He also noted that Item No. 14 on the agenda indicated another agency is presenting for security and that they will offer their opinion when that happens. Mr. Estrada also state that there were various security issues all over nation and felt they are adequate in handling the security and situations involved with the RTA and in Corpus Christi.
Mr. Abel Alonso gave comments regarding security and stated that is not about security, it is about the individual managed contract. Mr. Alonso stated that he constantly defends the RTA and would like to see a change of the security services contract.

Update on RCAT Committee Activities
Ms. Ann Bauman thanked us, heard comments from public regarding drivers going out of way to assist riders, and a lack of attention drivers provide to help the disable on and off buses. She also stated she agrees with the riders and others that drivers need to be more aware. She updated us on items presented at the recent RCAT meeting and stated Mr. Rock reported his goal is to change public perception of the RTA. She also commented he noted positive reception of bus racks, progress on the new building and how it will have an impact in the uptown area. Ms. Bauman informed us that RTA’s Marshall Burns was elected Vice Chairman on the RCAT Committee Persons with Disabilities. She stated that Mr. Robinson reported on service improvements and changes under consideration for Del Mar West students’ transportation, and that Ms. Montez reported on procurement for the new building as well as safety issues being considered. Ms. Bauman closed with comments regarding a vacancy on the RCAT board and the position will remain open until mid-month that will voted on in June. Recommendations are welcome. She extended an invitation to attend their meetings the 3rd Thursday each month at 12:00 pm in the RTA Administration Building.

Heard Update on Staples Street Center Project
George reported building almost complete, finishing out tenant space with a final walk-through so we are still on schedule for the Grand Opening on May 20th.

Approved the Board of Directors’ Minutes of April 6, 2016
Mr. Rock asked the board to approve the minutes.

MR. NISKALA MADE A MOTION TO CONFIRM COMMITTEE AND SUBCOMITTEE APPOINTMENTS BY THE BOARD CHAIR. MS. GRANADO SECONDED THE MOTION. THE MOTION CARRIED. CLOWER, DREYER, GARCIA, GRANADO, HARRIS, SAENZ, MARTIN, NISKALA, AND ROCK VOTING IN FAVOR

Action to Confirm Committee and Subcommittee Appointments by the Board Chair

Mr. Rock asked the board to approve the changes he made to the Governmental Committee to add Messrs. Edward Martinez, Conrado Garcia and Glenn Martin.

MR. REEVES MADE A MOTION TO CONFIRM COMMITTEE AND SUBCOMITTEE APPOINTMENTS BY THE BOARD CHAIR. MR. MARTIN SECONDED THE MOTION. THE MOTION CARRIED. CLOWER, DREYER, GARCIA, GRANADO, HARRIS, SAENZ, MARTIN, MARTINEZ, NISKALA, AND ROCK VOTING IN FAVOR
CONSENT AGENDA

Mr. Rock stated that the following items were of routine or administrative nature and had been discussed previously by the Board or Committee. The Board had been furnished with support documentation on these items. He asked if anyone wished to pull an item for discussion. There being no request to pull an item, Mr. Rock asked for a motion on the following items:

a. Action to Adopt a Revised 2016 Emergency Preparedness Board Policy

b. Action to Authorize Exercising the First Option Year with EDMI Supply of Electronic Bus Passes

MR. NISKALA MADE A MOTION TO A. ADOPT A REVISED 2016 EMERGENCY PREPAREDNESS BOARD POLICY; AND B. TO AUTHORIZE EXERCISING THE FIRST OPTION YEAR WITH EDMI SUPPLY OF ELECTRONIC BUS PASSES. MS. GRANADO SECONDED THE MOTION. THE MOTION CARRIED. CLOWER, DREYER, GARCIA, GRANADO, HARRIS, SAENZ, MARTIN, MARTINEZ, NISKALA, AND ROCK VOTING IN FAVOR

Authorize CEO Pursue Alternative Transportation Options and Adopt a Resolution Supporting Transportation Network Companies

Using a PowerPoint, Mr. William Laridis reported that there were 44 fixed routes throughout the Corpus Christi and surrounding areas to include a Paratransit service with MV Transportation that is primarily utilized by people with disabilities, and that all our services are provided through 5 transfer stations. Mr. Laridis also reported our future have several options to consider by supplementing our fixed routes with a network of transportation companies and door-to-door service like DART and BRIDJ are currently utilizing. Mr. Laridis also spoke about options including autonomous vehicles, and although viable to consider in the future, additional research would be needed. A video was played by Mr. Laridis showing the autonomous vehicle options. General discussion agreed there was an interest in this service yet more research is needed.

In April, a question presented to the board with regard to budget was discussed. After general discussion, it was agreed there were options the board will support, yet further research is needed. Mr. Laridis explained in detail this would be an agency initiative with board support, and asked for board to approve to adopt this item so we may move forward. He also recommended that the board adopt this resolution to utilize and support our network companies to complement our current services.

MR. NISKALA MADE A MOTION TO AUTHORIZED CEO PURSUE ALTERNATIVE TRANSPORTATION OPTIONS AND ADOPTED A RESOLUTION SUPPORTING TRANSPORTATION NETWORK COMPANIES. MR. HARRIS SECONDED THE MOTION. THE MOTION
Adopted a Resolution Approving TxDOT Advanced Funding Agreement for MPO Awarded State Grant Funds and Authorized Issuing a Request for Proposals for Bike Facilities

Mr. Laridis reported using a PowerPoint that the agency was awarded transportation grant funds of $310,500, and that $248,000 is grant funded with a local match. He also commented that to utilize the funds, TxDOT is requiring a funding agreement as part of their terms typical of most grant awards. The agency’s plan is to purchase bike racks and bike lockers to include tool stations and bike pumps for repair. Mr. Laridis commented Mr. Jeff Pollock was asked to join the evaluation team to help with input to move through the request for proposal process. Mr. Niskala commended the staff for adding an independent party to the process and recommended to approve.

MR. NISKALA MADE A MOTION TO ADOPTED A RESOLUTION APPROVING TXDOT ADVANCED FUNDING AGREEMENT FOR MPO AWARDED STATE GRANT FUNDS AND AUTHORIZED ISSUING A REQUEST FOR PROPOSALS FOR BIKE FACILITIES. MR. MARTINEZ SECONDED THE MOTION. THE MOTION CARRIED. CLOWER, DREYER, GARCIA, GRANADO, HARRIS, SAENZ, MARTIN, MARTINEZ, NISKALA, AND ROCK VOTING IN FAVOR

Authorize Entering Into Contracts for State and Federal Legislative Consulting Services

Using a PowerPoint, Mr. Laridis reported at the May board meeting there were concerns and further discussion required regarding this item. After general discussion, the decision was to enter into a two-year agreement with our incumbent, Longbow Partners Associates for two years at the total cost of $120,000 for state legislative, and Meyers & Associates at a total cost of $126,000 for federal legislation. Mr. Laridis also commented that when the Governmental Relations Committee convened last month additional board members Messrs. Garcia, Martinez and Martin had joined the committee.

MS. GRANADO MADE A MOTION TO AUTHORIZED ENTERING INTO CONTRACTS FOR STATE AND FEDERAL LEGISLATIVE CONSULTING SERVICES. MR. NISKALA SECONDED THE MOTION. THE MOTION CARRIED. CLOWER, DREYER, GARCIA, GRANADO, HARRIS, SAENZ, MARTIN, MARTINEZ, NISKALA, AND ROCK VOTING IN FAVOR
Authorized Entering into an Interlocal Agreement with the City of Corpus Christi for Street Repairs on Sections of Josephine, Sam Rankin, Mexico, N. Alameda, and Leopard

Ms. Montez reported she met with city staff and CCRTA committee recently regarding streets in need of repair, and stated that the city will handle all aspects of the repairs. She presented a slide showing locations and project costs of $339,665 and noted the agency’s cost is limited to $300,000. Mr. Cruz-Aedo commented that relocation of the transfer station to the new building and repair of these streets due to our usage, funds had already been allocated. Mr. Garcia questioned the city’s response regarding project costs of $339,000. Mr. Cruz-Aedo commented that the city recognized these streets as being their property, and that both the agency and the city partnership were in agreement with the total project costs.

MS. SAENZ MADE A MOTION TO AUTHORIZED ENTERING INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF CORPUS CHRISTI FOR STREET REPAIRS ON SECTIONS OF JOSEPHINE, SAM RANKIN, MEXICO, N. ALAMEDA, AND LEOPARD. MR. REEVES SECONDED THE MOTION. THE MOTION CARRIED. CLOWER, DREYER, GARCIA, GRANADO, HARRIS, SAENZ, MARTIN, MARTINEZ, NISKALA, AND ROCK VOTING IN FAVOR

Authorized Entering into an Interlocal Agreement with the City of Corpus Christi for Pedestrian ADA Sidewalk Improvements on Ayers, Between Gollihar and the Port/Ayers Station

Ms. Montez reported a 2014 Bond Project was taking place on Ayers near SPID and Gollihar, and this was brought to our attention at the prior meeting with city staff and CCRTA committee. The project close to our station, fall short of Gollihar project parameters and sidewalk improvements, and extend the boundary by an additional 1,000 linear feet for ADA improvements to be on both sides of the street. The agency’s share is not to exceed $80,000, and the city will handle all design and construction components. After general discussion, comments were we thanked the city for sharing and asking our participation, as this is a much needed project for these repairs to help the community. All agreed this was good collaboration on the partnership for the city and the agency to provide the repairs. Ms. Montez will provide project schedule time frame at next board meeting.

MR. HARRIS MADE A MOTION TO AUTHORIZED ENTERING INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF CORPUS CHRISTI FOR PEDESTRIAN ADA SIDEWALK IMPROVEMENTS ON AYERS, BETWEEN GOLLIHAR AND THE PORT/AYERS STATION. MR. REEVES SECONDED THE MOTION. THE MOTION CARRIED. CLOWER, DREYER, GARCIA, GRANADO, HARRIS, SAENZ, MARTIN, MARTINEZ, NISKALA, AND ROCK VOTING IN FAVOR
Authorized Issuing a Request for Proposals (RFP) for Security Services for the Staples Street Center

Using a PowerPoint, Ms. Montez reported our current security services contract does not cover services for the Staples Street Center. She also stated proposed needs were 7 days per week, 18 hours per day, and annual cost is estimated at $20.00 per hour, or $131,400 per year based on 6,570 hours with a two-year option. Mr. Garcia voiced concerns and would need additional details. Mr. Cruz-Aedo responded that this request is for internal security for the new Staples Street Center once opened, and a part of tenant leasing contracts terminology to provide security for their businesses and clientele. He stated delay of approving may have a negative impact without having a contract in place when the facility opens. Mr. Rendon also commented security at Bear Lane is separate from Staples Street Center, and reiterated security at the new building is required to meet tenant lease contracts. Mr. Bell also commented this was a legal issue and a part of the leases. After general discussion, it was agreed additional information is required to make a decision. The board agreed to authorize the issuance of the request for proposal with condition a full report of the security services for the Staples Street Center be provided at the next meeting.

MR. NISKALA MADE A MOTION TO CONFIRM COMMITTEE AND SUBCOMITTEE APPOINTMENTS BY THE BOARD CHAIR. MR. REEVES SECONDED THE MOTION. CLOWER, DREYER, GRANADO, HARRIS, SAENZ, MARTIN, MARTINEZ, NISKALA, AND ROCK VOTING IN FAVOR AND GARCIA VOTING AGAINST. THE MOTION CARRIED.

Presentations:

a. Recruitment Update
Ms. Angelina Gaitan provided an update of current recruitments in a PowerPoint. She commented the recruitment period is for 2 weeks, applicants must meet certain qualifications to be considered, and that our applicant pool is lacking quality and quantity so we are looking into outside sources to help with recruitment. She provided a list of positions currently being evaluated along with 2016 Job Fairs Schedule. Human Resources is looking for more creative methods of advertising, utilizing search firms for executive level positions and how to improve the online application process, and that they were working to expand our educational partnerships to provide more opportunities to students.

b. Entrust Annual Report
Mr. Roland Barrerra of Entrust presented his annual plan review from January 2015 to December 31, 2015. Expenditures totaled $3,678,821, reimbursement expense was $2.5 million, and stated 2014 was an anomaly as we were under budget. Using a PowerPoint, he reported Claims by Type had large dollar claims for in/outpatient services including therapeutic claims for cancers. Vision
program does not produce a lot of claims normally yet numbers indicated the group is using the program. Cost containment costs were high due to individual’s continuity and care claims where case management is needed to help support the individuals. He commented Claims by Member Type, a 2-tiered program of individual coverage and dependent coverage, that this plan adds creditability to the agency and brings goodwill to employees. Mr. Barrera reviewed the program’s highlights and how the plan is working and being utilized. After general discussion it was noted that employees were able to contact Mr. Cruz-Aedo to address any claims or healthcare issues. Additional comments were in regard to satisfaction polling and Mr. Barrera commented it had been done in 2012. Ms. Granado commented she felt a request for proposal would be warranted at this time.

c. **March 2016 Financial Report**
Ms. Cindy O’Brien using a PowerPoint reported first quarter 2016 ending in March, that operating revenues were $502,736 versus $475,990 due to other revenues from operations and salary savings vacancies. Departmental expenses were down due to these vacancies and timing. Sales Tax revenues posted at $8.4 million and were 1.3 percent down from budget. Federal State assistance was $408,951 versus $750,000 mostly generated from preventative maintenance and also due to timing of budget plan.

Mr. O’Brien stated sub-recipients grants posted at $13,428 versus $209,520 which were dependent upon their reimbursements submission and site visits were scheduled with sub-recipients. Ms. O’Brien reported $2.5 million was paid out for Street improvement which $45,000 was for the Dillon Lane improvements made in conjunction with the city. April 8th we received February Sales Tax of $2.5 million. Year-to-date was at $223,404 under budget and was $45,000 less than February 2015. Year-to-date Collections were $4.8 million versus $5.3 million budgeted, or 9.8 percent less. She presented a graph showing February collections increased over January. Ms. O’Brien reported on fuel pricing and that CNG remained consistent, with diesel increasing a little and unleaded decreasing since firs of year. General discussion agreed a bid for contract on fuel pricing to receive better cost savings should be considered during this time.

d. **Transit Plan 20/20 (COA) Update**
Mr. Gordon Robinson introduced Mr. Thomas Whitman with Nelson Nygaard. Mr. Whitman using a PowerPoint gave an overview and comprehensive evaluation of our bus system. He commented on how the service was designed, its’ strength and weaknesses, routing needs in the community, how the concept is working and how to build upon success of the network and specific improvements to attract new ridership. Alternatives and potential changes were shown, and we were encouraged to visit the site www.btransitplan.com to see proposed conditions and options. He stated our need of getting people to let us know their needs, then to create a plan with the feedback from what we receive.
General discussion focused on customer outreach is needed to inform riders of our service, how the plan works and non-traditional methods, especially for new customers. Mr. Robinson commented his team has been riding buses, taking notes and talking with riders so that they understand what options are available. Mr. Rock encouraged the board members to ride a bus in the near future and experience our system.

e. **Operations Report for March 2016**
Mr. Gordon Robinson reported in a PowerPoint presentation March 2016 finished 4.3 percent below from March 2015, and the Harbor Ferry did not run this March, so actual was 2.5 percent less. For ridership mode, B-Line finished up 9 percent with fixed route close to 3 percent down. He reported year-to-date was down 0.6 percent system wide. On-time performance achieved 9 percent and met the standard. Mr. Robinson reported the Customer Assistance Form (CAF) of 48 was a little less the 51 reported March 2015. He also reported on category, historical trends and safety, and mentioned we had four accommodations. Standards met for Miles between Roadcalls and Collision rate was high at 4.28.

f. **Fiscal Year (FY) 2017 Calendar**
Mr. Laridis reported that in July budget workshops will be scheduled, and that they will mirror committee and board meetings, in between the administration and operations committee meetings. He commented the July meeting will review the 5-year service plan, and the agency will host a Public Hearing to approve the FY 2017 budget at the November Board meeting. Mr. Rock commented it would be important to possibly schedule the meetings in the evening for more of the public being available to be able to attend.

g. **Procurement Update**
Ms. Sharon Montez, using a PowerPoint presentation, cited the completed projects to date, list of items awarded, and several items for board approval. She also presented a list of items awarded under the CEO’s signature authority along with upcoming services required under his signature.

**CEO’s Report**
Mr. Cruz-Aedo reported on the Buc Days Illuminated Night Parade that we entered a Selena wrapped bus. There were 150 employees attend Family Night at the new building event. CCISD donated bleachers; hot dogs, burgers and refreshments were served. A great company outing, bus was well lit and Selena music playing and Veteran’s Band gave a shout out for the agency as they traveled down the parade route. Mr. Cruz-Aedo extended a thank you to the board for allowing this opportunity to share with our employees. He also commented that the TTA event and Mr. Zamora’s 2\textsuperscript{nd} Place Award was great for the agency. Mr. Cruz-Aedo stated that he will be meeting with the members individually since he replaced the TTA CEO board member and was approached by them to become a permanent board member.
Chair’s Report
Mr. Rock commented Mr. Martinez provided an idea of yielding his time after meetings to allow board members to talk about transit or any comments. Mr. Reeves spoke about the Buc Days Illuminated Night Parade that he and his family attended at our Family Night and it was very successful, well organized by the City and security and police in force. Mr. Reeves was also pleased with the chairman, board and RTA staff. Ms. Saenz commented she attended the APTA Board Support conference along with Messrs. Harris, Garcia, Martin, Martinez and Rock in San Antonio and all were very pleased with the presentation that Ms. Villareal gave and how well it made the CCRTA look. Mr. Clower commented was voted as 2017 Buc Days Parade President, also our bus looked great this year and he was pleased with the RTA. Mr. Harris mentioned he gained some insight at a session on creative financing at the conference. The use of different types of financing for transit oriented development, P3s, partnerships with the community, city, county, along with different ways to improve our services collectively. Mr. Dreyer reported the bus service is running great. Mr. Garcia commented he was impressed with the people throughout the country that have same or similar issues, and their futuristic thinking and same commitments held large or small group of board members to provide transportation to the best of their ability to service all. Mr. Garcia also commented he would like to see audience participation internalized, and follow up as this would help RTA in achieving a positive image. Mr. Martinez thanked Mr. Rock for allowing the opportunity to comment. He thanked RTA staff for all their hard work, also commented security and safety were key components at the RTA, and he would like to see recommendations brought back to the board regarding security. He stated that he would like to see more staff attend conferences like Board Support due to wealth of knowledge in attendance to bring some back to our community. Mr. Niskala commented about a workshop on design of the Bayshore Park that he attended with Mr. Robinson. He stated it was clear that the long-term development of the area includes both private and public development, and should be looked at from a transit and transportation perspective. Mr. Niskala also noted to please fix the new Staples Street Clock Tower. Ms. Granado and Mr. Bell had no comment. Mr. Rock commented he attended the conference and took a technical tour of a newly renovated building that spent a lot of money by renovating an old building. Similar to what we have done with the exception we started from ground up. He also mentioned they went to one of their transfer stations similar to the RTA, it was nice to see their climate control stations, bike racks and design of their system. Mr. Rock appreciated everyone’s input and will continue with these comments at future meetings.

There being no further business, the meeting was adjourned at 10:41 a.m.

Submitted by: Dena Linnehan

Mary Saenz, Board Secretary / Date
SUMMARY OF ACTIONS

1. Pledge of Allegiance
2. Moment of Reflection
3. Conducted Roll Call
4. Held Personnel Recognition
5. Provided Opportunity for Public Comment
6. Heard Update on RCAT Committee Activities
7. Heard Update on Special Audit
8. Action to: a) Adopt a Resolution Approving TxDOT Advanced Funding Agreement for MPO Awarded Transportation Alternatives Program (TAP) Funds; and b) Adopt the Texas Unified Certification Program (TUCP) Memorandum of Agreement (MOA) and Standard Operating Procedures (SOP)
9. Action to Approve a Sublease Agreement with RTDB, LLC, to Access the Harbor Ferry Docks
10. Action to Approve Authorize a Contract for Security Services at the Staples Street Center and Bear Lane Operations Facility
11. Action to Approve Awarding a Contract with Bridgestone Company for Tire and Leasing Services
12. Action to Adopt a Resolution Authorizing Confirmation and Execution of Third Amendment to RTA Employees Defined Benefit Plan and Trust
14. Heard CEO’s Report
15. Heard Chair’s Report
16. Adjournment

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

Board Members Present: Mike Reeves, Vice Chair; Mary Saenz, Secretary, George B. Clower, Conrado Garcia, Angie Granado, Scott Harris, Glenn Martin, Edward Martinez, Tom Niskala

Board Members Absent: Curtis Rock, Chair; Thomas Dreyer
**Staff Present:** Jorge Cruz-Aedo, CEO; David Chapa; Kelly Coughlin, Angelina Gaitan, Bryan Garner, William Laridis, Sharon Montez, Cindy O’Brien, Mike Reñón, Gordon Robinson, Robert Saldaña, Rosa Villareal, Edwardo Castro, Janessa Cano, Franklin Ramirez, Eric Rios, Anthony De La Fuente, John Wilson and Dena Linnehan

**Public Present:** John Bell, Wood, Boykin, Wolter, CCRTA Legal Counsel; Doug McBee, Beach to Bay; Jerry Van Beveren, FVBK; Roland Estrada & Rose Aguiar, ATU Local 1769; Carrie R Meyer, North Beach Community Assoc.; Doreen Harrell, Kailo, Roland Barrera, RBI.

**Call to Order**
Mr. Mike Reeves called the meeting to order at 8:30 a.m. as Chairman Rock was unable to attend.

Ms. Mary Saenz called the roll and declared that a quorum was present.

**Held Personnel Recognition**
Mr. Jorge Cruz-Aedo commented on the Grand Opening turnout and thanked RTA employees Tim Carmona, Richard Garza, Joe Mannino, Andrew Munoz, Franklin Ramirez, Ramon Recio, Eric Rios, and John Wilson for their hard work behind the scenes for the event.

**Provided Opportunity for Public Comment**
Doug McBee from Beach to Bay thanked the board for transportation of runners at the race this year and every year as the event couldn’t happen without the support of the RTA being involved.

Carrie Meyer from North Beach Community Association commented she loves our new building as it is closer to her home. She appreciates being a part of the Transit Plan 20/20 and was impressed with the streamline and modernization of the plan as she believes it is to benefit the community. Ms. Meyer commented she would like to see the trash around bus stops addressed in a timelier manner to perhaps add additional trash receptacles to their community. She also commented that RTA should implement some type of policy or follow-up of requests and issues to keep their community safe and clean.

Rosie Aguilar commented that there were some issues needing to be discussed yet the individual was not there. She also stated that with regard to her unpaid healthcare claim issue still had not been resolved.

Abel Alonso commented an ADA microphone is needed at the podium. Mr. Cruz-Aedo stated that it was on order yet had yet to be delivered. Mr. Alonso commented he recently had an accident which resulted in a concussion and that when he woke up in the hospital all of his items were with him. He believes, and wanted to thank whomever the RTA person was that helped him along with the police and firefighters. Mr. Niskala
gave recognition to Mr. Alonso at the Rock N Roll event held over the weekend and bringing it to the community, and to Mr. Mike Rendon for his participation.

Heard Update on RCAT Committee Activities
Ms. Bauman commented on the new building and that Corpus Christi should recognize the RTA for all they have done and how it is uplifting this community. She also spoke of concerns that RCAT has with scheduling and routing due to recent changes, and also wanted to let the board know RCAT is working on a special item for them. Ms. Montez reported that Richard Balli presented on the Committee for Persons with Disabilities and invited the group to a Community Parent Fair at the JFK Elementary. She also reported Gordon Robinson updated us on the Transit Plan 20/20 and gave a demonstration on Google Transit. She stated C.J. Loomis presented on ParaTransit and Billy Laridis presented on an alternative modes also as presented at the RTA board meeting. Ms. Montez also updated them on the Token Program, Staples Street Center Security Services and Procurement.

Heard Update on Special Audit
Mr. Laridis commented that a Special Audit Committee was formed as a request from the City Council and the Nueces County Commissioner’s Court of RTA Board Member Tom Niskala, Judge Loyd Neal and then Corpus City Manager Ron Olson. The committee had Flusche, Van Beveren & Kilgore, P.C. to engage their services for the special audit. Mr. Van Beveren was introduced by Mr. Laridis and presented an outline of items in a handout that were audited. The scope of services were limited to 3 points; 1) conduct a general audit of the RTA internal controls to identify any systemic weaknesses, 2) review of the procurement process to determine weaknesses in compliance with standard operating procedures in state and federal laws, and 3) to explore the issues associated with the recent theft of funds. After speaking with RTA employees, management, board members, and police and vendors over the past three years, and John Shepherd at Collier, Johnson & Woods, large volumes of information were gathered and processed and overall findings were that we found no indications of fraud at the RTA. Mr. Van Beveren stated internal controls are always your first line of defense against actions which have not been approved, and clearly exist within RTA which helped in the detection of this issue by staff. He also commented the RTA stepped up their internal controls and assessment of vendors as a result of this issue, and also commented on a few recommendations; a code of ethics, annual conflict of interest in-related party disclosures, hotline to report unethical practices and review of internal controls on an annual basis. After general discussion, comments were thank you for the job Mr. Van Beveren’s company performed on this audit and the findings will be provided to city management.

CONSENT AGENDA
Mr. Reeves stated that the following items were of routine or administrative nature and had been discussed previously by the Board or Committee. The Board had been furnished with support documentation on these items. He asked if anyone wished to withdraw an item for discussion. Mr. Cruz-Aedo requested item 8.b. be withdrawn and tabled for the next meeting as a minor change was
forthcoming from TUCP, Mr. Reeves commented item 8. b tabled and then asked for a motion on the following item:

a. **Action** to Adopt a Resolution Approving TxDOT Advanced Funding Agreement for MPO Awarded Transportation Alternatives Program (TAP) Funds

b. **Action** to Adopt the Texas Unified Certification Program (TUCP) Memorandum of Agreement (MOA) and Standard Operating Procedures (SOP)

**MR. NISKALA MADE A MOTION TO ADOPT A RESOLUTION APPROVING TxDOT ADVANCED FUNDING AGREEMENT FOR MPO AWARDED TRANSPORTATION ALTERNATIVES PROGRAM (TAP) FUNDS. MR. HARRIS SECONDED THE MOTION. THE MOTION CARRIED. REEVES, SAENZ, CLOWER, GARCIA, GRANADO, HARRIS, MARTIN, MARTINEZ, NISKALA VOTING IN FAVOR. DREYER AND ROCK ABSENT**

**Discussion and Action to Approve a Sublease Agreement with RTDB, LLC, to Access the Harbor Ferry Docks**
Mr. Laridis reported that the RTDB, LLC withdrew their sublease agreement due to issues docking their vessel at that location. RTDB will continue to provide charter service at the People’s Street T-head and North Beach locations. Mr. Laridis also commented that RTDB requested to lease the usage of a ticket booth, benches and boat fenders. RTA has agreed and will enter into an annual lease contract for $2,000 in revenue with them.

**MR. REEVES STATED THIS IS A NO BOARD ACTION ITEM.**

**Discussion and Action to Approve Authorize a Contract for Security Services at the Staples Street Center and Bear Lane Operations Facility**
Using a PowerPoint, Mr. Laridis reported the difference between law enforcement and security services currently being utilized at the RTA. He stated that law enforcement services were based on 16,800 hours annually for 25 officers, and were being used at our bus stops, routes and on our buses at 5 transfer stations to include both rover and special event services. Mr. Laridis commented for the security services at Bear Lane would be 400 hours annually and weekends from 12:00 am to 4:00 am to protect our assets. The request for proposal (RFP) is to provide commissioned security service at the Staples Street Center and the Bear Lane Operations Facility and would be 9,176 hours annually, a 24-hour service and is a requirement of our tenant lease agreements for a total cost of $208,706.08 annually. He also commented this service will include video monitoring and escort of employees and tenant clients after hours, and that via an electronic report, security guards will check-in to strategic locations at the Staples Street Center to monitor their activity as previously requested by board member Mr. Garcia. An evaluation team was formed to aid in the process of the RFP and their recommendations were to award the contract to Vets Securing America.
MR. GARCIA MADE A MOTION TO ACTION TO APPROVE AUTHORIZE A CONTRACT FOR SECURITY SERVICES AT THE STAPLES STREET CENTER AND BEAR LANE OPERATIONS FACILITY. MR. NISKALA SECONDED THE MOTION. THE MOTION CARRIED. THE MOTION CARRIED. REEVES, SAENZ, CLOWER, GARCIA, GRANADO, HARRIS, MARTIN, MARTINEZ, NISKALA VOTING IN FAVOR. DREYER AND ROCK ABSENT

Discussion and Action to Approve Awarding a Contract with Bridgestone Company for Tire and Leasing Services
Ms. Rosa Villareal presented a PowerPoint that reviewed the Request for Proposal (RFP) process, and 3 companies responded; Bridgestone, Goodyear and Michelin. Bridgestone’s bid was the lowest cost bid and our tire leasing service in the past.

MR. NISKALA MADE A MOTION TO ACTION TO APPROVE AWARDING A CONTRACT WITH BRIDGESTONE COMPANY FOR TIRE AND LEASING SERVICES. MS. GRANADO SECONDED THE MOTION. THE MOTION CARRIED. THE MOTION CARRIED. REEVES, SAENZ, CLOWER, GARCIA, GRANADO, HARRIS, MARTIN, MARTINEZ, NISKALA VOTING IN FAVOR. DREYER AND ROCK ABSENT

Discussion and Action to Adopt a Resolution Authorizing Confirmation and Execution of Third Amendment to RTA Employees Defined Benefit Plan and Trust
Mr. Cindy O’Brien commented cost of living increases for retirees were discussed during the 2016 budget process. Option chosen were to provide a 5% increase on the monthly benefit for retirees whose benefits began prior to January 1, 2015, and a 2% increase on the monthly benefit for retirees whose benefits began between January 2010 and January 2015, and was included in the budget and approved by the board. The plan requires an amendment to include the cost of living adjustment (COLA) and would be stated in the resolution, along with actual verbiage be added as an amendment to the plan. Mr. Niskala commented that this was an action for the group of retirees and that he would abstain from any action due to any conflict of interest.

MS. GRANDO MADE A MOTION TO ACTION TO ADOPT A RESOLUTION AUTHORIZING CONFIRMATION AND EXECUTION OF THIRD AMENDMENT TO RTA EMPLOYEES DEFINED BENEFIT PLAN AND TRUST. MS. SAENZ SECONDED THE MOTION. THE MOTION CARRIED. THE MOTION CARRIED. REEVES, SAENZ, CLOWER, GARCIA, GRANADO, HARRIS, MARTIN, MARTINEZ, NISKALA VOTING IN FAVOR. DREYER AND ROCK ABSENT

Presentations:
  a. **Investment Report for the 1st Quarter Ended March 31, 2016**
     Using a PowerPoint, Ms. Cindy O’Brien presented a detailed report by Patterson & Associates of our investments. She also commented on the beginning market and ending market values along with 2016 gains versus 2015 losses, and that the economy had begun to recover. The fiscal year-to-date was at $30,211.
b. 1st Quarter 2016 Reports for the Defined Benefit Plan and Trust and the Defined Contribution Plan
Ms. Cindy O’Brien reported on the plans and noted they were for all full-time CCRTA employees. She commented that the defined benefit plan portfolio value at March 31, 2016 was $31,227,130 with equities and fixed income being the majority of the plan. She also commented that the defined contribution plan portfolio value at March 31, 2016 was $7,803,770 and fairly even on the investments and based on employee’s investment options within the plan. After general discussion, frequency of meetings for employees to talk with plan advisors were discussed.

c. April 2016 Financial Report
Ms. Cindy O’Brien summarized the financial performance for April 2016. She commented year-to-date was more beneficial with operating revenues and departmental expenses being under budget. Sales tax at $10,556,224 and was $793,776 short. Sub-recipients grants were at $13,428 versus $209,520 due to timing of submissions and budget process and have begun site visits with them. Mr. Laridis commented we have several with Section 5310 which are the Coastal Bend Center for Independent Living (CBCIL), the Rural Economic Assistance League (REAL), the Coastal Bend Wellness Foundation and the Transportation Coordination Network (TCN) are just a few. Ms. O’Brien also commented that March sales were the same at $3,137,209 we collected in 2015, and actual collections were at $2,956,952. Year-to-date collections were under budget by $719,239 or 8.46 percent.

Mr. Gordon Robinson reported ridership for April was 444,000 system-wide and a little lower than April 2015. He also commented that fixed route was down about 9 percent with B-line up 7.3 percent over last year. Mr. Robinson also reported that year-to-date overall ridership was also down from 2015. On-time performance and B-line both had no issues and were slightly higher than 2015. Customer Assistant Form (CAF) number of 45 was the lowest for April over the past few years, and Miles Between Roadcalls (MBRC) met our standards at 7,000 miles. Mr. Robinson also stated there were 11 accidents; 4 being hit from behind. Messrs. Robinson and Robert Saldana commented that our accident rate is an agency issue, and an operational meeting with maintenance, drivers and others involved was held so a plan could be established to review all locations to make sure we were compliant with city codes, required changes made to back of buses and training scheduled. After general discussion, a plan of action was requested to help aid in reducing the collision rate.

e. Transit Plan 20/20 (COA) Update
Mr. Gordon Robinson reported the status of the Transit Plan 20/20 program and that his team reached out to people at HEB and Walmart stores for input, had been riding on buses and asking for feedback, taking notes and making riders aware of
the program so they understand what options are available. He also summarized
over the outreach and goals in place with limited resources. Mr. Robinson
introduced Mr. Thomas Whitman with Nelson Nygaard that using a PowerPoint
gave an overview on how to build upon success of the network and specific
improvements to attract new ridership. He commented we have a need of getting
people to let us know what they want and the need to create an action plan from
what we receive. General discussion comments agreed that customer outreach to
schools, stores, the elderly and organizations is needed to inform riders of our
service and how it works, especially for those new to the system. Additional
comments were to provide the board with capital improvements updates.

f. Procurement Update
Ms. Sharon Montez using a PowerPoint presentation cited the completed projects
to date. She commented that the ADA compliant podium for the new building was
damaged in shipping and a new one was on order and should arrive by the June
Administration/Operations meeting. She also reported on a list of approved
projects and upcoming projects over next few months.

CEO’s Report
Mr. Cruz-Aedo reported that Phase I of the relocation had been completed. Phase II of
the relocation was scheduled for the late August. Any pending items needing repair or
to be fixed were being addressed. The first floor is for our RTA Customer Service and
Mobility groups with assessment areas for those to be tested, along with Safety and
Security and Facility Maintenance offices. Mr. Cruz-Aedo also commented the
Northwest corner of the first floor is for the Nueces County offices and is still being built
out. He also commented the second floor is the RTA’s Boardroom and STSARS with
future tenant lease space for the remaining area, and the third floor is the RTA’s
executive administration offices, finance and future area for marketing and planning
departments. There is a southwest corner that our tenant, MPO has moved into and
leasing from us.

Chair’s Report
Mr. Reeves commented on the Chairman’s behalf and thanked the public for attending
the meeting at the new Staples Street Center. He also thanked the RTA staff for their
hard work and noted the time, effort and resources to open this beautiful facility. He
also commented that the Beach to Bay event was both professionally and well
organized by RTA staff and others. After general discussion, CEO and staff were
commended on their hard work in the opening of the building.

There being no further business, the meeting was adjourned at 10:07 a.m.

Submitted by: Dena Linnehan

Mary Saenz, Board Secretary / Date
Subject: Authorize the Chief Executive Officer (CEO) to Execute a One-Year Memorandum of Agreement with Texas A&M University-Corpus Christi for Transportation Services

Background
RTA has operated bus service for Texas A&M University – Corpus Christi (TAMU-CC) since the year 2000. The service consists of Route #63 – The Wave and Route #60 – The Islander Shuttle and access to RTA service system wide at no charge for students, employees and faculty. This agreement and reimbursement is negotiated annually for this service.

Route #63 – The Wave provides needed transportation for students residing off campus and operates on a negotiated route that connects to apartment complexes (student housing) and other areas identified jointly based on ridership needs. The Wave and free ridership program have been successful in providing mobility for students, employees and faculty.

Route #60 – The Islander Shuttle provides needed transportation for students and faculty utilizing parking areas at Momentum Campus to the TAMU-CC bus stop located on Ocean Drive.

Financial Impact
TAMU-CC agreed to subsidize the cost of The Wave service, with the stipulation by RTA, that the route would be available to the public. In addition, RTA offers a free-fare program for students, employees and faculty of TAMU-CC on any RTA fixed route and B-Line service. TAMU-CC shares in the cost of the program.

RTA has negotiated reimbursement from TAMU-CC for the 2016-2017 Fall/Spring and Summer semesters including weekends in the amount of $111,652.05 for The Wave (Route #63). The figure reflects the value of Route #63 and the free fare program and is based on an estimate of approximately 4,699.72 hours of service (estimated hours for Route #63) for the 2016-2017 academic year.

RTA has negotiated reimbursement from TAMU-CC for the 2016-2017 Fall/Spring semester in the amount of $64,013.40 for The Islander Shuttle (Route#60). The figure reflects approximately 2,623.5 hours of service.
Committee Review
This was presented to the Operations Committee on June 22, 2016 and recommended for approval by the Board.

Recommendation
Staff recommends the Board of Directors to authorize the Chief Executive Officer or his designee to execute a one-year Memorandum of Agreement in the amount of $111,652.05 with Texas A&M University – Corpus Christi (TAMU-CC) for Route #63 service and $64,013.40 for Route #60 service that effectively increase ridership for RTA’s public transportation system.

Respectfully Submitted,

Submitted by:  
William Laridis  
Management and Budget Administrator

Approval:  
Jorge Cruz-Aedo  
Chief Executive Officer
Subject: Award a Contract to L&M Industrial Supply for Fasteners and Miscellaneous Shop Supplies

Background
RTA stocks various types of fasteners for the repair and maintenance of its bus fleet including nuts, bolts, washers, electrical connectors, tie wraps, and rivets. The RTA also stocks maintenance, repair, and operations supplies (MRO) including aerosols, adhesives, safety glasses, protective gloves, and ear plugs.

The purpose for this supply agreement is to allow the RTA to maintain firm pricing on fasteners. The vendor is also responsible for freight and associated delivery costs. Historically, the Invitation for Bid (IFB) is divided into twenty-five sections and awarded to the lowest overall bidder, based on estimated annual usage. The previous IFB’s have been structured as a three (3) year base contract with two (2) one-year options.

Analysis
At the April, Board of Directors meeting, authorization was received to issue an Invitation for Bids (IFB). The IFB was issued and advertised on April 21, 2016 and then re-advertised on April 28. The contract will be structured as a three (3) year base contract with two (2) one-year options; each option year requiring Board approval. Suppliers were asked to provide pricing on various types of fasteners based on estimated annual usage, consisting of twenty (25) sections. Three (3) proposals were received by the RTA and the tabulation below illustrates these proposals.

<table>
<thead>
<tr>
<th>Sections</th>
<th>Description</th>
<th>L &amp; M Industrial Supply, Inc</th>
<th>Fastenal</th>
<th>Gulf Coast Nut &amp; Bolt LLC</th>
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<tr>
<td>Section 1</td>
<td>USS Cap Screw – Grade 8</td>
<td>$1,616.68</td>
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<td>Lock Washer – Grade 8</td>
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<td>Flat Washer – Grade 5</td>
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<tr>
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<td>Flat Slot Machine Screw</td>
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<td>Section 7</td>
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<td>$928.00</td>
<td>$683.46</td>
</tr>
</tbody>
</table>
Overall, L&M Industrial Supply submitted the lowest, most responsive bid based on estimated annual usage.

Disadvantaged Business Enterprise
Staff will work with the proposed low bidder to determine if any DBE participation is available during the life of the contract.

Financial Impact
The estimated three (3) base amount of contract is $75,150.57 for fasteners and miscellaneous shop supplies. Total amount of expenditures will be determined on actual usage. Funds are budgeted in FY2016 Operating Budget, local funds.

Committee Review
This was presented to the Operations Committee on June 22, 2016 and recommended for approval by the Board.
Recommendation
Staff recommends the Board of Directors to authorize the Chief Executive Officer or his designee to award a contract to L&M Industrial Supply for fasteners and miscellaneous shop supplies.

Respectfully Submitted,

Submitted by: [Signature]
Rosa Villarreal
Managing Director of Operations

Approval: [Signature]
Jorge Cruz-Aedo
CEO
Subject: Adopt the Texas Unified Certification Program (TUCP) Memorandum of Agreement (MOA) and Standard Operating Procedures (SOP)

Background
The legislative impetus for the Disadvantaged Business Enterprise (DBE) Program can be traced as far back as the passage of the Civil Rights Act of 1964 (Title VI). By February 2002, all the transit, airport, and highway recipients in each state are required to agree on a unified certification program (UCP). The UCP must provide for "one-stop shopping" for DBE firms applying for certification in each state. The applicant fills out one form, goes through one application process and, if certified, can work as a DBE for any DOT recipient in the state. There will be a single DBE directory for the state. The rule allows recipients substantial discretion about the form the UCP will take in each state.

In compliance with this regulation, six certifying entities within Texas joined to create the Texas Unified Certification Program (TUCP). The CCRTA is one of the six founding members of the TUCP. The CCRTA, along with Texas Department of Transportation, North Central Regional Certification Agency (Dallas-Fort Worth area), South Central Regional Certification Agency (San Antonio area), City of Austin, and City of Houston have each agreed to accept certification responsibilities for counties in their geographical region. CCRTA’s region includes Aransas, Bee, Goliad, Jim Wells, Karnes, Kleberg, Live Oak, Nueces, Refugio, and San Patricio counties.

The TUCP certifies Disadvantaged Business Enterprises for participation in Department of Transportation federal contracting projects in aviation, highway, and transit across the State of Texas in compliance with Code of Federal Regulations (49 CFR 26 and 23).

Identified Need
On August 10, 2005 the Board authorized the General Manager to enter into a Memorandum of Agreement (MOA) for a Disadvantaged Business Unified Certification Program for Texas. This agreement has been in effect since the adoption with no changes made to the overall program or agreement.

In March 2012, the Board of Directors have approved the adoption of the TUCP Memorandum of Agreement which reflected the DBE Final Rule effective February 28, 2011.
In line with the DBE Program improvements effective November 3, 2014, the TUCP members have been discussing, reviewing, and editing the MOA and SOP in order to stay current with the regulations.

The Administration Committee has reviewed this item in May 2016 but prior to board meeting scheduled for June 1, 2016, there were some items in the MOA and SOP that need to be modified and revised. In particular, these items include the process on how certified firms are reported to Texas DOT to be included or removed in the DBE Directory. With the TUCP Agencies using the B2GNow software wherein certifying agencies can add, update and remove firms from the DBE Directory on real time, there was no need to submit the list to TxDOT.

Attached is the revised TUCP Memorandum of Agreement and Standard Operating Procedures for approval.

Financial Impact
No budget impact is identified with approval of the Memorandum of Agreement and Standard Operating Procedures.

Committee Review
The Administration Committee met on June 22, 2016, although no action was taken due to lack of a quorum.

Recommendation
Staff recommends the Board of Directors to authorize the Chief Executive Officer or his designee to adopt the Texas Unified Certification Program’s (TUCP) Memorandum of Agreement and Standard Operating Procedures in accordance with 49 Code of Federal Regulations Part 26 and Part 23 (Disadvantaged Business Enterprise Program).

Submitted by: [Signature]
Jorge Cruz-Aedo
Chief Executive Officer
TEXAS

MEMORANDUM OF AGREEMENT

for a

DISADVANTAGED BUSINESS ENTERPRISE (DBE)
UNIFIED CERTIFICATION PROGRAM

U.S. DEPARTMENT OF TRANSPORTATION
PARTNERS

Texas Department of Transportation
City of Houston
City of Austin
Corpus Christi Regional Transportation Authority
North Central Texas Regional Certification Agency
South Central Texas Regional Certification Agency
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STATE OF TEXAS
MEMORANDUM OF AGREEMENT

I. UNIFIED CERTIFICATION PROGRAM

This Memorandum of Agreement (MOA) establishes a Disadvantaged Business Enterprise (DBE) Unified Certification Program (UCP) in the State of Texas in accordance with Title 49 Parts 26 and 23 of the Code of Federal Regulations (49 CFR Parts 26 and 23). The TUCP Certifying Partners are the Texas Department of Transportation (TxDOT), City of Houston, City of Austin, Corpus Christi Regional Transportation Authority (CCRTA), North Central Texas Regional Certification Agency (NCTRCA), and South Central Texas Regional Certification Agency (SCTRCA). Each TUCP Certifying Partner agrees to commit sufficient resources and expertise to carry out the requirements of 49 CFR Part 26.

A. Definitions

1. TUCP Certifying Partner

The TUCP Certifying Partners are the Texas Department of Transportation (TxDOT), City of Houston, City of Austin, Corpus Christi Regional Transportation Authority (CCRTA), North Central Texas Regional Certification Agency (NCTRCA), and South Central Texas Regional Certification Agency (SCTRCA).

2. Non-Certifying TUCP Partner

A State of Texas recipient, sub-recipient, or grantee with a current DBE Program Plan approved by an appropriate USDOT oversight modal agency. A Non-Certifying TUCP partner can neither issue nor revoke DBE certification.

3. Recipient

Any public entity which receives direct USDOT financial assistance.

4. Sub-recipient

Any public entity receiving USDOT financial assistance through another recipient.

5. Grantee

Any public entity that has received USDOT assistance.
B. Organization

The TUCP shall establish an Executive Committee consisting of representatives from each of the Certifying Partner agencies, who shall be designated by the signatories to this MOA Agreement. The Executive Committee will also be responsible for resolving any conflicts between certification actions between its members. The Standard Operating Procedures of the TUCP Section III-Agency Compliance, outlines the process for dealing with matters regarding the compliance with certification requirements. Nothing in this agreement should be construed to contravene the sovereignty of each participant. The contact person for the TUCP is the Texas Department of Transportation, DBE/HUB/SBE Section.

A Certifying TUCP Partner may terminate its responsibilities under this Agreement and become a Non-Certifying Partner upon a six month notice to all TUCP Partners. Non-Certifying agencies may request to perform certifications through a formal submittal of qualifications to the Executive Committee of the TUCP.

1. The following procedures must be followed by the transitioning agency when changing from a Certifying to a Non-Certifying Partner:

   A. Notify the TUCP Executive Committee at least six months prior to the termination of certification responsibilities.
   B. Provide a written notice to each DBE explaining the agency’s change from a Certifying to a Non-Certifying Partner. Include in this notice the following:
      1) A date the change will be effective.
      2) The name, physical address, email, telephone number and contact information of the new Certifying member for which the DBE is being transferred.
      3) A written assurance that the change of Certifying Partners will have no effect on the firm’s DBE status or certification.
      4) A reminder that all future contact regarding certification should be directed to the new certifying member.
   C. Deliver all certification material including complete files to the new Certifying Partner on or before the effective termination date.
   D. Ensure that the TUCP DBE directory is updated to reflect the change of certifying agencies on or before the effective termination date (with the assistance of the Texas Department of Transportation).
2. A Non-Certifying TUCP Partner may request to perform DBE certifications on behalf of the TUCP through the following procedures:

A. The agency must submit a formal written request to the TUCP Executive Committee stating the following:
   1) The reason for the request.
   2) A description of the agency as well as the functions or duties of the section or office that will be conducting the certifications.
   3) A statement reflecting the capabilities of the agency to perform certification including available staffing and expertise.
   4) A statement reflecting the available resources and budget to perform certification.
   5) A description of the location for which the agency will serve.
B. The TUCP Executive Committee shall review the formal request of the Non-Certifying agency and determine whether any additional information is needed before a decision can be made.
C. The TUCP Executive Committee has the right to require the requesting agency to be available for interviewing prior to a decision (should it be necessary).
D. The TUCP Executive Committee shall either deny or tentatively approve an agency’s request to perform certifications by a majority decision. As lead agency, the Texas Department of Transportation shall break any tied votes.
E. Should the TUCP Executive Committee tentatively approve an agency’s request to perform certification, a request for addition shall be drafted by the Committee and submitted to US DOT for formal approval.

3. The TUCP Executive Committee shall adhere to the following procedures with the addition of a new Certifying Partner:

A. Establish an effective start date for the new agency.
B. Provide a written notice to each DBE explaining the addition of a new Certifying Partner for their area. Include in this notice the following:
   1) A date the change will be effective.
   2) The name, physical address, email, telephone number and contact information of the new Certifying member for which the DBE is being transferred.
   3) A written assurance that the change of Certifying Partners will have no effect on the firm’s DBE status or certification.
   4) A reminder that all future contact regarding certification should be directed to the new certifying member.
C. Deliver all certification material including complete files to the new Certifying Partner on or before the effective start date.
D. Ensure that the TUCP DBE directory is updated to reflect the change of certifying agencies on or before the effective start date.
C. Purpose

The objectives of the Texas UCP are as follows:

- To follow the certification procedures and standards and the non-discrimination requirements of 49 CFR Parts 26 and 23.

- To cooperate fully with all oversight, review and monitoring activities of the United States Department of Transportation (USDOT) and its operating administrations.

- To provide directives and guidance on DBE certification matters.

- To make all certification and decertification decisions on behalf of all TUCP Partners with respect to participation in the U.S. DOT DBE Program. Certification decisions by the TUCP shall be binding on all TUCP Certifying Partners.

- To provide a single DBE certification that will be honored by all TUCP Partners.

- To maintain a unified DBE directory containing at least the following information for each firm listed: address, phone number and approved NAICS codes. The TUCP shall make the directory available to the public electronically on the Internet as well as in print.

- The TUCP Partners will commit adequate resources and expertise to carry out this agreement. The partners will continue to individually bear the costs of training staff, certifying firms and sharing DBE files, i.e. postage and copying costs. Travel to and from meetings will be the responsibility of individual partners.

II. TUCP PROGRAM DESCRIPTION

A. Partners’ Roles, Responsibilities & Obligations

All TUCP Partners agree to maintain DBE certification application files, conduct site visits, make certification decisions and handle appeals and complaints. The Certifying TUCP Partners agree to utilize the USDOT Uniform Certification Application and Affidavit.

- All decisions related to eligibility and certification must comply with 49 CFR Parts 26 and 23.

- The TUCP Certifying Partners who are recipients or sub-recipients of federal funds must have an approved DBE Program. Additionally, each Certifying Partner must have clearly defined and written processes and procedures related to the administration of its DBE Program and certification decisions.
• Each TUCP Certifying Partner must adhere to the processes and procedures as set forth in the Standard Operating Procedures.

• If a TUCP Certifying Partner is no longer able or willing to uphold procedures outlined in this MOA and in the TUCP SOP, then that partner shall notify each partner in writing and submit to TxDOT all certification files within 180 days to maintain proper certification coordination.

• TUCP certifying partners agree to assist and comply with FHWA in conducting partner reviews outlined in the TUCP SOP.

• Any request received by a TUCP Partner by organizations and entities to become certifying members of the TUCP will be forwarded to each TUCP Partner for review. The TUCP Certifying partners will make a recommendation and forward the request to USDOT for review and a recommendation.

• Any changes or additions to the TUCP Certifying Partners will require an amendment to this agreement. Parties to this MOA cannot add another member to the TUCP without the organization signing the MOA. The other TUCP partners will also need to sign the updated MOA acknowledging the new partner.

B. DBE Directory & Internet Access

The DBE Directory will be located on the TUCP website. In accordance with 49 CFR §26.31 and §23.31(b), the DBE Directory will include the following minimum information for each firm:

• Name, address and telephone number of firm;

• Contact person

• Types of work performed by the firm with appropriate six (6) digit NAICS code and description.

The TUCP DBE Directory may contain additional information, including but not limited to the following:

• Geographic Location of the Firm (i.e., county)

• Website Address of the Firm

• Fax Number & E-Mail Address of the Firm

• Name of Certifying Partner
Each TUCP Partner by signature of this agreement agrees to submit the above information.

III. TUCP PROGRAM COST AND FUNDING

The cost of creating and establishing the TUCP website will be the responsibility of the Texas Department of Transportation and the electronic DBE Directory will be the responsibility of each TUCP Partner. Each TUCP Partner has agreed to coordinate responding to information request or open records request for certification list or copies of the data base as appropriate.

A. Training and Resources

The TUCP Partners will conduct ongoing in-service training. The TUCP Partners will agree to rotate the duties of hosting, planning and conducting training sessions amongst the TUCP Partners.

IV. CERTIFICATION PROCEDURES AND PROCESS

In addition to the following procedures, the TUCP will follow all certification procedures and standards of 49 CFR Part 26 and Part 23, and will implement USDOT directives and guidance concerning DBE certification matters. A Standard Operating Procedure (SOP) has been developed and will be utilized by all Certifying TUCP Partners. The SOP may be modified as needed and agreed upon by majority consensus of the Certifying TUCP Partners. If consensus cannot be reached, the issue will be forwarded to FHWA – Texas Division for further guidance.

- The TUCP will utilize the USDOT approved Uniform Certification Application and other related certification documents to facilitate “one-stop shopping” for applicants.

A. Geographic & Industry Considerations

The TUCP Certifying Partners have agreed to perform the certification process for DBE program applicants within the State of Texas by geographical location and by industry. If a DBE applicant/firm is interested in working only on TxDOT projects, TxDOT agrees to process the application and/or have certification responsibility for the DBE firm. In these cases, all certifying TUCP partners will forward the application within three to five business days to TxDOT for processing. All Certifying Partners will process Intrastate airport concessionaire ACDBE certification applications, based on the firm’s geographical location of its Principal place of business.

City of Austin: Geographical: Bastrop, Caldwell, Hays, Travis and Williamson
City of Houston: Geographical: Counties of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto and Waller.
Corpus Christi Regional Transportation Authority: Geographical: Counties of Aransas, Bee, Goliad, Jim Wells, Karnes, Kleberg, Live Oak, Nueces, Refugio, and San Patricio.


South Central Texas Regional Certification Agency: Geographical: Counties of Atascosa, Bandera, Bexar, Comal, Frio, Guadalupe, Kendall, Kerr, McMullen, Medina, and Wilson.

Texas Department of Transportation: Geographical: All other remaining counties in Texas.

B. Quality Assurance (New Certifications)

The SOP has been created to ensure consistent application of UCP program requirements among the Certifying TUCP Partners. Uniform documents have been developed for use by the Certifying TUCP Partners so that consistent information is obtained and used in certification determinations. At a minimum, there will be annual training of certification staff in order to maintain consistency in determinations.

C. Annual Review Process

By signature of this agreement, ACDBE and DBE certification updates will be conducted annually using the TUCP Annual Update “No Change” Affidavit process as required in the SOP and following procedures outlined in 49 CFR §26.87.

D. Decertification Procedures

The TUCP Partner agrees to process decertification in compliance to 49 CFR §26.87. Provisions exist in the TUCP Standard Operating Procedure for the Certifying TUCP Partners to accept written complaints from a third party alleging the ineligibility of a currently certified firm. The TUCP SOP outlines how those complaints will be coordinated by the receiving partner.

E. Appeals Process and Procedures

An appeals procedure has been established as part of the TUCP SOP for appeals of denial of original certification, and decertification that provides due process to the affected firm in accordance with 49 CFR Part 26.
• Denials of Original Certifications and Decertification: The DBE applicant has the opportunity to appeal to USDOT in accordance with 49 CFR §26.89. Firms that are decertified will have due process in accordance with 49 CFR §26.87.

F. Staff Training

Each TUCP Partner agrees to:

• Participate in annual staff training; assist with the development and coordination of training modules that support the SOP.

• Recruit instructors and determine locations for training workshops.

• Schedule joint training sessions.

• Conduct staff training to assure that all staff are knowledgeable of certification regulations and procedures as updates and changes are made to the regulations.

G. Unified DBE Directory

By signature of this MOA the TUCP Partners agree to:

• Develop and complete parameters for Unified DBE Directory.

• Compare UCP Certifying Partners databases.

• Remove duplicate DBE firms.

• Develop common databases, however, nothing in this agreement excludes the certifying partners from creating and maintaining separate databases for other programmatic needs.

• Develop procedures for electronic submission of DBE firms for inclusion in the Unified DBE Directory.

• Develop and issue press release on public access to online DBE Directory (information will be maintained on TXDOT Website).

V. CHANGES TO THE MOA

This MOA can be amended by approval of the majority of the TUCP Partners. Changes to this MOA shall require a majority agreement by the TUCP Certifying Partners. In cases where there is not a majority agreement, the issue will be forwarded to USDOT for resolution and the partners agree to execute the decision of USDOT by signature of this MOA.
VI. SUMMARY

As a result of the requirements set forth in 49 CFR Parts 26 and 23, we the undersigned, agree to participate in the STATE OF TEXAS’ Unified Certification Program in accordance with the provisions of this MOA and agree to abide by its contents.

EXECUTED AND DELIVERED by and between the TUCP Partners as of the effective date of this MOA.

TUCP CERTIFYING PARTNERS

City of Austin
Name
Signature
Date
Title

City of Houston
Name
Signature
Date
Title

Corpus Christi Regional Transportation Authority
Name
Signature
Date
Title

North Central Texas Regional Certification Agency
Name
Signature
Date
Title

South Central Texas Regional Certification Agency
Name
Signature
Date
Title

Texas Department of Transportation
Name
Signature
Date
Title
TEXAS UNIFIED CERTIFICATION PROGRAM

STANDARD OPERATING PROCEDURES

U.S. DEPARTMENT OF TRANSPORTATION PARTNERS

Texas Department of Transportation
City of Houston
City of Austin
Corpus Christi Regional Transportation Authority
North Central Texas Regional Certification Agency
South Central Texas Regional Certification Agency
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I. INTRODUCTION

A Disadvantaged Business Enterprise (DBE) Unified Certification Program (UCP) has been established in the State of Texas in accordance with Title 49 Part 26 and Part 23 of the Code of Federal Regulations. Pursuant to a Memorandum of Agreement (MOA) signed by all recipients required to participate in the TUCP, the Texas Department of Transportation (TXDOT), City of Houston, City of Austin, Corpus Christi Regional Transportation Authority (CCRTA), North Central Texas Regional Certification Agency (NCTRCA), and South Central Texas Regional Certification Agency (SCTRCA) are Certifying Partners for the TUCP. The cost of creating and establishing the TUCP website and the electronic DBE/ACDBE Directory will be the responsibility of TxDOT. The TUCP reserves the right to develop a methodology to ascertain maintenance and operational costs. Any changes to the website or Directory that results in costs to the Certifying and Non-Certifying Partners will be reviewed and approved by the TUCP recipients before the changes are implemented.

Each of the Certifying Partners is required to administer a DBE certification program in accordance with 49 CFR Parts 26 and 23. As part of the TUCP, Certifying Partners will make certification decisions on behalf of all USDOT recipients, sub recipients and grantees in Texas with respect to participation in the USDOT DBE Program. Certification decisions by the TUCP shall be binding on all USDOT recipients, sub recipients and grantees within Texas.

A thorough certification process ensures that the DBE program benefits only bona fide disadvantaged businesses. In order to ensure consistent application and interpretation of the regulatory requirements for DBE certification and consistent certification determinations, a Standard Operating Procedure (SOP) will be used by all Certifying Partners.

The Standard Operating Procedure sets forth the process to be utilized by the Certifying Partners when making determinations of DBE certification eligibility.

The procedures outlined herein are consistent with the U.S. Department of Transportation regulations codified at 49 CFR Part 26 and Part 23.

II. DEFINITIONS

A. BURDEN OF PROOF: Measure of persuasion that is required to convince someone that an alleged fact is true.

B. DBE CERTIFICATION: A finding, after a certification eligibility review by a Certifying TUCP Partner that a business meets the certification eligibility requirements and is a bona fide Disadvantaged Business Enterprise in accordance with 49 CFR Parts 26 and 23.

C. CERTIFICATION INTERVIEW: Face-to-face meeting between the applicant firms qualifying owner(s) for DBE certification and the Certifying Partner.
D. DECISION MEMORANDUM: Written document prepared by Certifying TUCP Partner detailing certification determination rendered.

E. DENIAL OF CERTIFICATION: A finding that a business is not a bona fide Disadvantaged Business Enterprise. A business that has been denied DBE certification or declared ineligible cannot again reapply for DBE certification for one year (12 months) from the date of denial.

F. EXECUTIVE COMMITTEE: A group consisting of representatives from each of the TUCP Certifying Partner agencies, who shall be designated by the signatories to the Memorandum of Agreement for the Unified Certification Program.

G. GRANTEE: Any public entity that has received USDOT assistance.

H. NON-CERTIFYING TUCP PARTNER: A State of Texas recipient, sub-recipient, or grantee with a current DBE Program Plan approved by an appropriate USDOT oversight modal agency. A Non-Certifying TUCP partner can neither issue nor revoke DBE certification.

I. TUCP CERTIFYING PARTNER: A State of Texas federal aid recipient with a current DBE Program Plan approved by an appropriate USDOT oversight modal agency. This includes those entities, North Central Texas Regional Certification Agency and South Central Texas Regional Certification Agency, who are not recipients, but were formed as domestic non-profit organizations for the purposes of performing certifications on behalf of recipients. A Certifying Partner can issue or remove DBE certification in compliance with §26.87. The TUCP Certifying Partners are the Texas Department of Transportation (TXDOT), Corpus Christi Regional Transportation Authority (CCRTA), North Central Texas Regional Certification Agency (NCTRCA), South Central Texas Regional Certification Agency (SCTRCA), City of Austin, and the City of Houston.

J. TUCP PARTNER: All US DOT federal-aid recipients, both Certifying and Non-Certifying, participating in the TUCP.

K. PREPONDERANCE OF EVIDENCE: A standard of proof which is met when the evidence on a fact indicates that it is “more likely than not” true.

L. RECIPIENT: Any public entity, which receives direct USDOT financial assistance.

M. SUB RECIPIENT: Any public entity that receives USDOT financial assistance through another recipient.

N. WITHDRAWAL OF APPLICATION: An applicant may provide a written request to the Certifying TUCP Partner to cease the certification review process before the Certifying TUCP Partner have issued a decision on the application. An applicant that has withdrawn its application can resubmit the application at any time. The Certifying TUCP Partner may place the reapplication at the “end of the line” behind other applications that have been made since the firm’s previous application was withdrawn.
III. CERTIFICATION PROCEDURES

A. APPLICATION FOR DBE CERTIFICATION: All applicants requesting initial DBE certification must complete and submit a complete certification application package to one of the TUCP Certifying Partners. The Certifying Partner will review the application to ascertain the geographical area of the applicant firm and/or its primary work type or industry, and take the appropriate action to either process the application or forward the application within three (3) to five (5) business days to the appropriate TUCP Certifying Partner.

B. APPLICATION FOR AIRPORT DBE: An airport DBE application shall be processed by the TUCP Certifying Partner based on the geographical area of the applicant firm’s principal place of business in the State of Texas. Airport DBE applications will be processed by the receiving TUCP entity by identified territories as referenced in the MOA.

C. APPLICATION FOR INTERSTATE DBE: DBE interstate applicants are required to:

1. Applicants must submit all supporting documents and any other information submitted to the home state or any other state related to the firm’s certification. This includes affidavits of no change as referenced in CFR §26.83(j) and any notices of changes as referenced in CFR §26.83(i) that has been submitted to the home state, as well as any correspondence submitted to other UCPS.

2. Provide any notices or correspondence of denied certification in another state or appealed a certification decision with USDOT as referenced in CFR §26.89.

3. Submit an affidavit sworn to by the firm's owners before a person who is authorized by State law to administer oaths or an unsworn declaration executed under penalty of perjury of the laws of the United States.

   a) This affidavit must affirm that you have submitted all the information required by 49 CFR 26.85(c) and the information is complete and, in the case of the information required by §26.85(c)(1), is an identical copy of the information submitted to the home state.

   b) If the on-site report from the home state is more than three years old, the applicant may be required to affirm that the facts in the on-site report remain true and correct. (See APPENDIX A AND APPENDIX B of the TEXAS UNIFIED CERTIFICATION PROGRAM STANDARD OPERATING PROCEDURE)
4. A complete package consists of the following:
   a) USDOT Uniform Certification Application and Affidavit. (49 CFR, Part 26, Appendix F)
   b) Personal Net Worth Statement for each qualifying socially and economically disadvantaged owner. (49 CFR, Part 26, Appendix G)
   c) Required basic and support documentation as determined by business structure and in accordance with 49 CFR Parts 26 and 23.

D. INTAKE
   1. Immediately upon receipt of the application package, it is reviewed for completeness. Specifically, the Affidavit of Certification and Personal Net Worth Statement are reviewed for original signatures and notarization, and to determine whether the basic required supporting documents have been submitted.
   2. The application is reviewed to ascertain the firm's line of work and services provided. Type of business service is necessary in determining whether the Certifying Partner in receipt of the application will process the application or transfer it to another Certifying Partner within five (5) days of receipt of the application.
   3. If a DBE applicant/firm is interested in working only on TxDOT projects, all certifying TUCP partners will forward the application within three to five business days to TxDOT for processing. Only firms organized for profit are eligible for DBE certification.
   4. Applications received for review and the TUCP member entity decides review of application would present a conflict of interest. A request will be sent to another TUCP entity to review and process application. The TUCP entity that received the application will send a notice within 10 days of receipt of application to applicant advising of conflict, and the TUCP entity that will handle processing of application.

E. DESK AUDIT
   1. The processing staff will organize and assemble the applicant information in a business file. The processing staff must be mindful that all applications are to be processed within ninety (90) days of receipt of a complete application.
   2. The processing staff will thoroughly review the application package to determine whether all required supporting documentation has been submitted, and to determine if additional information will be requested. Care should be taken to ensure that any requested documentation/information is actually pertinent to the certification review.
   3. If additional information is required, the processing staff will prepare a letter to the applicant firm requesting additional information. The letter
will include a due date for submission of the additional information and advise the applicant that failure to respond will administratively close the application. In establishing a due date, processing staff must allow sufficient time no less than fifteen (15) business days and no more than thirty (30) days for the applicant to provide the requested information and shall identify the specific days in the entities internal SOP.

4. The processing staff will monitor the timely receipt of the requested information. Upon receipt of the additional information, the processing staff will review it and make a determination as to the completeness of the certification file. Processing staff are required to obtain information from the Texas State Comptroller/Texas Secretary of State for “standing” of the applicant business and all known affiliates.

5. Familial- marital relationships between owners and employees that is pertinent to ownership and control of the company must be reviewed and scrutinized.

F. THRESHOLD REQUIREMENTS

1. The processing staff will make a determination on each of the threshold requirements.

   a) Size standard: In making a determination of size standard, processing staff must reference and adhere to §26.65 and 23.33 of the regulations.

   b) Social disadvantage: In making a determination of social disadvantage, processing staff must reference and adhere to §26.63 and §26.67 of the regulations.

   c) Economic disadvantage: In making a determination of economic disadvantage processing staff must reference and adhere to §26.67 and 23.35 of the regulations.

   d) Irrevocable separation of property: When marital assets held jointly or as community property by both spouses, are used to acquire the ownership interest asserted by one spouse, you must deem the ownership interest in the firm to have been acquired by that spouse with his or her own individual resources, provided that the other spouse irrevocably renounces and transfers all rights in the ownership interest. A copy of the document legally transferring and renouncing the other spouse’s rights must have been filed in the proper court.

2. Failure to Meet Requirement: If the applicant firm or its qualifying owners fail to meet any one of the threshold requirements for DBE certification, the firm is to be deemed ineligible for DBE certification. The firm may appeal the denial determination to the U.S. Department of Transportation in accordance with the procedures set forth in §26.89.
3. **Review of Completed Files:** If the firm meets the threshold requirements, the processing staff will, upon a thorough and careful review of the complete file, prepare a list of firm specific questions to be answered by the qualifying owners of the firm. These questions should be in addition to the standard questions asked of every firm and should address the particulars and unique facts of the applicant firm and its owners.

   a) In preparing firm specific questions, processing staff should be sufficiently knowledgeable of the business area in which the firm is seeking certification, anticipating issues, which will require close examination. The processing staff should have knowledge of the capitalization requirements, licensing, technical expertise, staffing, and industry practices. In the event that processing staff is unfamiliar with the requirements for the applicant business, technical assistance should be obtained from technical personnel within the agency.

   b) Citizenship: Each individual qualifying the firm for DBE certification must demonstrate that he/she is a citizen of the United States or a lawfully admitted permanent resident. Each individual must submit acceptable documentation as proof of citizenship or permanent resident status as referenced in CFR 26.67(a).

   c) Once the applicant file is complete and the questions have been prepared, processing staff must schedule a face-to-face certification on-site review meeting with the qualifying owners at a time convenient for all participants.

G. **ON-SITE REVIEW**

   1. The purpose of the on-site review is to verify the firm’s location, personnel and operations; to substantiate information/documentation contained in the applicant file and to review business and financial records. The on-site review is the second phase of the certification review process and may be conducted on certified DBE firms in accordance with §26.83 (h) (2) of the regulations. An on-site review of the applicant firm and an interview of the socially and economically disadvantaged principals of the firm must be made in accordance with §26.83(c) (1) of the regulations.

   a) Information obtained during the on-site review must be compiled in a separate comprehensive written report. The on-site review report is made a part of the certification file and incorporated accordingly.

   b) Depending upon the location of the firm, a Certifying Partner may request another Certifying Partner to conduct the on-site review. In such instances, a written request must be made to the Certifying Partner conducting the review with issues of concern identified. The
Certifying Partner conducting the on-site review will be responsible for preparing the on-site review report.

c) An on-site visit to the job-site must be conducted if at the time of the on-site, the applicant firm is working.

2. The following information, if applicable, should be received and reviewed no later than the on-site review:

a) Cash receipts and disbursements
   (1) Check for entries in the cash receipts journal, which disclose initial capital contributions.
   (2) Verify operational expenditures in the cash disbursements journal. Note questionable/exceptional/unusual entries and the frequency or consistency of such expenditures.
   (3) Note payments to and from shareholders, directors, officers and key employees in the cash disbursements journal.
   (4) Note payments to similar businesses for possible broker activity or evidence of conduit activity.
   (5) Cross reference cash disbursements with cancelled checks.

b) Bank statements and cancelled checks
   (1) Verify initial capitalization of firm with the first bank statement, if available.
   (2) Verify and document signature authority and consistency in which DBE owner v. non-DBE owner(s)/offices sign checks.
   (3) Verify payments to shareholders, key employees and consultants.
   (4) Pay particular attention to the “memo” section of checks.
   (5) Determine if there are any additional checking accounts not disclosed prior to the visit. If so, note the authorized signatories.
   (6) Cross reference payments to and from clients, suppliers, consultants, etc.

c) Payroll
   (1) Determine who is on the firm’s payroll.
   (2) Determine if the owner is receiving compensation in accordance with his/her ownership interest.
   (3) Determine who receives bonus payments and amounts.
   (4) Compare W-2’s and 1099’s to payroll register, to extent possible, for key employees.
(5) Pay attention to any “memo” notations on any payroll checks.

d) Invoices and receipts
   (1) Check telephone bills to determine if they are addressed to the DBE firm.
   (2) Review invoices to substantiate method and source of payment.
   (3) Check invoices for suggestion of brokering activity or reliance on non-DBE firms.
   (4) Examine invoices for resolution of regular dealer issues (freight charges).

e) Contract files
   (1) Determine who executes contracts on behalf of the firm.
   (2) Verify the services provided by the applicant firm and the terms and conditions of the provision of their services.
   (3) Verify consistency in which firm does business with a particular firm and whether any issues of dependency.

f) Inventory and equipment
   (1) Identify nature and use of equipment possessed by firm.
   (2) Verify ownership of equipment with invoices.
   (3) If equipment is leased, review equipment lease agreements.
   (4) Identify inventory maintained by firm.
   (5) Determine whether lack of inventory suggests broker or conduit activity.
   (6) If regular dealer, verify inventory, warehouse facility, transportation equipment, etc.
   (7) Determine if firm’s name on vehicles (trucks).

g) Bonding and insurance
   (1) Determine who is guaranteeing or financing bonding.
   (2) Is bond commensurate with size of firm?
   (3) Are insurance documents in the name of the firm?
   (4) Verify types of insurance maintained by firm.
   (5) Does firm carry Key Man Insurance (life insurance on key person in business, should be owner-business is beneficiary)? If so, for whom?
h) Corporate kit or business organization documents
   (1) Cross reference documents in corporate kit with original submission.
   (2) Review all minutes and entries for voting, control, attendance, etc.

i) Corporate kit or business organization documents
   (1) Review stock transfer ledger.
   (2) Review cancelled/voided stock certificates and note reasons for cancellations.
   (3) Review non-issued stock certificates to determine if there is numerical continuity.
   (4) Verify corporate seal.
   (5) Review by-laws for revisions since original submission of documents.

j) Employment agreements
   (1) Determine the existence of any Employment Agreements for owner(s) or key personnel.
   (2) Review terms of Employment Agreements for possible conflict with qualifying owner’s ability to control operations of firm.

k) Physical characteristics of office/building location
   (1) Determine if the firm has identifying signs outside or inside of the building/office.
   (2) Determine if DBE owner has own office.
   (3) Request a tour of facilities and observe equipment on premises.
   (4) Ask questions regarding operation of equipment.
   (5) Determine if office space shared with other companies, and if so, the nature of the business of the other companies.
   (6) Determine if equipment, supplies, etc. is shared with other companies.
   (7) If shared facilities, equipment, verify arrangement for sharing.
   (8) Determine if owner(s) are operating other related or unrelated businesses from the location. If so, identify the business and its owners.
H. APPLICATION WITHDRAWALS

1. An applicant’s failure to permit an on-site review shall be grounds for denial of DBE certification for failure to cooperate. The firm will be denied certification and cannot reapply for twelve 12 months. The firm may appeal the denial determination to U.S. DOT in accordance with the procedures set forth in §26.89.

2. An applicant can withdraw the certification application prior to the certification determination and can reapply at any time in accordance with the procedures set forth in §26.83.

3. An applicant’s written request to the Certifying TUCP Partner to cease the certification review process. A new applicant that has withdrawn its application, prior to submitting a complete DBE application (Desk Audit Checklist) and prior to an On-site Eligibility Review, can again reapply for DBE certification at any time. Any applicant that withdraws an application after an On-site Eligibility Review is conducted can reapply at any time if the application is withdrawn prior to the TUCP Certifying Partner’s certification determination.

4. A firm decertified for cause may not apply again for DBE certification with the TUCP for a period of one year (12 months). A firm that is decertified for not submitting an Annual Affidavit (failure to cooperate clause) may reapply for DBE certification after a six (6) month waiting period from the date of decertification.

I. CERTIFICATION DETERMINATION AND RECOMMENDATION

1. Decision Memorandum: The certification recommendation is the final product of all information, which has been reviewed, and is an evaluation of the firm’s compliance with the certification eligibility standards set forth in the regulations. The written recommendation must be sufficiently comprehensive to persuade an objective party of the merits of the recommendation.

2. Management Review: The certification recommendation must be submitted to the supervisor responsible for certification review. The complete file must accompany the submission of the certification recommendation. The supervisor responsible for the certification review must provide written concurrence with the recommendation for certification or denial of certification before a letter can be forwarded to the firm’s owners.

J. DBE CERTIFICATION AND ANNUAL CERTIFICATION RENEWAL

1. Written Notification: A firm will be notified in writing by the TUCP Certifying Partner that it has been granted DBE certification.
2. **Length of Certification**: Once a firm is certified as a DBE by the TUCP, it shall remain certified, unless and until its certification has been removed in accordance with procedures set forth in 49 CFR §26.87.

3. **Change of Circumstance**: A certified DBE firm has an affirmative responsibility to notify the TUCP Certifying Partner in writing, of any change in circumstances affecting size, disadvantaged status, ownership, or control requirements of the regulation, or any material change in the information provided in its application for DBE certification. Such notice must be made within thirty (30) days of the change-taking place.

   Once a DBE firm has notified their TUCP certifying agency of a location change of the principal place of business, which changes the TUCP certifying agency’s authority, that agency must transfer firm’s DBE authority. Such notice by DBE firm must be made within (30) days of the change to the TUCP certifying agency. The TUCP certifying agency will then notify the DBE firm and the new TUCP partner agency responsible for firm’s certification in writing and transfer file within (14) days.

4. **No Change Affidavit**: A certified DBE firm must submit annually, on the anniversary of DBE certification, a No Change Affidavit. A No Change Affidavit is a sworn affidavit affirming that there have been no changes in the firm’s circumstances affecting its size, disadvantaged status, ownership or the control requirements of the regulation, or any material change in the information provided in its application for DBE certification, including the support documentation.

   a) Each firm will be notified by the TUCP Certifying Partner at least thirty (30) days in advance of its anniversary date, of the annual submission requirement and will be provided with the necessary affidavits to complete and return.

   b) A firm failing to comply with the annual submission requirement will be notified in writing thirty (30) days from the date that the submission was due, of the TUCP’s intent to decertify the DBE in accordance with §26.87 of the regulation.

   c) A firm failing to comply with the annual submission requirement will be decertified under the procedures of §26.87.

   d) Certification reviews: In the interest of prudent auditing, each TUCP Member has the option of conducting on-site reviews of any firm at any time in light of changed circumstances in operational control, management or ownership; a complaint or other information concerning a firm’s eligibility.

K. **INITIAL DENIAL OF DBE CERTIFICATION**

   1. A firm will be notified in writing by the Certifying Partner that it has been denied DBE certification by the TUCP.
2. The firm will be provided with a written explanation of the reasons for denial, specifically referencing the evidence in the record that supports each reason for the denial.

3. All documents and information used to render a determination of denial will be made available for inspection by the applicant, upon written request to the Certifying Partner.

4. A firm that is denied DBE certification may not apply for certification with the TUCP for a period of one year (12 months).

5. A firm denied DBE certification may appeal the denial of DBE certification to the USDOT in accordance with §26.89 of the regulation.

6. Coordination of Denial Hearings and request for certification appeals, hearings and or meetings shall be coordinated and administratively handled by certifying TUCP Partner.

L. REMOVAL OF DBE ELIGIBILITY (DECERTIFICATION)

1. The TUCP members agree to follow the eligibility removal procedures set forth in 49 CFR §26.87 including:

   a) Ineligibility complaints: Any person, including another TUCP member, may file a written complaint alleging that a currently-certified firm is ineligible and specifying the alleged reasons why the firm is ineligible.

   b) Recipient initiated proceedings: If a direct recipient of federal funds determines that there is reasonable cause to believe that a currently certified firm is ineligible based on notification by that DBE firm of a change in its circumstances or any other information that becomes available, they must provide written notice to the firm that it proposes to find them ineligible for the DBE program setting forth the reasons for the proposed determination. The statement of reasons for the finding of reasonable cause must specifically reference the evidence in the record on which each reason is based.

   c) DOT directive to initiate proceeding: If the concerned operating administration (FHWA, FTA, FAA) determines that information in your certification records, or other information available to the concerned operating administration, provides reasonable cause to believe that a firm you certified does not meet the eligibility criteria of this part, the concerned operating administration may direct you to initiate a proceeding to remove the firm’s certification.

   d) When a firm is notified that there is reasonable cause to remove its eligibility, as provided in paragraph (a), (b), or (c) of this section, it will be provided the opportunity for an informal hearing, at which the firm may respond to the reasons for the proposal to remove its
eligibility in person and provide information and arguments concerning why it should remain certified.

e) A DBE firm whose eligibility has been removed (decertified) for any of the following reasons will be afforded an Appeal Process as stated in Section M:

(1) The business has changed to the extent that it is no longer owned or controlled by socially and economically disadvantaged individual(s).

(2) The DBE firm is no longer an ongoing business entity.

(3) The socially and economically disadvantaged owners falsified a sworn statement. This action may also result in more punitive action such as debarment.

(4) The DBE fails to notify the TUCP Certifying Partner, within 30 days, of changes in ownership, control, independence or status as an ongoing concern.

(5) A determination by the TUCP Certifying Partner that the firm no longer meets certification eligibility standards.

(6) The DBE exhibits a pattern of conduct indicating its involvement in attempts to evade or subvert the intent or requirement of the regulations. This action may also result in more punitive action such as debarment.

f) Decertified firms shall be removed from the TUCP directory.

g) A firm decertified for cause may not apply again for DBE certification with the TUCP for a period of one year (12 months). A firm that is decertified for not submitting an Annual Affidavit (failure to cooperate clause) may reapply for DBE certification after a six (6) month waiting period from the date of decertification.

M. APPEAL PROCESS

1. Initial Denials

a) A firm denied DBE certification may appeal the denial of DBE certification to the United States Department of Transportation (USDOT) in accordance with §26.89 of the regulation. Such appeal must be filed within ninety (90) days of the date of the determination letter.

b) Pending a determination by USDOT, the decision rendered by the Certifying Partner remains in effect for the TUCP. Upon notification by USDOT, the TUCP Certifying Partner will forward a copy of the complete administrative record for review with in fifteen (15) business days.
c) All appeal decisions rendered by USDOT are administratively final and are not subject to petitions for reconsideration.

d) A firm that is denied DBE certification may not again apply for certification with the TUCP for a period of one year (12 months).

2. REMOVAL OF CERTIFICATION

a) Any firm that was certified under 49 CFR Part 26 and Part 23 and has had their certification proposed to be removed may file a written rebuttal or appear in person at an informal hearing.

b) All requests for an informal hearing must be filed with the TUCP Certifying Partner responsible for the removal of DBE certification. The firm will have the opportunity to present information in person or in writing to the certifying TUCP Partner and all aspects of the hearing shall be coordinated by the TUCP Certifying Partner.

c) The TUCP Certifying Partner must maintain a complete record of the hearing, by a means acceptable under State law for the retention of a verbatim record of an Administrative Hearing.

d) Separations of Functions: The TUCP Certifying Partner must ensure that the decision in a proceeding to remove a firm’s eligibility (decertification) is made by an office and personnel that did not take part in actions leading to or seeking to implement the proposal to remove the firm’s eligibility and are not subject, with respect to the matter, to direction from the office or personnel who did take part in these actions.

e) Any firm may appeal directly to the United States Department of Transportation (USDOT). Such appeal must be filed within 90 days of the date of the denial letter from the Certifying Partner.

f) Pending a determination by the USDOT, the decision rendered by the TUCP Certifying Partner remains in effect for the TUCP.

g) Upon notification by USDOT, the TUCP Certifying Partner will forward a copy of the complete administrative record for review. USDOT will make a determination based solely on the administrative record.

h) USDOT will provide written notice of its decision to the TUCP and the appellant.

i) It is the policy of USDOT to make its determination within 180 days of receiving the complete administrative record. If a determination is not made within this period, USDOT will provide written notice to the parties explaining the reason for the delay and a date by which the appeal decision will be made.

j) All appeal decisions rendered by the USDOT are administratively final and are not subject to petitions for reconsideration.
N. Decertification Procedures (3rd Party Certification Challenges)

1. In compliance with §26.87 the TUCP Certifying Partners shall accept written complaints from any person, including Non-Certifying Partners, USDOT, and or a TUCP Certifying Partner alleging that a currently certified DBE firm is ineligible.

2. The complainant must state the specific reasons for the challenge and submit documentation in support of the complaint. The complainant’s identity shall be protected as provided for in §26.109 (b).

3. The challenged firm shall be notified, in writing, by the original TUCP Certifying Partner within five (5) business days of the challenge, the basis for the challenge and the relevant regulations.

4. The TUCP Certifying Partner responsible for the original certification shall thoroughly investigate the complaint within a reasonable time not to exceed sixty (60) days.

5. A TUCP Certifying Partner may accompany and or conduct an investigation when a complaint is filed by another certifying partner. The TUCP Partner who receives the certification challenge has fifteen (15) days to respond in writing indicating the certification decision or indicate wishes for the challenger to proceed with the eligibility review. In cases where another TUCP 3rd Party has conducted the eligibility review, that TUCP Partner shall be responsible for all administrative procedures associated with the decertification process.

6. When TUCP Certifying Partners cannot reach a consensus regarding the eligibility of a DBE certification as a result of an investigation, the information will be forwarded to an independent certifying partner or to FHWA-Texas Division for a final determination.

7. The TUCP Certifying Partner shall notify the challenged firm in writing via certified mail of the preliminary findings of the complaint.

8. The challenged firm may request reconsideration in writing, of the intent to remove certification eligibility, within fifteen (15) days of the date of the notice.

9. The request for an appeal must be made to the investigating TUCP Certifying Partner and must indicate whether the firm wishes to file a written appeal or appear in person for a hearing to be conducted by the certifying entity.

10. USDOT may also notify the TUCP of reasonable cause to find a certified DBE firm to be ineligible. In such cases, the TUCP shall without delay begin a proceeding to determine whether the firm’s eligibility should be removed, as provided in §26.87.
O. Suspension of Certification

1. A TUCP Certifying Partner shall immediately suspend a DBE's certification without adhering to the requirements in §26.87(d) when an individual owner whose ownership and control of the firm are necessary to the firm's certification dies or is incarcerated.

2. (a) A TUCP Certifying Partner may immediately suspend a DBE's certification without adhering to the requirements in §26.87(d) when there is adequate evidence to believe that there has been a material change in circumstances that may affect the eligibility of the DBE firm to remain certified, or when the DBE fails to notify the recipient or TUCP Certifying Partner in writing of any material change in circumstances as required by §26.83(i) or fails to timely file an affidavit of no change under §26.83(j).

   (b) In determining the adequacy of the evidence to issue a suspension under paragraph b) of this section, the TUCP Certifying Partner shall consider all relevant factors, including how much information is available, the credibility of the information and allegations given the circumstances, whether or not important allegations are corroborated, and what inferences can reasonably be drawn as a result.

3. The concerned operating administration may direct the TUCP Certifying Partner to take action pursuant to paragraph a) or b) of this section if it determines that information available to it is sufficient to warrant immediate suspension.

4. When a firm is suspended pursuant to paragraph a) or b) this section, the TUCP Certifying Partner shall immediately notify the DBE of the suspension by certified mail, return receipt requested, to the last known address of the owner(s) of the DBE.

5. Suspension is a temporary status of ineligibility pending an expedited show cause hearing/proceeding under §26.87 of this part to determine whether the DBE is eligible to participate in the program and consequently should be removed. The suspension takes effect when the DBE receives, or is deemed to have received, the Notice of Suspension.

6. Following receipt of the Notice of Suspension, if the DBE believes it is no longer eligible, it may voluntarily withdraw from the program, in which case no further action is required. If the DBE believes that its eligibility should be reinstated, it must provide to the TUCP Certifying Partner information demonstrating that the firm is eligible notwithstanding its changed circumstances. Within 30 days of receiving this information, the TUCP Certifying Partner must either lift the suspension and reinstate the firm's certification or commence a decertification action under §26.87 of this part. If the TUCP Certifying Partner commences a decertification proceeding, the suspension remains in effect during the proceeding.

7. The decision to immediately suspend a DBE under paragraph a) or b) this section is not appealable to the US Department of Transportation. The failure of a TUCP Certifying Partner to either lift the suspension and
reinstate the firm or commence a decertification proceeding, as required by this section, is appealable to the U.S. Department of Transportation under §26.89, as a constructive decertification.

P. Agency Compliance

1. If any TUCP Certifying Partner has reason to believe that another TUCP Certifying Partner is not in compliance with the requirements of 49 CFR 26, Subpart E, they should bring the matter to the attention of the TUCP Executive Committee for review and issue a Corrective Action Plan (CAP) giving the TUCP Partner 90 days to correct findings.

2. If the Executive Committee finds that the CAP has not been resolved then a majority vote by the Executive Committee recommending removal of the TUCP Partner shall be taken and if agreed will be forwarded to FHWA, FAA and FTA.

3. If there is a disagreement by a single member of the TUCP regarding the recommendation, that entity may make a separate notification to FHWA, FAA and FTA as a single entity and notify the partners of such in writing.

4. The TUCP Executive Committee will be responsible for reviewing any compliance matters that pertain to the requirements of 49 CFR Part 26 Subpart E. If the TUCP Certifying Partner raising a compliance matter is not satisfied with the action taken by the TUCP Executive Committee to resolve the matter, they may make a written complaint to the appropriate USDOT Intermodal Agency, e.g., FTA, FAA, FHWA etc.

5. TUCP Certifying Partners agree to comply with coordination procedures and timeliness of forwarding information and completing request within fifteen (15) business days.

6. TUCP Certifying Partners agree to participate in TUCP Partner Reviews to assure the quality and consistency of TUCP certification procedures. FHWA will take lead on the TUCP Partner reviews and identify a TUCP Partner to assist with the peer review.
Appendix A

TEXAS UNIFIED CERTIFICATION PROGRAM DBE INTERSTATE CERTIFICATION CHECKLIST

Applicant Firm from State A must provide the following information:

- Complete copy of application form, all supporting documents, and any other information that was submitted to State A or any other State related to firm’s certification.

*Includes, but is not limited to:*  
  - Affidavits of no change  
  - Any notices of change that have been submitted to State A  
  - Any correspondence with State A’s UCP or any other recipient concerning the Firm’s application or status as a DBE firm

- Notices or correspondence from states other than State A relating to status as a DBE applicant or DBE certification in those states.

*Example:*  
  - Certification denials  
  - Decertification actions

- Discloser of any DOT certification appeals with copy of the letter of appeal and DOTs response.

- An affidavit sworn to by the Firm’s owners or an unsworn declaration executed under penalty of perjury of the laws of the United States.

*Affidavit must adhere to the following:*  
  a. Affidavit must affirm that firm has submitted all the information required by 49 CFR 26.85(c) and the information is complete and, in the case of the information required by 26.85 (c)(1), is an identical copy of the information submitted to State A  
  b. If the on-site report from State A supporting firm’s DBE certification in State A is more than three years old, as of the date of firm’s application to State B the affidavit also affirms that the facts in the on-site report remain true and correct.
Appendix B

TEXAS UNIFIED CERTIFICATION PROGRAM (TUCP)
INTERSTATE DISADVANTAGED BUSINESS ENTERPRISE (DBE) AFFIDAVIT

Name of Firm ____________________________________________

I affirm, as evidenced by my signature below, I have provided all information required by 49 CFR 26.85(c) to TUCP Agency for inspection and review to determine eligibility for the Texas Unified Certification Program (TUCP).

I affirm the information is complete and, in the case of the information required by §26.85(c)(1), is an identical copy of the information submitted to ________________________________ (home state agency).

I further affirm all information and statements I have provided are true and correct. I understand all documents may be subject to review at any time by representatives of the TUCP. If such a request is made, I understand these documents must be provided within 10 business days.

Printed Name of Eligible Applicant ____________________________ Signature of Eligible Applicant ____________________________

Subscribed and sworn to before me, the undersigned notary public, on this date:

__________________________________________

Notary Public’s Signature/ Seal

The Texas Unified Certification Program (TUCP) consists of six (6) certifying agencies and adheres to the Department of Transportation DBE standards set forth in 49 CFR Part 26 and Part 23. The following entities are members of the Texas Unified Certification Program (TUCP): City of Austin, City of Houston, Corpus Christi Regional Transportation Agency; North Central Texas Regional Certification Agency; South Central Texas Regional Certification Agency; and the Texas Department of Transportation, Office of Civil Rights. DBE certification is valid at any Texas entity that receives U.S. Department of Transportation (DOT) funds and has a DBE Program.
## TUCP CERTIFYING PARTNERS

<table>
<thead>
<tr>
<th>Organization</th>
<th>Date</th>
<th>Name</th>
<th>Title</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Austin</td>
<td></td>
<td></td>
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<tr>
<td>City of Houston</td>
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<tr>
<td>Corpus Christi Regional Transportation Authority</td>
<td></td>
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<tr>
<td>North Central Texas Regional Certification Agency</td>
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<tr>
<td>South Central Texas Regional Certification Agency</td>
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<tr>
<td>Texas Department of Transportation</td>
<td></td>
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</table>
Subject: Authorize Entering into an Agreement with ACA Digital for Website Maintenance, Website Hosting, Mobile Website Development, Design Services and Marketing Support

Background
In line with the current board initiatives set forth in the board retreat, these services will assist with:

- Increasing a positive public image,
- Educating stakeholders through the creation of an RTA narrative,
- Increasing our social media blasts through campaign creation,
- Assisting in the creation of a strategic plan,
- Redesigning the youth program,
- Increasing public awareness of RTA initiatives,
- Accessibility through our website for our riders.

Identified Need
This agreement would aid in helping with the board initiatives by:

- Assisting with the redesign of the current website and the mobile website redesign
- Supporting RTA staff with projects by providing expertise in marketing campaign design, implementation and execution
- Offering suggestions on campaign improvements and providing reports on our measurable items
- Improving information dissemination and customer outreach
- Expediting unforeseen work assignments that require a quick response
- Providing flexibility in projects by providing varying aspects of design, technology, and experience

There is a significant advantage in using a multidisciplinary agency. The agency brings with it a team of professionals, expertise, continuity in campaigns, and one single point of contact. This type of agreement would save staff time to allow staff to go out in the community and speak on behalf of the agency to increase positive public perception. This type of agreement also saves the RTA staff time that would otherwise have to be spent looking for numerous companies to provide the various disciplines required on certain projects.
Analysis

A Request for Qualifications was issued on April 11th, followed by a proposal meeting on April 19th and qualifications statements were received, May 11th. A total of two proposals were received and evaluated. Each was evaluated and rated using a structured format. Written criteria for selection—in order of importance—were assigned as follows:

- Corporate Experience (25 pts)
- Key Personnel Qualifications (25 pts)
- Approach/Work Approach (25 pts)
- Price (25 pts)

The results of the evaluation are listed below:

Ratings for Marketing Services

<table>
<thead>
<tr>
<th>Firm</th>
<th>Approach/Work Plan (25 Points Max.)</th>
<th>Subtotal - Maximum Points 75</th>
<th>Price (25 Points Max.)</th>
<th>Totals - Maximum Points 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACA Digital</td>
<td>23.40</td>
<td>71.00</td>
<td>21</td>
<td>91.59</td>
</tr>
<tr>
<td>Persona Communications</td>
<td>20.40</td>
<td>63.00</td>
<td>25</td>
<td>88.00</td>
</tr>
</tbody>
</table>

Both of these multidisciplinary firms have much to offer in varying degrees and have been involved in many important projects. After assessing each of these advertising firms’ proposals, staff feels that ACA Digital’s proposal represented the best overall value for the agency. Further, said firm has an outstanding reputation as an agency and has a strong performance record at the RTA. They worked diligently on redesigning the financial transparency portion of our newest website and they provided the creative direction and script oversight for our 2015 Year in Review Video which is the recipient of the Gold Muse Creative Award and the Telly Award, just to name a few of their accomplishments for the year. The following represents some salient characteristics and background that highlight their strengths:

ACA Digital is a full service digital and marketing company serving clients all over the world with offices in San Antonio, Orlando, and Washington D.C. ACA Digital has been providing marketing services since 2010. The company begin with humble beginnings, founded by Buck Buchanan, an ex-marine who became frustrated with search engine optimization and set to change it. In 2014, the ACA Digital firm expanded by adding creative services and employing one of the best creative directors in the market, JC Cody.

ACA’s staff of professionals have worked with municipal, industrial, and commercial clients on a variety of multi-disciplined projects throughout the world. The firm has worked with various clients which include, the Austin Housing Authority, Bacardi, Rudy’s, VIA in San Antonio, Leapfrog, Texas Team and Trail, the Texas Spinecare Center, Male Medical, Citi Bank, Toepperwein Physical Therapy and Spine Rehab, Military Warriors, Hatch Chili, and Beacon of Hope, just to name a few.
Each of the rated agencies included material that demonstrated competence and capabilities in the area of experience and qualifications. However, the ACA team was rated superior by virtue of relevant work experience, campaign creation and track record.

There is a significant advantage of using a multidisciplinary firm represented by ACA Digital. The firm has such a diversified experienced staff that the RTA has to only contact one company for any marketing service required, whether it is design, creative, search engine optimization, analytics, media tracking, counsel on campaign strategy, or various marketing services. This type of agreement saves the RTA staff time that otherwise would have to be spent looking for numerous companies to provide for the various disciplines required on projects. This process also lessens the cost for a service due to the fact the service is in house and the upcharge for subbing out the work is minimized.

Financial Impact
The annual cost estimate is $255,312.50. The total cost estimate for the fixed first two years would be $510,625.00. The services will be requested on a weekly basis and associated fees will only be incurred on a monthly basis.

The estimated fees for an advertising service are based on a number of weekly work ours. The leftover hours will roll over to cover 80 hours of monthly work in the way that the agency sees fit.

Committee Review
The Administration Committee met on June 22, 2016, although no action was taken due to lack of a quorum.

Recommendation
Staff recommends the Board of Directors to authorize the Chief Executive Officer or his designee to execute a two year contract for Website Maintenance, Website Hosting, Mobile Website Development, Design Services and Marketing Support with ACA Digital for an amount of 510,625.00.

Respectfully Submitted,

Submitted by: [Signature]
Kelly Coughlin
Interim Director of Marketing

Approval: [Signature]
Jorge Cruz-Aedo
Chief Executive Officer
Subject: Approve Disadvantaged Business Enterprise (DBE) Goal of Sixteen (16) Percent for Federal Fiscal Years 2017 through 2019

Background
On March 5, 2010, the Department of Transportation (DOT) Disadvantaged Business Enterprise (DBE) Program rules were amended to change how often recipients are required to make goal submissions documenting the methodology and process used to establish the annual overall goal to be implemented each fiscal year. Under the new rules, primary or direct recipients of financial assistance from the Federal Transit Administration (FTA) that are required to implement a DBE program will submit for review and approval their DBE overall goals every three years.

The annual overall DBE goal based on approved submissions will be in place for three years. This means that each year during the three-year period the overall goal will remain the same until the next review cycle and each fiscal year the recipient must make a good faith effort to meet the goal. The substantive goal setting requirements are not changed.

Identified Need
The Corpus Christi Regional Transportation Authority’s DBE Goal needs to be updated for fiscal years 2017 through 2019.

Attached is the updated Goal Setting Methodology for the CCRTA. The overall 2017 to 2019 DBE Goal is 16%. Of this overall goal, the CCRTA expects to meet 3% through race-neutral measures and 13% through race conscious measures. Following approval, the CCRTA will publish a notice of the overall goal informing the public that the overall goal and its rationale are available for inspection during normal business hours at the CCRTA Administration/Operations Facility for 45 days. The CCRTA will accept comments on the goal for 45 days from the date of the notice.

Committee Review
The Administration Committee met on June 22, 2016, although no action was taken due to lack of a quorum.

Recommendation
Staff recommends the Board of Directors authorize the Chief Executive Officer or his designee to approve a Disadvantaged Business Enterprise (DBE) goal of 16 percent for federal fiscal years 2017 through 2019.
Respectfully Submitted,

Submitted by: [Signature]
William Laridis
Management and Budget Administrator

Approval: [Signature]
Jorge Cruz-Aedo
Chief Executive Officer
Proposed Overall Goal Calculation for Fiscal Federal Years 2017 through 2019

As required by 49 Code of Federal Regulations (CFR) Parts 26, the Authority proposes a three-year overall goal of 16% for federal fiscal years 2017 through 2019 on federally-assisted contracts. The CCRTA estimates that, in meeting its overall goal of 16%, it will obtain 3% from race-neutral participation and 13% through race-conscious measures.

The overall goal is developed by a two-step method set forth within the federal legislation defined in §26.45.

The base figure was determined by forecasting projected projects over the next three years. The Corpus Christi Regional Transportation Authority (CCRTA) will continue its ADA improvements and continue regularly scheduled fleet replacements.

Goal Setting Methodology

Step 1: Establish Base Figure
Step one is to determine relative availability of DBE’s (both primes and subs) to perform the types of contracts that the Authority intends to let. This percentage is calculated by dividing the number of DBEs who are “ready, willing, and able” to bid for the types of work CCRTA will fund this federal fiscal year, by the number of all firms (DBEs and non-DBEs) also “ready, willing, and able” to bid for CCRTA projects.

The following points were considered when calculating the Regional Transportation Authority’s goals.

- Use of most refined data available. The data used by the Authority is the United States Census Bureau Economic Census, specifically the County Business Patterns for the Corpus Christi MSA and the Texas Unified Certification Program (TUCP) DBE Information Directory. The various category of business for this analysis was based on the North American Industry Classification System (NAICS) codes provided by the U.S. Census Department for the Corpus Christi metropolitan statistical area.

- Use of additional data sources. The additional data sources used to supplement the Authority’s DBE directory are the Hispanic Chamber, Black Chamber, Corpus Christi Chamber directories, Hispanic Contractors Association directory, and the builder’s directories.

- Shift in federal assisted funding of local construction projects to the replacement of diesel fleet to CNG Fleet.
Table 1.1

<table>
<thead>
<tr>
<th>NAICS Code</th>
<th>Industry</th>
<th>Budgeted FY 2017-2019</th>
<th>% of Budget</th>
<th>Total Firms</th>
<th>DBE's</th>
<th>Base* %</th>
<th>DBE Dollars Expected</th>
<th>DBE Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>238100</td>
<td>Construction</td>
<td>$ 2,700,000.00</td>
<td>13.7%</td>
<td>569</td>
<td>257</td>
<td>45%</td>
<td>$ 1,215,000.00</td>
<td></td>
</tr>
<tr>
<td>336120</td>
<td>Bus Manufacturer</td>
<td>$ 16,749,897.00</td>
<td>84.8%</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>$ 0.00</td>
<td></td>
</tr>
<tr>
<td>541300</td>
<td>Architectural, Engineering</td>
<td>$ 300,000.00</td>
<td>1.5%</td>
<td>593</td>
<td>221</td>
<td>37%</td>
<td>$ 11,000.00</td>
<td></td>
</tr>
<tr>
<td>Total Budget Dollars</td>
<td>$ 19,749,897.00</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 1,326,000.00</td>
<td></td>
</tr>
</tbody>
</table>

The base figure calculation is based upon the number of certified DBE’s in the TUCP database divided by all firms in the Houston, Rio Grande Valley, San Antonio, and Corpus Christi Metropolitan Statistical Area (MSA) for the specified NAICS codes.

**Step Two – Adjustment to Base Figure**

Step Two of the goal setting calculation process is intended to adjust Step One’s base figure to make it as precise as possible. Several factors are considered when making the Step Two adjustments and include the following:

- Past participation (the volume of work DBE’s have performed in recent years) or other measures of demonstrated capacity as illustrated in Figure 1.2;
- Evidence from past and recent disparity studies, or availability analysis which were used in evaluating the data;
- Statistical data that show disparities in the ability of DBE’s getting financing and bonding;
- Data on employment, self-employment, education and training, union apprenticeship programs; and
- Any other data that would help to better measure the percentage of work that DBE’s would be likely to obtain in the absence of discrimination.

The median value equals to the information gathered from the evidence from past and recent disparity studies, or availability analysis.

Figure 1.2 Median and Average Value

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>DBE % Achieved</th>
<th>Total $ Awarded</th>
<th>DBE $ Awarded/Committed (Prime/Sub)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>26%</td>
<td>717,102</td>
<td>2,725,954</td>
</tr>
<tr>
<td>2014</td>
<td>55%</td>
<td>538,978</td>
<td>974,276</td>
</tr>
<tr>
<td>2015</td>
<td>21%</td>
<td>75,541</td>
<td>357,662</td>
</tr>
</tbody>
</table>
The calculation of the Median Value does not accurately reflect what future budgets for federally assisted projects will be at the RTA. Future federally assisted projects for the CCRTA emphasize the procurement of CNG buses and related equipment versus past funding of local construction projects which reduces the amount of contracting opportunities for the CCRTA. This shift to the bus manufactures DBE Goal attainment lowers the opportunity the CCRTA to attain past DBE Achievement. This reduction of construction projects to equipment/vehicle purchases indicates that the use of the Median Value is more refined and reflective of what will actually occur as the CCRTA moves to acquire CNG buses with federally assisted funding for 2017 to 2019.

**Median Value**

26%

The CCRTA recognizes that the three-year Median reflects a number which is slightly lower than the average for the same period. Additionally, we recognize that the base number of 6.71% reflects a lower than anticipated DBE Goal compliance target for the CCRTA to attain. From a mathematical calculation, the average of these two numbers (6.71% + 26% divided by 2) is 16.35%. We do not take the mathematical calculation to be conclusive evidence for goal setting however; past history and the outlook for future federal assisted procurements with the CCRTA indicate that 16% reflects a good refined calculation and projection for DBE Goal Achievement for the CCRTA.

In conclusion, the CCRTA proposes the following:

1. CCRTA overall goal for FY 2017 – 2019 should be: 16% of the Federal financial assistance expended in DOT-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles.
2. The CCRTA will attain the 16% DBE Goal by a 3% race-neutral participation and 13% race-conscious measures.

**Weighting**

The Corpus Christi Regional Transportation Authority does not do “weighting” in our goal setting process due to the fact that our region is not either overly saturated with DBE’s nor is there a shortage of available DBEs. The CCRTA has been able to meet the agency DBE goal historically without weighting.

**Determine Race-Neutral and Race-Conscious Split**

The Corpus Christi Regional Transportation Authority is located in a predominantly minority based community with a large share of minority businesses and contractors. In the development of the base, consideration is given regarding the development of DBE’s in the community through the CCRTA. All efforts will remain Race-Conscious/Race-Neutral in awarding contracts.
Summary
The Corpus Christi Regional Transportation Authority has determined that the overall Disadvantaged Business Enterprises goal for federal fiscal years 2017 through 2019 will be 98.16% percent. The goal is based upon the availability of ready, willing, and able DBE’s and minority and women-owned businesses in the San Antonio and Corpus Christi MSA’s and the availability of DBE’s in our service area, which include statewide and national purchases.

The next steps are the following: provide for public comments for 45 days; make adjustments if needed as required by law; and submit the Agency’s DBE Goal for fiscal years 2017 through 2019.
Subject: Authorize Issuing a Request for Proposals for a Comprehensive Performance Audit

Background
The Texas Transportation Code, Chapter 451, requires transit authorities to conduct a performance audit every four years. The purpose of performance audits is:

- to provide evaluative information necessary for the performance of oversight functions by state and local officers; and
- to provide information to the authority to assist in making changes for the improvement of the efficiency and effectiveness of authority operations.

In defining the scope of such audits, the Authority must include an examination of one or more of the following internal groups of activities:

- the administration and management of the authority;
- transit operations; or
- transit authority system maintenance.

All audits must also include a review of the compliance by the authority with applicable state statute, and an evaluation of the authority’s performance in several quantitative and qualitative indicators of transit system performance. These are as follows:

- subsidy per passenger, operating cost per revenue mile, and operating cost per revenue hour;
- sales and use tax receipts per passenger;
- fare recovery rate;
- number of passengers per hour;
- on-time performance;
- number of accidents per 100,000 miles; and
- number of miles between mechanical service calls.

Under this statute CCRTA will prepare a written response to the performance audit report. The response must include each proposal for action relating to recommendations included in the report, whether the proposal for action is pending, adopted, or rejected.

The CCRTA will also conduct a public hearing on the performance audit report and the authority's response under this statute and submit a copy of both documents to the
appropriate state officials. The last audit was conducted in 2008 and focused on transit operations.

**Identified Need**
Under Chapter 451, Section 451.454 of the Texas Transportation Code, the Corpus Christi Regional Transportation Authority is required to retain an outside firm every four years to conduct a performance audit of the Authority.

For this audit, the Authority will issue a Request for Proposals (RFP) for a comprehensive performance audit encompassing the administration and management of the authority; and system maintenance.

**Financial Impact**
The estimated amount to conduct the Comprehensive Performance Audit is $50,000. The actual costs will be realized upon receipt of proposals.

**Committee Review**
The Administration Committee met on June 22, 2016, although no action was taken due to lack of a quorum.

**Recommendation**
Staff recommends the Board of Directors to authorize the Chief Executive Officer or his designee to issue a Request for Proposals (RFP) for a comprehensive performance audit.

Respectfully Submitted,

Submitted by:  
William Laridis  
Management and Budget Administrator

Approval:  
Jorge Cruz-Aedo  
Chief Executive Officer
Subject: Approve the 2016 Defined Benefit Plan and Trust Actuarial Valuation Report for the Plan Year Ending December 31, 2016 and Authorize a Contribution of $579,434 to the CCRTA Defined Benefit Plan and Trust

Background
The Authority does not participate in the Federal Social Security (SS) System for providing retirement benefits to its employees. Under SS, both employees and employers each contribute 6.2% of employee compensation. Alternatively, the RTA provides two separate plans for its employees:

- Defined Benefit (DB) – 100% employer funded based on actuarial studies.
- Defined Contribution (DC) – Employee funded at 7.51% of remuneration.

The DB Plan is the focus of this document, which requires funding by the RTA at the amount determined annually by the actuarial firm contracted with by the RTA. RTA employees who are eligible to receive benefits from the DB Plan may retire at the normal retirement age of 62 without penalties or at age 55 with a 5% reduction for each year before age 62 that an employee begins drawing benefits. The benefit is a fixed annual retirement benefit that is paid on a monthly basis. The benefit formula for determining the annual normal retirement amount each employee will receive is as follows: 

\[
\text{Average final 3 years of earnings} \times 2\% \times \text{Total Years of Service}\n\]

The annual contribution has three parts: 1) normal cost which is the cost of participants benefits allocated to the current plan year; 2) the allocated portion of any prior year losses being amortized over a period of time – in the case of the CCRTA these are losses from 2008 being allocated over fifteen years; and 3) interest of 7.5% for the period between January 1st and the time any contribution for the year is made.

The RTA currently uses Pension Benefits, Inc. to provide actuarial services, which include an annual study of the DB Plan. The objectives of this study are to estimate the sufficiency of assets compared to the plan’s estimated liabilities as of the valuation date (January 1), determine the level of funding for the current year and provide certain disclosure information required by Government Accounting Standards Board (GASB) Statement Nos. 67 and 68.

Identified Need
A copy of the completed 2016 report is provided as a separate attachment. In summary, the report indicates that as of January 1, 2016 the Plan was funded at 90.1% (versus 97.7% funded in 2015) and estimated liabilities exceeded its assets by $3,320,409, compared to 2015 where estimated liabilities exceeded its assets by $732,975. This is
primarily due to the combination of investment losses incurred during 2015 and higher pay increases during 2015, with a minor increase due to the ad hoc cost-of-living increases offered to retirees whose benefits began as of January 1, 2015 or prior.

Following is a table outlining the total participants in the plan for 2016 and 2015, the funding status and contribution, and the required contribution.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Participants:</td>
<td>538</td>
<td>525</td>
</tr>
<tr>
<td>Funding Status and Contribution:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial Accrued Liability</td>
<td>$33,530,870</td>
<td>$31,895,409</td>
</tr>
<tr>
<td>Actuarial Asset Value</td>
<td>30,210,461</td>
<td>31,162,434</td>
</tr>
<tr>
<td>Unfunded Actuarial Accrued Liability</td>
<td>$3,320,409</td>
<td>$732,975</td>
</tr>
<tr>
<td>Assets as a percent of Liability</td>
<td>90.1%</td>
<td>97.7%</td>
</tr>
<tr>
<td>Required Contribution:</td>
<td></td>
<td></td>
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<tr>
<td>Normal Cost</td>
<td>$941,470</td>
<td>$876,806</td>
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<tr>
<td>Amortization of UAAL</td>
<td>527,334</td>
<td>106,890</td>
</tr>
<tr>
<td>Interest</td>
<td>34,932</td>
<td>1,479</td>
</tr>
<tr>
<td>Total Contribution</td>
<td>$1,503,736</td>
<td>$985,175</td>
</tr>
</tbody>
</table>

The total required contribution for the year is $1,503,736 ($1,468,804 recommended payment plus $34,932 in interest at 7.5%).

**Fiscal Impact**
The estimated/budgeted contribution for 2016 is $924,312, which was paid on March 12, 2016. The actual contribution amount is $1,468,804 plus accrued interest of $34,932. The difference of $579,424 will be funded through departmental savings.

**Sub-Committee Review**
This item was presented to the Audit, Finance, Health and Pension Sub-Committee on June 22, 2016 and recommended for approval by the Board.

**Recommendation**
Staff recommends the Board of Directors to approve the 2016 Defined Benefit Plan and Trust Actuarial Valuation Report for the Plan Year Ending December 31, 2016 and authorize a contribution of $579,424 to the CCRTA Defined Benefit Plan and Trust.

Respectfully Submitted,

Submitted by: Cindy O'Brien
Director of Finance

Approved by: Jorge G. Cruz-Aedo
Chief Executive Officer

37
RTA Employees’ Defined Benefit Plan & Trust


May 2016

Prepared by:
PensionBenefits, Inc.
700 E. Park Blvd.
Suite 108
Plano, TX 75074
972.424.2230
May 19, 2016

Ms. Cindy O’Brien
Finance Director
Regional Transportation Authority
5658 Bear Lane
Corpus Christi, TX 78405

Re: Actuarial Valuation of the *RTA Employees’ Defined Benefit Plan & Trust* as of January 1, 2016

Dear Cindy:

We are pleased to present our Report of the actuarial valuation of the *RTA Employees’ Defined Benefit Plan & Trust* as of January 1, 2016.

In additional to the actuarial valuation results, various accounting and employee listings are also included which should help you compare this plan year with prior years.

Based upon the actuarial valuation as of January 1, 2016, it is our opinion that the *RTA Employees’ Defined Benefits Plan & Trust* is actuarially sound and that these results reasonably reflect the funding status and requirements of the plan. The assumptions and methods used in the actuarial valuation are reasonable and appropriate.

We would like to thank you for your assistance in providing all necessary data to complete this valuation. Please do not hesitate to let us know if you have any questions or need additional information.

Sincerely,

Kien Liew, EA, FCA, MAAA
Senior Actuary

Mark A. Cavazos, ASA
Manager, Pension Services
EXECUTIVE HIGHLIGHTS

1. The target long-term sustainability goal is 9.4% of compensation as discussed in Section 2.2 of the 2011 Report on Retirement Benefits.

2. 2015 Normal Cost increased to 10.3% of payroll (v. 9.9% for 2015). Normal cost represents the annual cost of providing an additional year of pension benefits (2% of average compensation) for the active participants. This is the only cost each year if the plan does not have any unfunded liability.

3. The 2015 annual contribution increased to 16.0% of payroll (v. 11.2% for 2015). The annual contribution is the sum of the Normal Cost plus the Amortization Payment of the unfunded liability. The increase in the contribution is mainly due to the investment losses and higher than expected pay increases during 2015.

4. The key to reduce contribution volatility is to identify the volatility risks and proactively manage these risks. These were discussed in the 2011 Report on Retirement Benefits. Long term sustainability of the pension plan relies on how the risks are managed.

While short-term volatility of investment return and other actuarial gains or losses is expected, we will continue to monitor the actuarial assumptions used and recommend appropriate adjustment when necessary.
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<td>26</td>
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<td>74</td>
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</tbody>
</table>
### Section 1. EXECUTIVE SUMMARY

The key results from the actuarial valuation of the RTA Employees’ Defined Benefit Plan as of January 1, 2016, may be summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Participants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Actives</td>
<td>223</td>
<td>232</td>
</tr>
<tr>
<td>b. Deferred Vested</td>
<td>175</td>
<td>164</td>
</tr>
<tr>
<td>c. Retirees &amp; Beneficiaries</td>
<td>140</td>
<td>129</td>
</tr>
<tr>
<td>d. Total</td>
<td>538</td>
<td>525</td>
</tr>
<tr>
<td>2. Covered Payroll</td>
<td>$9,178,411</td>
<td>$8,818,232</td>
</tr>
<tr>
<td>3. Normal Cost (NC)</td>
<td>$941,470</td>
<td>$876,806</td>
</tr>
<tr>
<td>Percent of covered payroll</td>
<td>10.3%</td>
<td>9.9%</td>
</tr>
<tr>
<td>4. Present Value of Future Benefits</td>
<td>$39,756,092</td>
<td>$37,913,504</td>
</tr>
<tr>
<td>5. Actuarial Accrued Liability</td>
<td>$33,530,870</td>
<td>$31,895,409</td>
</tr>
<tr>
<td>6. Actuarial Asset Value</td>
<td>$30,210,461</td>
<td>$31,162,434</td>
</tr>
<tr>
<td>7. Unfunded Actuarial Accrued Liability (UAAL)</td>
<td>$3,320,409</td>
<td>$732,975</td>
</tr>
<tr>
<td>8. Actuarial Assets as percent of Accrued Liability</td>
<td>90.1%</td>
<td>97.7%</td>
</tr>
<tr>
<td>9. Actuarial Gains/(Losses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Due to actual experience</td>
<td>($2,520,103)</td>
<td>($1,502,296)</td>
</tr>
<tr>
<td>b. Due to assumption/method change</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>c. Due to plan amendment</td>
<td>($115,478)</td>
<td>($391,915)</td>
</tr>
<tr>
<td>d. Total</td>
<td>($2,635,581)</td>
<td>($1,894,211)</td>
</tr>
<tr>
<td>10. Annual Contribution Amount (assumed contribution on January 1):</td>
<td>$1,468,804</td>
<td>$983,696</td>
</tr>
<tr>
<td>Percent of covered payroll</td>
<td>16.0%</td>
<td>11.2%</td>
</tr>
<tr>
<td>11. Investment return assumption</td>
<td>7.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>12. Salary increase assumption</td>
<td>3.5%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>
Section 2. INTRODUCTION

This January 1, 2016 actuarial valuation of the RTA Employees’ Defined Benefit Plan has been prepared by PensionBenefits, Inc. The primary purpose of the valuation is to value the liabilities of the plan as of January 1, 2016, determine the RTA’s contribution, and to provide certain disclosure information.

Section 1 provides a summary of the valuation results. Section 3 shows the effect of the early retirement window. Section 4 shows the development of the annual contribution amount. Assets are discussed in Section 5. Section 6 contains an analysis of the actuarial gains and losses during the past year.

Government Accounting Standards Board Statement (GASB) Nos. 67 and 68 information in the report is discussed in Section 7. Section 8 summarizes our findings.

Section 9 summarizes the plan provisions and actuarial assumptions used in the valuation. Sections 10 and 11 list census data and benefits.
Section 3. EFFECT OF PLAN AMENDMENT

This year’s valuation reflects the ad hoc cost-of-living increase effective January 1, 2016 for participants who are receiving pension payments:

- Five percent (5%) for participants whose benefits began as of January 1, 2005.
- Two percent (2%) for participants whose benefits began between January 1, 2010 and January 1, 2005.

The effect of these changes on key results is summarized below:

<table>
<thead>
<tr>
<th></th>
<th>After Plan Amendment</th>
<th>Prior to Plan Amendment</th>
<th>Increase / (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered Payroll</td>
<td>$9,178,411</td>
<td>$9,178,411</td>
<td>$0</td>
</tr>
<tr>
<td>Normal Cost</td>
<td>941,470</td>
<td>941,470</td>
<td>0</td>
</tr>
<tr>
<td>Actuarial Accrued Liability</td>
<td>33,530,870</td>
<td>33,415,392</td>
<td>115,478</td>
</tr>
<tr>
<td>Actuarial Asset Value</td>
<td>30,210,461</td>
<td>30,210,461</td>
<td>0</td>
</tr>
<tr>
<td>Unfunded Actuarial Accrued Liability</td>
<td>3,320,409</td>
<td>3,204,931</td>
<td>115,478</td>
</tr>
<tr>
<td>Annual Contribution Amount</td>
<td>1,468,804</td>
<td>1,450,464</td>
<td>18,340</td>
</tr>
<tr>
<td>(assumed contribution at January 1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Covered Payroll</td>
<td>16.0%</td>
<td>15.8%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>
Section 4. ANNUAL CONTRIBUTION AMOUNT

The annual contribution amount is the normal cost plus the amortization of the unfunded actuarial liability as a level dollar amount over 15 years from January 1, 2009 (8 years remain). This is the same approach as used in the prior year.

The normal cost and actuarial accrued liability are developed based on the entry-age-normal (EAN) actuarial cost method.

Section 4.1 Development of Annual Contribution Amount
Section 4.1 DEVELOPMENT OF ANNUAL CONTRIBUTION AMOUNT

1. Normal Cost (NC) $ 941,470

2. Amortization Amount 527,334
   a. Unfunded Accrued Liability (UAAL) $ 3,320,409
   b. Number of years remaining on 15-year amortization starting 1/1/2009 8
   c. Amortization factor 6.2966
   d. Amortization amount (a / c) 527,334

3. Annual Contribution Amount at 1/1/2016: (1 + 2) $ 1,468,804*

* Contribution payable on January 1, 2016. All amounts outstanding shall accrue interest at a rate of 7.5% per annum until paid.
Section 5. PLAN ASSETS

An analysis of the change in the Plan assets since the prior valuation and an estimate of the yield on assets for the Plan are included in section 5.1.

Section 5.1 Change in Assets

Section 5.2 Description of Assets
Section 5.1: CHANGE IN ASSETS

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Plan assets as of January 1, 2015</td>
<td>$ 31,162,434</td>
</tr>
<tr>
<td>2.</td>
<td>Employer contributions</td>
<td>985,175</td>
</tr>
<tr>
<td>3.</td>
<td>Benefit payments made</td>
<td>1,493,324</td>
</tr>
<tr>
<td>4.</td>
<td>Expenses paid from trust</td>
<td>94,874</td>
</tr>
<tr>
<td>5.</td>
<td>Investment return</td>
<td>(348,950)</td>
</tr>
<tr>
<td>6.</td>
<td>Plan assets as of December 31, 2015 (1+2–3–4+5)</td>
<td>$ 30,210,461</td>
</tr>
<tr>
<td>7.</td>
<td>Dollar-weighted rate of return¹</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Average invested assets:</td>
<td>$ 31,150,987</td>
</tr>
<tr>
<td></td>
<td>b. Actual rate of return: [(5 – 4) / 7a]</td>
<td>(1.42%)</td>
</tr>
<tr>
<td>8.</td>
<td>Actuarial asset gain (loss)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Expected rate of return</td>
<td>7.50%</td>
</tr>
<tr>
<td></td>
<td>b. Expected net investment return: [7a × 8a]</td>
<td>$ 2,336,325</td>
</tr>
<tr>
<td></td>
<td>c. Actual net investment return: [5 – 4]</td>
<td>($ 443,824)</td>
</tr>
<tr>
<td></td>
<td>d. Actuarial asset gain (loss): [8c – 8b]</td>
<td>($ 2,780,149)</td>
</tr>
</tbody>
</table>

¹ This may differ from the time-weighted rate of return. Development of investment return follows Pension Review Board procedure.
## Section 5.2: DESCRIPTION OF ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cash and Cash Equivalents</td>
<td>$ 615,256</td>
</tr>
<tr>
<td>2</td>
<td>Equities</td>
<td>17,681,736</td>
</tr>
<tr>
<td>3</td>
<td>Fixed Income</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Corporate Obligations</td>
<td>10,713,443</td>
</tr>
<tr>
<td></td>
<td>b. Government Obligations</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Real Estate</td>
<td>619,582</td>
</tr>
<tr>
<td>2</td>
<td>Other Investments</td>
<td>580,350</td>
</tr>
<tr>
<td>4</td>
<td>Trust Asset Balance at 12/31/2015</td>
<td>$ 30,210,367</td>
</tr>
<tr>
<td>5</td>
<td>Accrued Income</td>
<td>94</td>
</tr>
<tr>
<td>6</td>
<td>Contribution Receivable</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Total Assets at 12/31/2015</td>
<td>$ 30,210,461</td>
</tr>
</tbody>
</table>
Section 6: ACTUARIAL GAINS AND LOSSES

An important part of the changes in unfunded actuarial accrued liability from year to year is due to the impact of actuarial gains and losses of the Plan.

Section 6.1: Unfunded Actuarial Accrued Liability

Section 6.2: Actuarial Gain or Loss as of December 31, 2015

Section 6.3: Schedule of Funding Progress

Section 6.4: Projection of Estimated Benefit Payments
Section 6.1: UNFUNDED ACTUARIAL ACCRUED LIABILITY

<table>
<thead>
<tr>
<th>Description</th>
<th>January 1, 2016</th>
<th>January 1, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actuarial Accrued Liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Active participants</td>
<td>$ 12,890,714</td>
<td>$ 13,530,275</td>
</tr>
<tr>
<td>2. Deferred vested participants</td>
<td>4,960,537</td>
<td>4,834,996</td>
</tr>
<tr>
<td>3. Retirees &amp; Beneficiaries</td>
<td>15,679,619</td>
<td>13,530,138</td>
</tr>
<tr>
<td>4. Total</td>
<td>$ 33,530,870</td>
<td>$ 31,895,409</td>
</tr>
<tr>
<td><strong>Actuarial Asset Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. AAV</td>
<td>$ 30,210,461</td>
<td>$ 31,162,434</td>
</tr>
<tr>
<td><strong>Unfunded Actuarial Accrued Liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. UAAL (4 – 5)</td>
<td>$ 3,320,409</td>
<td>$ 732,975</td>
</tr>
</tbody>
</table>
Section 6.2: ACTUARIAL GAIN / (LOSS) AS OF DECEMBER 31, 2015

Calculation of Total Actuarial Gain / (Loss)
1. Unfunded actuarial accrued liability (UAAL) as of 1/1/2015 $ 732,975
2. Normal cost as of January 1, 2015 876,806
3. Actual contributions for 2015 (985,175)
4. Interest at rate of 7.5% for year ending 12/31/2015
   a. On UAAL 54,973
   b. On normal cost 65,760
   c. On contributions (60,511)
   d. Total 60,222
5. Increase due to plan amendment 115,478
6. Expected UAAL (1 + 2 + 3 + 4d + 5) 800,306
7. Actual UAAL 3,320,409
7. Actuarial gain/(loss) for the year (5 – 6) ($ 2,520,103)

Source of Gains / (Losses)
8. Due to experience during the year
   a. Asset experience (2,780,149)
   b. Liability experience 260,046
9. Due to actuarial assumption change N/A
10. Due to plan amendment (115,478)
11. Adjustment due to overfunding
12. Total gain/(loss) for the year ($ 2,635,581)
    (8a + 8b + 9 + 10 + 11)
## Section 6.3: SCHEDULE OF FUNDING PROGRESS

<table>
<thead>
<tr>
<th>Plan Year Beginning January 1</th>
<th>Net Assets Available for Benefits</th>
<th>Actuarial Accrued Liability (AAL)</th>
<th>Unfunded Actuarial Accrued Liability (UAAL)</th>
<th>Percent Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$10,886,734</td>
<td>$13,579,715</td>
<td>$2,692,981</td>
<td>80.2%</td>
</tr>
<tr>
<td>2001</td>
<td>10,665,029</td>
<td>12,095,483</td>
<td>1,430,454</td>
<td>88.2%</td>
</tr>
<tr>
<td>2002</td>
<td>10,176,468</td>
<td>10,448,503</td>
<td>272,035</td>
<td>97.4%</td>
</tr>
<tr>
<td>2003</td>
<td>9,495,065</td>
<td>11,978,973</td>
<td>2,483,908</td>
<td>79.3%</td>
</tr>
<tr>
<td>2004</td>
<td>11,453,426</td>
<td>12,488,748</td>
<td>1,035,322</td>
<td>91.7%</td>
</tr>
<tr>
<td>2005</td>
<td>12,996,121</td>
<td>14,027,843</td>
<td>1,031,722</td>
<td>92.6%</td>
</tr>
<tr>
<td>2006</td>
<td>15,047,251</td>
<td>15,076,504</td>
<td>29,253</td>
<td>99.8%</td>
</tr>
<tr>
<td>2007</td>
<td>17,064,846</td>
<td>16,686,030</td>
<td>0</td>
<td>102.3%</td>
</tr>
<tr>
<td>2008</td>
<td>18,514,359</td>
<td>18,587,028</td>
<td>72,669</td>
<td>99.6%</td>
</tr>
<tr>
<td>2009</td>
<td>13,297,998</td>
<td>20,416,886</td>
<td>7,118,888</td>
<td>65.1%</td>
</tr>
<tr>
<td>2010</td>
<td>17,913,932</td>
<td>22,390,777</td>
<td>4,476,845</td>
<td>80.0%</td>
</tr>
<tr>
<td>2011</td>
<td>21,547,889</td>
<td>23,682,639</td>
<td>2,134,740</td>
<td>91.0%</td>
</tr>
<tr>
<td>2012</td>
<td>21,791,159</td>
<td>25,576,425</td>
<td>3,785,266</td>
<td>85.2%</td>
</tr>
<tr>
<td>2013</td>
<td>25,566,845</td>
<td>27,944,142</td>
<td>2,377,297</td>
<td>91.5%</td>
</tr>
<tr>
<td>2014</td>
<td>29,617,120</td>
<td>29,016,953</td>
<td>0</td>
<td>102.1%</td>
</tr>
<tr>
<td>2015</td>
<td>31,162,434</td>
<td>31,895,409</td>
<td>732,975</td>
<td>97.7%</td>
</tr>
<tr>
<td>2016</td>
<td>30,210,461</td>
<td>33,530,870</td>
<td>3,320,409</td>
<td>90.1%</td>
</tr>
</tbody>
</table>
### Section 6.3: PROJECTION OF ESTIMATED BENEFIT PAYMENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Benefit Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,773,000</td>
</tr>
<tr>
<td>2017</td>
<td>1,888,000</td>
</tr>
<tr>
<td>2018</td>
<td>1,963,000</td>
</tr>
<tr>
<td>2019</td>
<td>2,081,000</td>
</tr>
<tr>
<td>2020</td>
<td>2,169,000</td>
</tr>
<tr>
<td>2021</td>
<td>2,355,000</td>
</tr>
<tr>
<td>2022</td>
<td>2,462,000</td>
</tr>
<tr>
<td>2023</td>
<td>2,648,000</td>
</tr>
<tr>
<td>2024</td>
<td>2,845,000</td>
</tr>
<tr>
<td>2025</td>
<td>2,989,000</td>
</tr>
<tr>
<td>2026</td>
<td>3,254,000</td>
</tr>
<tr>
<td>2027</td>
<td>3,328,000</td>
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<tr>
<td>2028</td>
<td>3,412,000</td>
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<tr>
<td>2029</td>
<td>3,553,000</td>
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<tr>
<td>2030</td>
<td>3,609,000</td>
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<tr>
<td>2031</td>
<td>3,644,000</td>
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<tr>
<td>2032</td>
<td>3,656,000</td>
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<tr>
<td>2033</td>
<td>3,653,000</td>
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<tr>
<td>2034</td>
<td>3,779,000</td>
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<td>2035</td>
<td>3,807,000</td>
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<td>2036</td>
<td>4,102,000</td>
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<td>2037</td>
<td>4,214,000</td>
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<td>2038</td>
<td>4,159,000</td>
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<td>2039</td>
<td>4,158,000</td>
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<td>2040</td>
<td>4,166,000</td>
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<tr>
<td>2041</td>
<td>4,201,000</td>
</tr>
<tr>
<td>2042</td>
<td>4,300,000</td>
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<tr>
<td>2043</td>
<td>4,273,000</td>
</tr>
<tr>
<td>2044</td>
<td>4,215,000</td>
</tr>
<tr>
<td>2045</td>
<td>4,226,000</td>
</tr>
</tbody>
</table>
Section 7: GASB Nos. 67 AND 68 DISCLOSURE

The Governmental Accounting Standards Board (GASB) has issued statement No. 67 which provides the manner in which the actuarial condition of a public sector retirement plan is to be disclosed. GASB Statement No. 68 governs retirement plan reporting for public sector employers.

Assets used for GASB No. 67 disclosure are based on the actuarial value which is also equal to market value for the RTA Employees’ Defined Benefit Trust. Plan liabilities are based on entry age normal cost funding method as required by GASB No. 67.

Section 7.1 Schedule changes in the net pension liability and related ratios
Section 7.2 Schedule of contributions
Section 7.3 Calculation of discount rate
Section 7.4 Sensitivity of net pension liability to changes in discount rate
Section 7.5 Changes in net pension liability
Section 7.6 Deferred outflows of resources and deferred inflows of resources
Section 7.7 Notes to required supplementary information
Section 7.1: SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
(as required by GASB No. 67)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total pension liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$876,806</td>
<td>$695,517</td>
</tr>
<tr>
<td>Interest</td>
<td>2,396,547</td>
<td>2,254,995</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>115,478</td>
<td>391,915</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(260,046)</td>
<td>784,295</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(1,493,324)</td>
<td>(1,248,266)</td>
</tr>
<tr>
<td><strong>Net change in total pension liability</strong></td>
<td>$1,635,461</td>
<td>$2,878,456</td>
</tr>
<tr>
<td><strong>Total pension liability – beginning</strong></td>
<td>31,895,409</td>
<td>29,016,953</td>
</tr>
<tr>
<td><strong>Total pension liability – ending (a)</strong></td>
<td>$33,530,870</td>
<td>$31,895,409</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan fiduciary net position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions – employer</td>
<td>$985,175</td>
<td>$1,178,498</td>
</tr>
<tr>
<td>Contributions – employee</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net investment income</td>
<td>(348,950)</td>
<td>1,706,547</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(1,493,324)</td>
<td>(1,248,266)</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>(94,874)</td>
<td>(91,465)</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net change in plan fiduciary net position</strong></td>
<td>($951,973)</td>
<td>$1,545,314</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position – beginning</strong></td>
<td>31,162,434</td>
<td>29,617,120</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position – ending (b)</strong></td>
<td>$30,210,461</td>
<td>$31,162,434</td>
</tr>
<tr>
<td><strong>Net pension liability – ending (a) – (b)</strong></td>
<td>$3,320,409</td>
<td>$732,975</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan fiduciary net position as a percentage of the total pension liability</strong></td>
<td>90.10%</td>
<td>97.70%</td>
</tr>
<tr>
<td><strong>Covered-employee payroll</strong></td>
<td>$8,818,232</td>
<td>$7,274,172</td>
</tr>
<tr>
<td><strong>Net pension liability as a percentage of covered-employee payroll</strong></td>
<td>37.65%</td>
<td>10.08%</td>
</tr>
</tbody>
</table>
### Section 7.2: SCHEDULE OF CONTRIBUTIONS  
(as required by GASB No. 67)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$983,696</td>
<td>$695,517</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>985,175</td>
<td>$1,178,498</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>($1,479)</td>
<td>($482,981)</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$8,818,232</td>
<td>$7,274,172</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>11.17%</td>
<td>16.20%</td>
</tr>
</tbody>
</table>
Section 7.3: CALCULATION OF THE DISCOUNT RATE  
(as required by GASB No. 67)

Pursuant to Paragraph 43, an alternate analysis is performed to compare the plan’s net fiduciary position to projected benefit payments.

1. The Normal Cost represents the annual cost of benefit payments arising from future service increases for active employees.

2. The Unfunded Actuarial Accrued Liability represents the accumulated deficiency of the total cost of benefit payments which have already been earned over the current assets held by the plan’s trust.

3. RTA’s contribution policy is to make an annual payment equal to the Normal Cost plus the amortization payment of the Unfunded Actuarial Accrued Liability. The amortization payment is calculated as a level dollar amount over a period of 15 years from January 1, 2009.

4. A review of actual contributions over the past five years shows that RTA has made sufficient contributions to meet its funding policy.

On the basis of the above, the projected cash flows will be sufficient to provide the benefit payments to the plan participants. Thus, the Discount Rate is equal to the long-term expected rate of return of 7.5%.
Section 7.4: SENSITIVITY OF NET PENSION LIABILITY TO CHANGES IN DISCOUNT RATE
(as required by GASB No. 67)

The following presents the net pension liability, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

<table>
<thead>
<tr>
<th>1% Decrease (6.5%)</th>
<th>Current Discount Rate (7.5%)</th>
<th>1% Increase (8.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension liability</td>
<td>$7,338,602</td>
<td>$3,320,409</td>
</tr>
</tbody>
</table>
### Section 7.5: CHANGES IN NET PENSION LIABILITY
(as required by GASB No. 68)

<table>
<thead>
<tr>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) – (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at 12/31/2014</td>
<td>$31,895,409</td>
<td>$31,162,434</td>
</tr>
</tbody>
</table>

#### Changes for the year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) – (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$876,806</td>
<td>$876,806</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>2,396,547</td>
<td>2,396,547</td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(260,046)</td>
<td>(260,046)</td>
<td></td>
</tr>
<tr>
<td>Changes in benefit terms</td>
<td>115,478</td>
<td>115,478</td>
<td></td>
</tr>
<tr>
<td>Contributions – employer</td>
<td></td>
<td>985,175</td>
<td>(985,175)</td>
</tr>
<tr>
<td>Contributions – employee</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net investment income</td>
<td>(348,950)</td>
<td></td>
<td>348,950</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(1,493,324)</td>
<td>(1,493,324)</td>
<td></td>
</tr>
<tr>
<td>Administrative expense</td>
<td>(94,874)</td>
<td></td>
<td>94,874</td>
</tr>
<tr>
<td>Other changes</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net changes</strong></td>
<td><strong>1,635,461</strong></td>
<td><strong>(951,973)</strong></td>
<td><strong>2,587,434</strong></td>
</tr>
</tbody>
</table>

| Balances as of 12/31/2015                | $33,530,870                 | $30,210,461                    | $3,320,409                    |
Section 7.6: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES (as required by GASB No. 68)

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between expected and actual experience</td>
<td>$-</td>
<td>$260,046</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changes in benefit terms</td>
<td>115,478</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>2,780,149</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,895,627</strong></td>
<td><strong>$260,044</strong></td>
</tr>
</tbody>
</table>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended 12/31

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$459,871</td>
<td>41,299</td>
</tr>
<tr>
<td>2017</td>
<td>459,871</td>
<td>41,299</td>
</tr>
<tr>
<td>2018</td>
<td>459,871</td>
<td>41,299</td>
</tr>
<tr>
<td>2019</td>
<td>459,871</td>
<td>41,299</td>
</tr>
<tr>
<td>2020</td>
<td>459,871</td>
<td>41,299</td>
</tr>
<tr>
<td>Thereafter</td>
<td>596,272</td>
<td>53,549</td>
</tr>
</tbody>
</table>
Section 7.7: NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

<table>
<thead>
<tr>
<th>Valuation date</th>
<th>January 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level dollar amount over 15 years from January 1, 2009</td>
</tr>
<tr>
<td>Asset valuation method</td>
<td>Market value</td>
</tr>
</tbody>
</table>

Actuarial assumptions:
- Investment rate of return: 7.5%
- Projected salary increases: 3.5%
Section 8. SUMMARY AND CLOSING COMMENTS

It is our opinion that the results of this valuation provide a reasonable reflection of the funding status of the Plan and that the RTA Employees’ Defined Benefit Plan & Trust is actuarially sound provided RTA contribute the annual contribution amount to the trust.
Section 9. PLAN SPECIFICATIONS

Type of Entity: Local Government

**Plan Provisions**

Effective Date: July 21, 1986

Employee: Any person, excluding independent contractors, receiving remuneration for personal services rendered to the Employer.

Employer: Corpus Christi Regional Transportation Authority

Plan Year: January 1 to December 31.

Participation: Commencement of full-time employment or reemployment.

Employee Contributions: None required or permitted.

Compensation: W-2 wages paid during a calendar year and any employee salary reduction under Code §125, §457 or §414(h).

Average Compensation: Three year average of Compensation.

Accrued Benefit: 2% of average monthly compensation multiplied by total years of service. Service prior to 7/21/1986 is excluded.

Normal Form: Joint and 50% survivor annuity for married participants. Single life annuity for single participants.

Actuarial Equivalence:

- Interest: 7.0%
- Mortality: 1984 Unisex Mortality Table

Lump Sum Payments:

- Interest: 7.0%
- Mortality: 1984 Unisex Mortality Table

Normal Retirement:

- Eligibility: First of month after attaining age 62.
- Benefit: Accrued Benefit.
Early Retirement:

Eligibility: First of the month after attaining age 55 and completion of 10 years of service.

Benefit: Accrued Benefit reduced 5% per each year commencement precedes Normal Retirement Date.

Special Early Retirement:


Benefit: Accrued Benefit payable beginning February 1, 2015.

Special Early Retirement:


Death Benefits:

Eligibility: Death after completion of three years of service.

Benefit: Qualified Pre-retirement Survivors Annuity.

Termination benefit:

Vesting percent: According to the following schedule:

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Vested percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 3</td>
<td>0%</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
</tr>
<tr>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td>5</td>
<td>60%</td>
</tr>
<tr>
<td>6</td>
<td>80%</td>
</tr>
<tr>
<td>7+</td>
<td>100%</td>
</tr>
</tbody>
</table>

Benefit: Accrued benefit multiplied by the Vested Percent.

Cost-of-living adjustment:

Eligibility: Participants receiving monthly retirement benefits at January 1, 2016

Benefit: Five percent (5%) for those whose benefits began as of January 1, 2005, and Two percent (2%) for those whose benefits began
between January 1, 2010 and January 1, 2005.

**Actuarial Funding Method**

Valuation Date: First day of the Plan Year.

Actuarial Cost Method: The Individual Entry Age Normal Method based on a level percent of compensation.

Actuarial Value of Assets: Market value.

**Actuarial Assumptions**

Morality: RP 2000 Mortality Table

Expected Retirement Age: All participants were assumed to retire at age 62.

Withdrawal Rate: Turnover Table 5.

Disability Rate: None assumed.

Investment Rate of Return: 7.5% annually.

Salary Increase Rate: 3.5% per year.
Section 10. DEMOGRAPHIC DATA

Section 10.1 provides a demographic summary of the census data. Section 10.2 provides a reconciliation of the demographic information from the prior year to the current year. Section 10.3 provides the detailed census data used in the valuation.

Section 10.1 Summary of Census data

Section 10.2 Data reconciliation

Section 10.3 Census data
Section 10.1: SUMMARY OF CENSUS DATA

1. Summary of Inactive Participants

   January 1, 2016

<table>
<thead>
<tr>
<th>Number</th>
<th>Average</th>
<th>Age</th>
<th>Annual Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving Benefits</td>
<td>140</td>
<td>64.4</td>
<td>$10,871</td>
</tr>
<tr>
<td>Deferred Benefits</td>
<td>175</td>
<td>51.0</td>
<td>$4,854</td>
</tr>
<tr>
<td>Total</td>
<td>315</td>
<td>58.3</td>
<td>$7,528</td>
</tr>
</tbody>
</table>

   January 1, 2015

<table>
<thead>
<tr>
<th>Number</th>
<th>Average</th>
<th>Age</th>
<th>Annual Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving Benefits</td>
<td>129</td>
<td>67.3</td>
<td>$9,878</td>
</tr>
<tr>
<td>Deferred Benefits</td>
<td>164</td>
<td>50.3</td>
<td>$5,040</td>
</tr>
<tr>
<td>Total</td>
<td>293</td>
<td>57.8</td>
<td>$7,170</td>
</tr>
</tbody>
</table>

2. Summary of Active Participants

   January 1, 2016

<table>
<thead>
<tr>
<th>Number</th>
<th>Average</th>
<th>Age</th>
<th>Service</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing</td>
<td>183</td>
<td>48.3</td>
<td>8.6</td>
<td>$45,575</td>
</tr>
<tr>
<td>New</td>
<td>40</td>
<td>43.0</td>
<td>1.3</td>
<td>$20,957</td>
</tr>
<tr>
<td>Total</td>
<td>223</td>
<td>47.3</td>
<td>7.3</td>
<td>$41,159</td>
</tr>
</tbody>
</table>

   January 1, 2015

<table>
<thead>
<tr>
<th>Number</th>
<th>Average</th>
<th>Age</th>
<th>Service</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing</td>
<td>168</td>
<td>49.0</td>
<td>9.7</td>
<td>$46,355</td>
</tr>
<tr>
<td>New</td>
<td>64</td>
<td>43.3</td>
<td>0.7</td>
<td>$16,103</td>
</tr>
<tr>
<td>Total</td>
<td>232</td>
<td>47.5</td>
<td>7.2</td>
<td>$38,010</td>
</tr>
</tbody>
</table>
Section 10.2: DATA RECONCILIATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Active Participants</th>
<th>Inactive Participants</th>
<th>Count as of 1/1/2015</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Deferred Benefits</td>
<td>Receiving Benefits</td>
<td></td>
</tr>
<tr>
<td>Retirements</td>
<td>(8)</td>
<td>(6)</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>Disability Retirements</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Deaths</td>
<td>0</td>
<td>0</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td>Nonvested Terminations</td>
<td>(26)</td>
<td>0</td>
<td>0</td>
<td>(26)</td>
</tr>
<tr>
<td>Vested Terminations</td>
<td>(15)</td>
<td>15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rehires</td>
<td>3</td>
<td>(1)</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Cashouts</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Survivors</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Expiration of Benefits</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New Entrants</td>
<td>37</td>
<td>3*</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Data Adjustments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Count as of 1/1/2016</td>
<td>223</td>
<td>175</td>
<td>140</td>
<td>538</td>
</tr>
</tbody>
</table>

* There were three participants who were hired in 2015 and later terminated in 2015 with vested benefits.
Board of Directors' Memo                              July 6, 2016

Subject: Adopt the Updated Drug & Alcohol Policy

Background
The RTA’s current Drug and Alcohol Abuse Policy was last revised and approved by the Board of Directors on March 6, 2013.

Identified Need
The Omnibus Transportation Employee Testing Act of 1991 requires Federal Transit Administration (FTA) to issue regulations requiring recipients of Federal Transit funds under 49 U.S.C. 5307, 5309, and 5311 and 23 U.S.C. 103(e) (4) to test safety-sensitive employees for the use of alcohol or drugs in violation of law or federal regulation. The RTA receives funds under 5307 and 5309.

The RTA recently received findings as a result of the FTA’s Triennial Audit from June 2016 to the RTA’s Drug and Alcohol Program. Noted in this finding was a change that needed to be made to the Drug and Alcohol Abuse Program related to outdated cutoff thresholds for testing in regards to the substance/drug. The policy in place at the time of the audit reflected the previous testing thresholds. However, Rule 49 CFR Part 40 Section 40.87 was recently updated in April 2016. Another modification that was made was the adding of verbiage to the policy, Section 10 Drug Free Alcohol Free Premises, which outlines that all of our premises are alcohol-free and drug-free workplaces. However, this provision does not apply to alcoholic beverages provided by sponsors for use at sponsored activities approved by the RTA. This would normally take place when the CCRTA facilities are being rented out for special events.

Please note that our standards and practices were not found to be deficient by the FTA, therefore staff has not changed anything in this policy with regards to our testing procedures.

Fiscal Impact
This item has no budgetary cost impact.

Committee Review
This item was not presented to the Administration Committee on June 22, 2016.

Recommendation
Staff requests that the Board of Directors approve the updated drug and alcohol policy.

Respectfully Submitted,
Respectfully Submitted,

Submitted by: [Signature]
Angelina Gaitan
Director of Human Resources

Approved by: [Signature]
Jorge G. Cruz-Aedo
Chief Executive Officer
1. Policy Statement

The Regional Transportation Authority (RTA) Board of Directors and management are committed to providing safe and efficient transportation service to the public. The RTA is firmly committed to providing employees a drug-free work environment that will help ensure a healthy, satisfying work environment and provide personal opportunities for growth and advancement. It is the RTA's goal to:

1) Assure that employees are not impaired in their ability to perform assigned duties in a safe, productive and healthy manner;
2) Create a workplace environment free from the adverse effect of drug abuse and alcohol misuse;
3) Prohibit the unlawful manufacture, distribution, dispensing, possession, transfer or use of controlled substances; and
4) Encourage employees to seek professional assistance any time personal problems, including alcohol or drug dependency, alter their ability to perform their assigned duties.

The RTA will impose disciplinary action, including termination of employment, upon notification of confirmed positive drug and/or alcohol test results. **COMPLIANCE WITH THIS POLICY IS MANDATORY.**

2. Applicability

This policy applies to all RTA full-time and part-time employees, including both safety-sensitive employees and non-safety-sensitive employees. It also covers contracted employees and independent contractors when they are on RTA property or they are performing RTA-related business. The policy also applies to off-site lunch periods or breaks when an employee is scheduled to return to work.

This policy also covers all private or public operators providing mass transportation operations for the RTA. All contracted operators must verify annually to the RTA their compliance with FTA drug/alcohol guidelines. The Chief Executive Officer, or designee, is responsible for the certification of compliance to FTA that a contracted public or private operator or other service provider in accomplishing mass transportation operations, is complying with the regulations.
Contractors found to be in violation of this policy may not be allowed to conduct business.

Compliance with this policy, including consent to searches and medical screens and signing of authorization forms permitting the Medical Review Officer (MRO) to release information to the designated RTA administrative official is a condition of employment under RTA authority.

**Safety Sensitive Functions:** Employees who perform in safety-sensitive functions as that term is defined in FTA regulation (49CFR-Part 655) are subject to random drugs and alcohol testing. Random drug testing can occur anytime while on duty, whereas, random alcohol testing can occur just before, during or just after the performance of safety-sensitive functions and other special requirements as set forth in this policy. Generally a safety-sensitive function occurs when an employee is performing, ready to perform or immediately available to perform duties related to the safe operation of mass transit services. The following are safety-sensitive functions:

- Operation of a revenue service vehicle, whether or not such vehicle is in revenue service;
- Controlling dispatch or movement of a revenue service vehicle;
- Maintaining revenue service vehicles or equipment used in revenue service;
- Operating a non-revenue service vehicle when required to be operated by a holder of a CDL License;
- Provides security for the agency and carries a firearm.

RTA safety-sensitive positions include bus operators, dispatchers, transportation supervisors, mechanics, servicepersons, garage service persons, garage service supervisors, maintenance supervisors, mechanic supervisors, manager of safety and security, training instructor, manager of transportation and contracted security personnel that carry firearms.

*The FTA has authorized transit systems to exceed the requirements specifically set forth in the 49 CFR Part 655 as amended as long as such requirements are above those of FTA. Parts of these policies and procedures are being implemented under the authority of the RTA.*

**3. Purpose**

The purpose of this policy is to assure employee fitness for duty and to protect RTA employees, customers, and the public from the risk posed by worker use of drugs or alcohol. This Policy is intended to comply with all applicable Federal regulations governing workplace anti-drug programs in the transit industry. The Federal Transit Administration has published 49 CFR Part 655, as amended, that mandates urine drug and breath alcohol testing for safety-sensitive positions and prohibits performance of safety-sensitive functions when there is a positive test result. The U. S. Department of Transportation (DOT) also has published 49 CFR Part 40, as amended, that sets standards for the collection and testing of urine and breath specimens. In addition the Federal Government has published 49 CFR Part 29, implementing "The Drug-Free Workplace Act of 1988," which requires the establishment of drug-free workplace policies and the reporting of certain drug related offenses to the FTA. This policy incorporates those requirements for safety-sensitive employees and, under the RTA's own authority, for non-safety-
sensitive employees.

4. Prohibited Substances

Prohibited substances addressed by this policy include the following:

4.1 Illegally-Used Controlled Substances or Drugs

Any illegal drug or any substance identified in Schedules 1 through V of Section 202 of the controlled substance act (21 U. S. C. 812), and as further defined by 21 CFR 13000.11 through 1300.15. The cutoff levels are subject to change by the Department of Health and Human Services and RTA as advances in technology or other considerations warrant identification of the substances at other concentrations.

Illegally-used controlled substances include any drug not approved by the U.S. Drug Enforcement Administration of the U. S. Food and Drug Administration. Illegal use includes use of any illegal drug, misuse of legal drugs, and use of illegally obtained prescription drugs.

Anytime an employee (whether or not on paid status) is called to report to duty, and the employee has used alcohol within four hours of the call, the employee must turn down the work or acknowledge the use of alcohol and the inability to perform the functions of the position. This provision applies to all RTA positions, including non-sensitive under the Authority of the RTA.

4.2 Legal Drugs/Prescription Drugs of Medication

The appropriate use of legally prescribed drugs and nonprescription medication is not prohibited when used appropriately; however, all RTA safety-sensitive employees must report the use of medically authorized drugs that may impair job performance or mental function to her/his immediate supervisor prior to performing safety-sensitive duties. It is the employee's responsibility to inform the physician of the employee's job duties and determine from the physician, or other health care professional (e.g. nurse, dentist, pharmacist) whether or not the prescribed drug may impair their job performance or mental or motor functions. The RTA reserves the right to determine whether any employee is capable of performing job functions while on medication.

4.3 Alcohol

Adverse Effects

It is recognized that alcohol is a legal, socially acceptable drug when consumed in moderation. However the use of beverages containing alcohol, including medications where alcohol is present in the body while on duty is prohibited.
The chronic consumption of alcohol over time may result in critical health issues, including dependency, fatal liver diseases, ulcers, and increased possibility of cancers. Slurred speech, poor co-ordination, inability to walk straight, rapid eye movement, impaired memory or attention, stupor or coma are all signs of alcohol abuse and problems. Additionally, an alcohol habit can make a financial demand on people, which may prompt theft.

Use

The FTA and RTA prohibit safety-sensitive employees from reporting to duty within four (4) hours of using any alcoholic substance, beverage, or mixture, within four (4) hours of the employee's scheduled time to report to work, while on duty, while subject to on-call paid status or within eight (8) hours following an accident or until the employee takes a post-accident alcohol and/or drug test, whichever comes first.

Anytime an employee (whether or not on paid status) is called to report to duty, and the employee has used alcohol within four (4) hours of the call, the employee must turn down the work or acknowledge the use of alcohol and the inability to perform the functions of the position. This provision applies to all RTA positions, including non-sensitive under the authority of the RTA.

An employee who has a confirmed alcohol concentration of 0.02 or greater but less than 0.04, on an evidentiary breath testing device, will result in removal of his/her position for eight (8) hours or until the employee tests below the concentration level of 0.02, whichever is sooner. The employee will be placed on inactive non-paid status for the period of non-availability, unless the employee chooses to use personal leave. The ability to use personal leave will be allowed once during the employment period.

A confirmed alcohol concentration of 0.04 or greater is considered a positive test and will result in termination of employment for violation of this Policy. This provision applies to all RTA employees.

5. Prohibited Conduct

5.1 Manufacturing, Trafficking, Possession and Use

Any employee engaging in the manufacture, distribution, dispensing, possession, or use of prohibited substances or misuse of legal substances on RTA premises, in RTA vehicles, in uniform or while on RTA business will be subject to disciplinary action, up to and including termination. If appropriate law enforcement will be notified where criminal activity is suspected.

5.2 Intoxication

Any safety-sensitive or non-safety-sensitive employee who is reasonably suspected of being intoxicated, impaired, under the influence of a prohibited substance, or not fit for duty will be
suspended from job duties pending an investigation and verification of condition. Employees who fail to pass a drug or alcohol test shall be removed from duty and referred to a Substance Abuse Professional (SAP). Persons who fail to pass an alcohol and/or drug screen will be subject to termination. A drug or alcohol screen is considered positive if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in 49CFR Part 40, as amended.

5.3 Alcohol Use

No safety-sensitive or non-safety-sensitive employee should report for duty or remain on duty when his/her ability to perform assigned functions is adversely affected by alcohol, or when his/her blood alcohol concentration is 0.02 or greater. An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy and subject to disciplinary action, including termination. No safety-sensitive or non-safety-sensitive employee will use alcohol while on duty, while performing or just before or after performing a safety-sensitive function. No safety-sensitive employee or non-safety-sensitive will report to work within four (4) hours of using any alcoholic substance, beverage, or mixture, within four (4) hours of the employee's scheduled time to report to work, while on duty, while subject to on-call paid status or within eight (8) hours following an accident or until the employee takes a post-accident alcohol and/or drug test, whichever comes first. Violations of this policy are prohibited and are cause for termination of employment.

Removal from Duty: If an employee tests between 0.02 and 0.39 on an alcohol test, the employee will be removed from service for a minimum of eight (8) hours, unless a retest results in a concentration of less than 0.02. Employees so removed may be subject to disciplinary action, up to and including termination of employment. Employees so removed will be allowed one (1) opportunity during the duration of his or her employment to utilize available paid leave for this purpose.

Prohibited use of position or RTA property: All employees are strictly prohibited from using RTA property (of any kind) or one's position as an RTA employee to manufacture, distribute, sell, dispense, possess, or use a controlled substance or illegal drug or from coming upon the premises, even while off duty, under the influence of alcohol, an illegal drug or a controlled substance.

Searches: If the RTA has reasonable cause to suspect an employee is violating the RTA’s Drug and Alcohol-free Workplace policy, the employee may be asked to immediately submit to a search of property on the premises to which the employee has access and/or possession, including RTA-owned vehicles, the employee's own vehicle, when located on the premises, or other items, including but not limited to any desk, locker, lunch box, briefcase, purse, wallet, or personal packages. Employees have no expectation of privacy in any vehicle or premises owned by the RTA or any personal property located on the premises of the RTA and are subject to being searched at any time. Further, employees do not have a right to expect privacy in any RTA-owned vehicle at any location.
Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment. The only exception to this policy is RIA-sponsored events when alcoholic beverages may be offered. At such events, employees are expected to exercise good judgment and control consistent with good business practices.

**Prescriptions:** This policy does not prohibit the use of medications prescribed by treating doctors. If an employee is undergoing medical treatment and is required to use prescription drugs with side effects, which may affect his or her ability to work, and the doctor advises that the employee should not work due to potential side effects, the employee should provide his or her supervisor with a written excuse from the prescribing doctor.

**Employee Assistance Program (EAP):** The RTA wishes to assist employees who recognize that they have a problem of drug and/or alcohol dependency that may interfere with their ability to perform their duties in a safe and satisfactory manner. Employees who have a drug or alcohol problem will be allowed to take health and/or personal leave and/or unpaid leave to participate in the EAP. The RTA will make reasonable efforts to keep confidential the fact that the employee is enrolled in the EAP.

**Disabilities:** The RTA will accommodate known disabilities in accordance with the law.

6. **Drug/Alcohol Testing**

The RTA will not hire individuals who use any illegal drug, in any amount, regardless of frequency. The term "illegal use of drugs" means the use of drugs, the possession or distribution of which is unlawful under the Controlled Substances Act [21 U.S.C. 801 et seq.]. Such term does not include the use of a drug taken under supervision by a licensed health care professional, or other uses authorized by the Controlled Substances Act or other provisions of federal law. The RTA seeks to comply with all federal, state, and local laws and regulations concerning violation of criminal drug statutes in the workplace. The RTA does not permit the employment of persons who use drugs or other substances, which may impair sensory, mental, or physical functions (hereinafter collectively referred to as "drugs/alcohol") and will discipline any employee who tests positive for illegal drugs or alcohol, up to and including termination of employment. In furtherance of this policy, the RTA has adopted a drug/alcohol testing program. "Drug/alcohol test" means a chemical test administered for the purpose of determining the presence or absence of a drug or its metabolites or alcohol in a person's bodily tissue, fluids or products.

6.1 **Proper Application of this Policy**

The RTA is committed to assuring fair and equitable application of this substance abuse policy. Therefore, supervisors/managers are required to apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of the policy, or who is found to deliberately misuse the policy shall be subject to disciplinary action, up to and including termination of employment.
6.2 Compliance with Testing Requirements

All safety-sensitive employees will be subject to drug and breath alcohol testing. Any safety-sensitive employee who refuses a drug and/or breath alcohol tests will be subject to termination. The following circumstances are all considered refusals for drug and alcohol tests in accordance with FTA regulations:

1. Failure to appear in a reasonable time except for pre-employment tests;
2. Failure to remain until the testing process is complete;
3. Failure to provide a specimen;
4. Failure to provide a sufficient specimen with no medical explanation;
5. Failure to undergo a medical evaluation as required by an MRO Order;
6. Failure to cooperate with any part of the testing process, including (e.g. refusal to empty pockets as directed by the collector, behaving in a confrontational way the disrupts the process)
7. Failure to permit monitoring or observation;
8. Failure to take a second test as directed by the collector or employer under drug testing;
9. Failure or refusal to sign Step 2 of the alcohol testing form;
10. Failure to follow an observer’s instructions to raise your clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if there is any type of prosthetic or other devise that could be used to interfere with the collection process during an observed collection.
11. Possessing or wearing a prosthetic or other devise used to tamper or interfere with the collection process;
12. Admitting to the collector or MRO that the specimen adulterated or substituted;
13. If the MRO reports that there is verified adulterated or substituted test result.

In addition to the above stated circumstances, it is also considered a refusal of an alcohol test if the employee refuses to sign the certification at Step 2 of the Alcohol Testing Form (ATF).

Refusals shall be considered a positive test and the individual will be subject to termination. The terminated employee will be provided with a list of Substance Abuse Professionals for evaluation. Non-safety sensitive employees are also subject to the same requirements under RTA’s own authority, and not the authority of the FTA.

Refusals can include an inability to provide a sufficient urine specimen or breath sample without a medical explanation, as well as, a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test. Possessing or wearing a prosthetic or other devise used to tamper or interfere with the collection process is also a refusal. Another form of refusal is admitting to the collector or MRO that you adulterated or substituted the specimen. The MRO’s verification of a test as adulterated or substituted test result, you have refused to take a drug test is also considered a refusal. For a complete listing of the current refusal conditions, please refer to 49 CFR part 40.
6.3 Treatment Requirements

The RTA strongly encourages all employees to make use the available resources for treatment of alcohol misuse or legal and illegal drug use problems. The RTA has in place an Employee Assistance Program (EAP) and encourages employees who have problems with substance abuse to avail themselves of the services before it affects their job performance and/or the individual becomes subject to testing. Reasonable efforts will be made to accommodate persons undergoing treatment, without compromising safety. However, voluntary self-referral will not relieve the individual from responsibility for complying with this policy. Costs for rehabilitation services with the EAP will be the sole responsibility of the employee and/or their health insurance coverage, if applicable.

Self-referral after notification of selection for a drug or alcohol test will not eliminate the requirement to take the test, nor will it preclude the imposition of disciplinary action, including termination of employment, should the individual fail the test.

6.4 Notification to the RTA of Criminal Drug Conviction

Any employee who is arrested for any offense that is a violation of the Drug Free Workplace Act occurring while on RTA property, or any employees or contractors or contractors employees who is arrested for driving while intoxicated (DWI) or for a driving under the influence (DUI) violation at any time must notify Human Resources immediately (in writing and within forty-eight hours of arrest or citation), and if convicted must notify his or her supervisor and Human Resources within five (5) working days of the date of the conviction. A conviction for this purpose includes any findings of guilt (including one agreed by the employee), or pleas of no contest; and or any imposition of fine, jail sentences, or penalty. Failure to comply will subject the individual to disciplinary action up to and including termination of employment. The CEO or his/her designee shall notify each appropriate federal agency within ten (10) days after receiving notice from an employee or otherwise receiving actual notice of such conviction, and take disciplinary action within thirty (30) days of learning of said conviction.

6.5 Confidentiality

The RTA affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process. Laboratory and test results will be maintained in a separate confidential medical file under the control of the RTA’s designated Drug and Alcohol Program Manager.

The reports or test results may only be disclosed without an employee's consent when:

1) The information is compelled by law or by judicial or administrative review
2) The information has been placed at issue in a formal dispute between the employee and the employer
Employees will be required to sign a separate release every time testing information is to be disclosed at their request.

7. Testing Procedures

All testing will be conducted in a manner to promote a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities, which have been approved by the U. S. Department of Health and Human Services (HHS). All testing will be conducted consistent with the procedures set forth in 49CFR Part 40, as amended. The procedures will be performed in a private, confidential manner and every effort will be made to protect the employee, the integrity of the drug testing procedure and the validity of the test results.

Drugs: The drugs that will be tested for include marijuana, opiates, cocaine, amphetamines and phencyclidine. After the identity of the donor is checked using picture identification, a urine specimen will be collected using the split specimen collection method for safety-sensitive employees as described in 49 CFR Part 40, as amended. An initial drug screen will be conducted on each specimen. For those specimens that are not negative, a confirmatory gas Chromatography/ Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the amounts of the drugs/and or metabolites identified by the GC/MS test are above the minimum thresholds established in 49 CFR Part 40, as amended.

All tests results from the HHS certified lab will be reported to the RTA Medical Review Officer (MRO). An MRO is a licensed physician with detailed knowledge of substance abuse disorders and drug testing. The MRO will review the test results to determine whether there is a legitimate medical explanation for a confirmed positive, substitute or adulterated test result. Before verifying that an employee has a positive drug test result, the MRO will make reasonable efforts to contact the employee on a direct and confidential basis, to determine whether the employee wishes to discuss the test or present a legitimate explanation for the positive result. If after reasonable efforts the MRO is unable to reach the employee directly the MRO may contact RTA’s Designated Employer Representative (DER) to assist in contacting the employee. The RTA will strive to keep the MRO contact confidential.

If after making diligent and reasonable efforts to contact the employee, neither the MRO nor the RTA's DER are able to contact the employee, the MRO may verify the positive test. All positive tests will be reported by the MRO to the RTA’s DER. No test results may be disclosed to any party other than the MRO or a designated RTA employee without authorization from the employee. An employee may, upon written request, receive a copy of any record or report relating to such employee's drug or alcohol test or test results.

Any safety-sensitive or non-safety-sensitive employee who has a confirmed positive drug or alcohol test will be removed from his/her position, informed of educational and rehabilitation programs available, and referred to a Substance Abuse Professional (SAP). A positive drug and/or alcohol test will result in disciplinary action up to and including termination of employment.
The MRO may declare a test invalid or canceled based on the regulations specified in 49CFR Part 40. A canceled test is neither a positive nor negative test. An example of a canceled test is a urine sample being rejected by the laboratory. If the RTA is informed by the MRO that a negative drug test was diluted, an employee will be required to immediately submit a new test under non-observed conditions, with as minimum advance notice as possible.

**Alcohol:** Tests for breath alcohol concentration shall be conducted utilizing a National Highway Traffic Safety Administration (NHTSA) approved evidential breath taking device (EBT) operated by a trained breath alcohol technician (BAT). All breath alcohol tests results will be reported by the BAT to the DER. If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. Alcohol concentration of greater than 0.02 but less than 0.04 will result in removal from his/her position for a minimum of 8 hours unless a retest results in a concentration of less than 0.02. An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy and a violation of the requirements set forth in 49CFR Part 655 for safety-sensitive employees. Any safety-sensitive employee and/or non-safety-sensitive employee who has a positive alcohol test will be removed from duty and will be subject to termination of his or her employment. Such employee will be informed of educational and rehabilitation programs and referred to a Substance Abuse Professional (SAP).

**Split Specimen Testing:** Any safety-sensitive or non-safety-sensitive employee who questions the results of a required drug test may request that an additional test be conducted. The test must be conducted in a different DHHS laboratory. The test must be conducted on the split sample that was provided by the employee at the same time as the original sample. All costs for such test will be the responsibility of the employee unless the results of such tests invalidate the results of the original test. The method of collecting, storing and testing the split sample will be consistent with the procedures set forth in 49 CFR, Part 40, as amended.

The employee's request for a split sample test must be made to the Medical Review Officer (MRO) within 72 hours of notice of the original sample verified test result. Requests after 72 hours will be considered only if the delay was due to verified facts that were beyond the employee's control.

**Pre-Employment Testing:** All safety-sensitive position applicants will undergo urine drug testing along with alcohol testing immediately following a conditional offer of employment or transfer into a safety-sensitive position. Applicants for Non-safety sensitive positions are also subject to the same pre-employment testing under RTA's own authority, and not the authority of the FTA. Receipt by the transit system of a verified negative drug test result is required prior to employment. Failing a pre-employment drug and alcohol test will disqualify an applicant for employment at the RTA for a minimum of one year. The RTA will re-consider a safety-sensitive applicant's application for employment under the condition that the employee must provide proof of having successfully completed a referral, evaluation and treatment plan as outlined in 49 CFR section 655.62 and 49 CFR Part 40, Subpart 0.
The RTA will conduct a pre-employment alcohol test before the first performance of safety-sensitive functions by every covered employee (whether a new employee or someone who transferred to a position involving the performance of safety-sensitive functions.) The RTA will treat all covered employees performing safety-sensitive functions the same for the purpose of pre-employment alcohol testing (i.e., you must not test some covered employees and not others.) The RTA will not allow a covered employee to begin performing safety-sensitive functions unless the result of the employee's test indicates an alcohol concentration of less than 0.02. Non-safety sensitive positions are also subject to these same pre-employment provisions under RTA's own authority.

Should a safety-sensitive or a non-safety-sensitive employee be unavailable for job duties and also removed from the RTA's random selection pool for a period of 90 consecutive calendar days or longer, the employee will be required to submit to a pre-employment drug screen and alcohol testing with a verified negative result prior to returning to his/her job duties. Employees transferring into a safety-sensitive position will be required to submit and pass a pre-employment drug and alcohol test prior to the transfer.

**Reasonable Suspicion Testing:** All safety-sensitive employees may be subject to a fitness for duty evaluation, and urine and/or breath testing when there exists a reasonable suspicion to believe that drug or alcohol use is adversely affecting job performance. Non-safety sensitive employees are also subject to the same reasonable suspicion requirement under RTA's own authority, and not the authority of the FTA. A reasonable suspicion referral for testing will be made on the basis of specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the employee. Reasonable suspicion with the basis of alcohol testing is only permissible just before an employee performs safety-sensitive duties, during that performance, and just after an employee has performed the covered duties.

A supervisor or other RTA official who is trained to detect the signs and symptoms of drug and alcohol use will make reasonable suspicion determinations. Reasonable suspicion observations that lead to testing must be made during, just preceding, or just after the period of the workday for the safety-sensitive employee. The same provisions are in place for the non-safety sensitive employees. The supervisor will document the observable behaviors or physical indications that caused them to make a reasonable suspicion referral. The completed form must be forwarded to Human Resources within one day (24 hours) of the referral.

**Post-Accident Testing:** All safety-sensitive employees will be required to undergo urine and breath testing if they are involved in an accident with an RTA vehicle (regardless of whether or not the vehicle is in revenue service). This includes all safety-sensitive employees who are operating the vehicles and any other employee whose actions could have contributed to the accident. Non-safety sensitive employees are also subject to the same post-accident testing under RTA's own authority, and not the authority of the FTA.

An FTA accident is defined as an occurrence associated with the operation of a vehicle that results in a fatality. If the accident results in a fatality, involving the loss of human life, drug and alcohol testing will be conducted on each surviving safety-sensitive employees operating the
mass transit vehicle at the time of the accident. Other safety-sensitive individuals whose performance could have contributed to the accident shall also be tested for drug and alcohol. Testing will also occur after injuries requiring immediate medical attention away from the scene of the accident; or when one or more vehicles incur disabling damage that requires towing from the site, unless the operator's performance can be completely discounted. Transit supervisors will make this determination using the best available information at the time of the decision.

Accident does not necessarily mean collision. If an individual (passenger) falls on a vehicle and needs to be transported to a hospital, then an accident has occurred and a post-accident test is required unless the driver can be completely discounted as a contributing factor to the accident. This definition applies only to non-fatal accidents. Fatal accidents will result in safety-sensitive employees being tested as outlined below.

Following an accident, the safety-sensitive employee will be required to submit to a drug and alcohol test. Post-Accident testing is stayed for a short time following the accident while an employee assists in resolution of the accident or receives medical attention. However, employees must remain readily available to during the times listed below.

1) Post-Accident testing will be done as soon as possible, and no later than eight (8) hours after the accident for alcohol testing and thirty-two (32) hours after the accident for drug testing. If the test for alcohol is not administered within two (2) hours following the accident, the supervisor must document the reasons why the test was not performed.
2) An employee involved in an accident must not use alcohol until after the employee undergoes an accident testing or eight hours have elapsed, whichever comes first.

Nothing in this policy shall be construed to require the delay of necessary medical attention for the injured following an accident or to prohibit an employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care. Any employee who under the above circumstances fails to remain available for drug and alcohol testing (including notifying the RTA of his/her location) or who otherwise leaves the scene of the accident without appropriate authorization prior to the drug and alcohol testing, will be considered to have refused the test and be subject to disciplinary action up to and including termination.

49 CFR Part 655 allows the RTA to acquire post-accident test results obtained by Federal, State, or local law enforcement personnel in rare instances where the RTA is unavailable to perform post-accident testing. The results of a blood, urine or breath test for the use of prohibited drugs and alcohol misuse, conducted by Federal, State or local officials having independent authority for the test shall be considered to meet the FTA requirements provided such tests conform to the applicable Federal, State, or local testing requirements and that the test results are obtained by the RTA.

Random Testing: In accordance with 49 CFR Part 655, employees in safety-sensitive positions, as well as non-safety-sensitive positions under RTA's own authority, are subject to random, unannounced testing. The random testing will be unannounced and spread throughout the year.
Testing will be conducted on all days and hours during which safety-sensitive work is performed. A computer based random number generator program is used for random selections.

The FTA testing rate requirement is to annually complete drug tests equivalent to 25% of the number of safety-sensitive employees and complete alcohol tests equivalent to 10% of the number of covered employees. The FTA reviews these percentages annually and may alter such percentages. Covered transit employees that fall under the Federal Transit Administration regulations will be included in one random pool maintained separately from the testing pool of employees that are included solely under the RTA’s authority.

Safety-sensitive and non-safety-sensitive employees are required to proceed immediately to the collection site with a supervisor upon notification of their random selection. Failure to do so will be determined to be a refusal to test and will subject the employee to termination of employment. Safety-sensitive and non-safety-sensitive employees who test positive will be subject to disciplinary action including termination.

Each safety-sensitive and non-safety-sensitive employee shall have an equal chance of being tested each time random selections are made for drug and alcohol testing. Employees selected for testing will be transported to the RTA's medical service clinic by a designated supervisor. Time spent in travel and testing will be paid time.

Return to Duty Testing: All safety-sensitive employees and non-safety-sensitive employees who previously tested positive on a drug or alcohol test, if allowed to continue to work, must test negative (below 0.02 for alcohol) and be evaluated and released to duty by the Substance Abuse Professional before returning to work. If an employee refuses the test, he or she will be considered as having a second positive drug or alcohol test and his/her employment will be terminated.

Follow-up Testing: The RTA has a zero tolerance policy. In that event that a safety-sensitive employee that has tested positive on a drug or alcohol test is allowed to continue employment with the RTA, such employee will be required to undergo frequent, unannounced random urine and/or breath testing following their return to duty after a positive drug/alcohol test and treatment. The follow-up testing will be performed for a period of one to five years based on the SAP’s recommendations; however, a minimum of six tests will be performed the first year. Non-safety sensitive employees are also subject to the same follow up testing under RTA’s own authority, and not the authority of the FTA.

Consequences of a Positive Test Result: The RTA has a zero-tolerance policy prohibiting drug and alcohol abuse. Individuals with a verified positive test are subject to termination of employment.

8. Retention of Alcohol/Drug Testing Records

The RTA will maintain a management information system that will allow it to record the results
of its anti-drug and alcohol programs and to prepare and maintain a summary of the results of its anti-drug and alcohol programs. The management information system will be sufficient to insure accurate and timely collection of information and reporting of information as required by the FTA. Information will be kept as required by the FTA on its MIS data collection forms.

The RTA will maintain records of its anti-drug and alcohol programs in a secure location with access controlled by the drug and alcohol program manager. Records shall be retained according to the following schedule:

1) Five (5) years: (a) verified positive drug or alcohol test results; (b) documentation or refusal to take required drug or alcohol tests; (c) referrals of covered employees to the substance abuse professional; (d) copies of annual MIS reports submitted to the RTA.
2) Two (2) years: (a) records related to the collection process; (b) employee training.
3) One (1) year: (a) records of negative drug or alcohol test results

9. Alcohol/Drug Testing Program Administration

The RTA will conduct education and training programs for all covered employees in compliance with 49 CFR 655.14. Any questions regarding the policy or any other aspect of the RIA's substance abuse program should be addressed to the following transit system representatives:

Drug and Alcohol Program Manager and Designated Employer Representative:
Name: Angelina Gaitan
Title: Director of Human Resources
Address: 5658 Bear Lane, Corpus Christi, Texas 78405
Telephone Number: 361-289-2712
Fax: 361-289-2765

A complete copy of Regulation 49 CFR Part 40, as amended, is available for review in the Human Resources Department.

Medical Review Officer:
Name: Dr. J. Keith Rose, MD
Title: Physician, The DOCTORS' Center
Address: 4637 South Padre Island Dr., Corpus Christi, TX 78411
Telephone Number: 361-852-6824

Substance Abuse Professional:
Name: Frederick Capps
Address: 4455 S. Padre Island Drive, Corpus Christi, TX 78411
Telephone Number: 361-857-6653
10. Drug-Free and Alcohol-Free Premises

The RTA has established all of its premises as alcohol-free and drug-free workplaces. This provision does not apply to alcoholic beverages provided by sponsors for use at sponsored activities approved by the RTA. Employees are prohibited from reporting for work or working while under the influence of alcohol, a controlled substance, or illegal drug.
Subject: Ratify the Payment and Renewal of the Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool (TML-IRP) for Windstorm Coverage

Background
The excess wind coverage was scheduled to renew in May 2016 for one year. The policy provides for coverage for buildings, contents, electronic data equipment/media, and art. The wind coverage is placed with the Texas Windstorm Insurance Association through Texas Municipal League (TML) with a policy year beginning in May. The Excess coverage is underwritten through Victor O'Schinnerer (VOSCO).

Upon receipt of the Temporary Certificate of Occupancy for the Staples Street Center from Fulton Construction, on May 19th, the information for the cost of construction and contents were submitted to the windstorm insurance carrier. The building became the responsibility of the CCRTA upon the receipt of the Temporary Certificate of Occupancy. The updated policy, inclusive of the Staples Street Center was then sent to the CCRTA for signature and was signed and sent back on May 27th. The invoice for the coverage was sent to the CCRTA on Saturday, May 28th, via email. The cost to provide the windstorm and hail coverage for all the properties covered under the policy was $121,222.51. The payment was sent in on June 15th, by the due date.

Identified Need
Texas Municipal League Intergovernmental Risk Pool provides the RTA with essential windstorm coverage to ensure protection of the Agency’s assets.

Financial Impact
The following represents the premium costs for policy years 2014, 2015 and 2016.

<table>
<thead>
<tr>
<th>TML Coverage:</th>
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<th>2016</th>
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<tbody>
<tr>
<td>Windstorm Coverage</td>
<td>$49,281.47</td>
<td>$121,222.51</td>
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Committee Review
The Administration Committee met on June 22, 2016, although no action was taken due to lack of a quorum.
Recommendation
Staff recommends the Board of Directors to authorize the Chief Executive Officer or his designee to ratify the payment and the renewal of the Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool (TML-IRP) for Windstorm Coverage.

Respectfully Submitted,

Submitted by:  
Mike Rendon  
Director of Safety & Security

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

Approval:  
Jorge Cruz-Aedo  
Chief Executive Officer
NOTICE: The Authority’s December 31, 2015 year-end audit is underway with a projected completion date of June 30, 2016. The Balance Sheet for May 2016 has been included, however, since the year-end audit adjustments, which affect the Balance Sheet, have not been finalized, amounts reported on the Balance Sheet may change upon completion of the audit.

SUMMARY: The Authority’s net financial performance for the month of May falls short of budgeted amounts by $538,789. The monthly variance is mainly attributed to sales tax estimates posting $380,267 less than amounts budgeted and timing differences between actual grant drawdowns compared to amounts budgeted.

REVENUES

- Sales Tax – May sales tax has been estimated at $2,549,990, which is the same amount as May 2015 actual collections.

UPDATE – SALES TAX COLLECTIONS FOR APRIL 2016 SALES OF $2,420,199 WERE RECEIVED ON JUNE 10, 2016 AND ARE $175,007 LOWER THAN COLLECTIONS FOR THE SAME PERIOD LAST YEAR, A DECREASE OF 6.7%. YEAR-TO-DATE COLLECTIONS FOR 2016 TOTAL $10,200,960 WHICH ARE 10.1% ($1,149,040) UNDER 2016 BUDGETED AMOUNTS.

- Operating Revenues – For the month of May, Passenger Service was $141,607 vs. $148,970 in 2015 – a decrease of $7,363 (4.94%), and $17,625 (11.07%) lower than current budget estimates. Other operating revenues, including bus advertising, were $11,418 vs. $15,417 budgeted for a net decrease of $3,999.

EXPENSES

Over all, monthly departmental expenses are under budget by $172,287, or 6.86%. The majority of the variances are due to timing of receipt of invoices offset by higher than budgeted health insurance costs. Following are comments relating to the specific expense categories.

- Salaries & Benefits – May reflects $971,054, which is 3.63% ($36,592) under budgeted amounts. The major factor for this variance is vacancies. For year to date expenses, this category is 2.17% under budget.

- Services – May reflects $186,262, which is 46.57% ($162,357) under budget. Most departments are within reasonable range of the budget, with Professional Services...
and Contracted Maintenance posting the majority of the savings, due to timing of receipt of invoices. Year to date expenses are also running under budget in this category by 28.8%.

- **Materials and Supplies** – May reports $246,257, which is 21.85% ($68,832) under budget with year to date expenses running $1,306,615, or $110,428 (7.79%) under budget. The majority of this variance is in the fuel and lubricants category.

- **Insurance** – May reports $312,885, which is $82,028 (25.53%) over budget. This variance is attributed to increase in Health claims paid versus amounts budgeted. The year to date expenses are at 24.71%, or $281,270 over budget.

- **Purchased Transportation** – May reports $464,859 which is $16,009 (3.57%) over budget. This variance is mainly due to a slight increase in contract fixed route charges. The year-to-date expenses are $72,306 (3.23%) over budget.

- **Miscellaneous** – May reports $108,393 which is $17,906 (19.79%) over budget. This variance is mainly associated with timing differences between actual and budget advertising/media expenses in Marketing.

**Committee Review**
The Administration Committee met on June 22, 2016, although no action was taken due to lack of a quorum.

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

Respectfully Submitted,

Submitted by: [Signature]
Cindy O'Brien
Director of Finance

Approval: [Signature]
Jorge G. Cruz-Aedo
Chief Executive Officer
## Corpus Christi Regional Transportation Authority
### Comparative Statements of Net Position (Unaudited)

**At May 31, 2016 & April 30, 2016 & May 31, 2015**

### ASSETS

#### Current Assets:
- **Cash and cash equivalents** $16,369,424 $18,124,637 $32,653,738
- **Investments** 10,953,362 12,912,304 17,903,569
- **Receivables**
  - Sales taxes 5,145,196 5,732,415 5,450,352
  - Accrued interest receivable 50,934 - 88,340
  - Due from federal/state Government 8,067,790 7,637,687 250,584
  - Other 84,002 79,226 424,836
- **Inventories** 592,284 673,971 595,101
- **Prepaid Expenses** 389,162 451,976 323,286
- **Net Pension Asset** 1,562,611 1,620,214 948,199
- **Total Current Assets** 43,214,765 47,232,430 58,638,001

#### Capital Assets:
- **Land and Construction in progress** 53,057,548 52,006,763 17,530,096
- **Other capital assets, net of depreciation** 28,332,474 28,996,221 32,948,273
- **Total Capital Assets** 81,390,022 81,002,984 50,478,369

#### Total Assets
124,604,787 128,235,414 109,116,370

### LIABILITIES

#### Current Liabilities:
- **Accounts payable** 1,854,473 1,861,418 1,685,366
- **Accrued compensated absences** 234,460 227,838 225,748
- **Bonds Payable** 540,000 540,000 -
- **Distributions to regional entities payable** 926,884 3,585,370 791,569
- **Other accrued liabilities** 664,337 740,243 529,283
- **Total Current Liabilities** 4,220,154 6,954,869 3,231,966

#### Non-Current Liabilities:
- **Accrued compensated absences** 173,589 109,359 91,093
- **Bonds Payable** 20,375,000 20,375,000 21,450,000
- **Other Post Employment Benefits** 518,327 518,327 487,164
- **Total Non-Current Liabilities** 21,066,916 21,002,686 22,028,257

#### Total Liabilities
25,287,070 27,957,555 25,260,223

### NET POSITION

- **Net Investment in Capital Assets** 81,390,022 81,002,984 50,478,369
- **Restricted for debt service** 1,611,302 1,611,302 1,611,302
- **Restricted for pension plan obligation** 1,562,611 1,620,214 948,199
- **Unrestricted** 14,753,783 16,043,360 30,818,278
- **Total Net Position** $99,317,717 $100,277,859 $83,856,146
<table>
<thead>
<tr>
<th>Current Month</th>
<th>Favorable (Unfavorable) Variance</th>
<th>Prior Year Comparison</th>
<th>Favorable (Unfavorable) Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>2015</td>
</tr>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger service</td>
<td>$141,607</td>
<td>159,232</td>
<td>(17,625)</td>
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<tr>
<td>Bus advertising</td>
<td>5,438</td>
<td>8,000</td>
<td>(2,562)</td>
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<tr>
<td>Charter service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>5,980</td>
<td>7,417</td>
<td>(1,437)</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>153,025</td>
<td>174,649</td>
<td>(21,624)</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>562,790</td>
<td>552,280</td>
<td>(10,510)</td>
</tr>
<tr>
<td>Customer Programs</td>
<td>16,864</td>
<td>52,269</td>
<td>35,405</td>
</tr>
<tr>
<td>Purchased Transportation</td>
<td>471,626</td>
<td>459,022</td>
<td>(12,604)</td>
</tr>
<tr>
<td>Service Development</td>
<td>21,676</td>
<td>104,786</td>
<td>83,110</td>
</tr>
<tr>
<td>MIS</td>
<td>50,088</td>
<td>46,092</td>
<td>(3,996)</td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>364,758</td>
<td>436,331</td>
<td>71,573</td>
</tr>
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<td>Facilities Maintenance</td>
<td>129,065</td>
<td>171,610</td>
<td>42,545</td>
</tr>
<tr>
<td>Contracts and Procurements</td>
<td>11,334</td>
<td>18,454</td>
<td>7,120</td>
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<tr>
<td>CEO's Office</td>
<td>33,739</td>
<td>55,245</td>
<td>21,506</td>
</tr>
<tr>
<td>Finance and Accounting</td>
<td>45,697</td>
<td>32,664</td>
<td>(13,033)</td>
</tr>
<tr>
<td>Materials Management</td>
<td>9,546</td>
<td>10,175</td>
<td>627</td>
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<tr>
<td>Human Resources</td>
<td>376,611</td>
<td>321,377</td>
<td>(55,234)</td>
</tr>
<tr>
<td>General Administration</td>
<td>40,968</td>
<td>37,165</td>
<td>(3,803)</td>
</tr>
<tr>
<td>Capital Project Management</td>
<td>13,278</td>
<td>12,946</td>
<td>(332)</td>
</tr>
<tr>
<td>Marketing &amp; Communications</td>
<td>66,423</td>
<td>62,065</td>
<td>(4,358)</td>
</tr>
<tr>
<td>Safety &amp; Security</td>
<td>118,073</td>
<td>91,074</td>
<td>(26,999)</td>
</tr>
<tr>
<td>Staples Street Center</td>
<td>9,245</td>
<td>49,516</td>
<td>41,271</td>
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<tr>
<td>TCN Coordinator</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Departmental Expenses</td>
<td>2,340,781</td>
<td>2,513,068</td>
<td>172,287</td>
</tr>
<tr>
<td>Depreciation</td>
<td>663,747</td>
<td>663,748</td>
<td>1</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>3,004,528</td>
<td>3,176,816</td>
<td>172,288</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(2,851,503)</td>
<td>(3,002,167)</td>
<td>150,664</td>
</tr>
<tr>
<td>Other Income (Expense)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>2,369,733</td>
<td>2,750,000</td>
<td>(380,267)</td>
</tr>
<tr>
<td>Federal, state and local grant assistance</td>
<td>130,000</td>
<td>350,000</td>
<td>(220,000)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>9,989</td>
<td>12,000</td>
<td>(2,011)</td>
</tr>
<tr>
<td>Gain (Loss) on Disposition of Property</td>
<td>-</td>
<td>5,000</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Pension Plan Income (Expense)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest Expense on Bonds</td>
<td>(532,523)</td>
<td>(532,123)</td>
<td>(400)</td>
</tr>
<tr>
<td>Transfer to Capital Programs</td>
<td>-</td>
<td>66,071</td>
<td>(66,071)</td>
</tr>
<tr>
<td>Subrecipient Grant Agreements</td>
<td>(15,704)</td>
<td>-</td>
<td>(15,704)</td>
</tr>
<tr>
<td>Street Improvements Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for CCRTA Region Entities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income (Loss) Before Capital Grants and Donations</td>
<td>(890,008)</td>
<td>(351,219)</td>
<td>(538,789)</td>
</tr>
<tr>
<td>Capital Grants &amp; Donations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$890,008</td>
<td>(351,219)</td>
<td>(538,789)</td>
</tr>
</tbody>
</table>
## Corpus Christi Regional Transportation Authority

### Statement of Revenues And Expenditures By Cost Center (Unaudited)

#### Year-to-date May 31, 2016 & May 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Year-to-date</th>
<th>Favorable (Unfavorable)</th>
<th>Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>Variance</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>A vs B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Revenues:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger service</td>
<td>$ 706,298</td>
<td>750,540</td>
<td>(44,242)</td>
<td>730,151</td>
</tr>
<tr>
<td>Bus advertising</td>
<td>38,160</td>
<td>27,000</td>
<td>11,160</td>
<td>16,867</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>816,933</td>
<td>814,621</td>
<td>2,312</td>
<td>789,851</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>2,812,061</td>
<td>2,722,450</td>
<td>(89,611)</td>
<td>2,809,958</td>
</tr>
<tr>
<td>Customer Programs</td>
<td>125,580</td>
<td>109,774</td>
<td>(15,806)</td>
<td>76,811</td>
</tr>
<tr>
<td>Total Departmental Expenses</td>
<td>11,582,912</td>
<td>12,038,744</td>
<td>455,832</td>
<td>11,141,790</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,318,735</td>
<td>3,318,739</td>
<td>4</td>
<td>2,151,429</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>14,901,647</td>
<td>15,357,483</td>
<td>455,836</td>
<td>13,293,219</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(14,054,714)</td>
<td>(14,543,662)</td>
<td>458,148</td>
<td>(1,318,267)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Income (Expense)</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Revenue</td>
<td>12,925,957</td>
<td>14,100,000</td>
<td>(1,174,043)</td>
<td>13,935,662</td>
</tr>
<tr>
<td>Federal, state and local grant assistance</td>
<td>669,668</td>
<td>1,450,000</td>
<td>(780,332)</td>
<td>1,357,396</td>
</tr>
<tr>
<td>Investment Income</td>
<td>38,101</td>
<td>46,200</td>
<td>(8,099)</td>
<td>55,409</td>
</tr>
<tr>
<td>Gain (Loss) on Disposition of Property</td>
<td>-</td>
<td>15,000</td>
<td>(15,000)</td>
<td>-</td>
</tr>
<tr>
<td>Interest Expense on Bonds</td>
<td>(532,523)</td>
<td>(532,123)</td>
<td>(400)</td>
<td>(537,082)</td>
</tr>
<tr>
<td>Transfer to Capital Programs</td>
<td>-</td>
<td>(66,071)</td>
<td>66,071</td>
<td>-</td>
</tr>
<tr>
<td>Subrecipient Grant Agreements</td>
<td>(29,132)</td>
<td>(209,520)</td>
<td>180,388</td>
<td>(105,615)</td>
</tr>
<tr>
<td>Street Improvements Program for CCRTA Region Entities</td>
<td>(45,000)</td>
<td>-</td>
<td>(45,000)</td>
<td>-</td>
</tr>
<tr>
<td>Net Income (Loss) Before Capital Grants and Donations</td>
<td>(1,057,643)</td>
<td>260,624</td>
<td>(1,318,267)</td>
<td>2,202,402</td>
</tr>
<tr>
<td>Capital Grants &amp; Donations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$ (1,057,643)</td>
<td>260,624</td>
<td>(1,318,267)</td>
<td>2,202,402</td>
</tr>
</tbody>
</table>
Subject: Operations Report for May 2016

The system-wide monthly operations performance report for May 2016 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, customer service feedback, and a safety and security summary.

Detailed results are reported within the five sections outlined below:
1. **System-wide Ridership and Service Performance Results**

Boardings for all services in May 2016 totaled 450,896. This represents a 2.7% decrease as compared to 463,599 boardings in May 2015 or 12,703 less boardings this May. In regards to ridership levels, gasoline prices have continued to rise with an average of about $1.95 per gallon this month as compared to $2.45 per gallon in May 2015\(^1\). This month, 5.99 inches of rain was recorded. In May 2015, a higher total of 14.32 inches was recorded.\(^2\)

The chart below shows average weekday ridership for all services.

---

\(^1\) GasBuddy.com historical data at http://www.gasbuddy.com.

The chart below shows monthly ridership results for all services.

The chart below shows YTD ridership results for all services. The RTA recorded 59,737 less boardings or -2.6% in 2016 as compared to the same period in 2015.
The following charts report system-wide productivity and other cost performance measurements for the month of May 2016 vs. May 2015 and YTD figures.
The following table shows on-time performance of CCRTA Fixed-Route services for current and last three months and an YTD average figure.

<table>
<thead>
<tr>
<th>Schedule Adherence</th>
<th>Standard</th>
<th>Mar-16</th>
<th>Apr-16</th>
<th>May-16</th>
<th>YTD Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Departure</td>
<td>&lt;1%</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.0%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Departures within 0-5 minutes</td>
<td>&gt;85%</td>
<td>90.0%</td>
<td>91.9%</td>
<td>87.3%</td>
<td>89.4%</td>
</tr>
<tr>
<td>Monthly Wheelchair Boardings</td>
<td>No standard</td>
<td>3,502</td>
<td>4,593</td>
<td>5,285</td>
<td>4,301</td>
</tr>
<tr>
<td>Monthly Bicycle Boardings</td>
<td>No standard</td>
<td>7,826</td>
<td>8,130</td>
<td>7,730</td>
<td>7,704</td>
</tr>
</tbody>
</table>

On-time performance surveys with departures > 5 minutes late will be examined by Planning and Transportation Departments. Corrective actions may follow.

Current City of Corpus Christi Bond Project Impacts:

**Bond 2012 Project-McArdle Road (Whitaker to Ennis Joslin)** Routes 8s, 29, 37 & 66s remain on detour from the McArdle Road project between Nile Drive and Ennis Joslin Road, a (24) plus month project. *Project has been delayed.*

**Bond 2014 Project-Santa Fe Street (Elizabeth to Hancock)** Routes adversely impacted by this project include: 6, 15s, 19, & 23 this is a 12 month resurfacing project. *This project is more than 60% complete.*

**Bond 2012 a multi-phased Project-South Staples Street (Morgan to IH-37)** this multi-phased project affects (20) routes daily or approximately 45% of all CCRTA routes and includes routes: 5, 5s, 6, 12, 12s, 16, 17, 19, 21, 21s, 23, 27, 27s, 29, 29s, 67, 76, 76s, 78 and 84. All of these routes are currently on detour. Phase 1 between Antelope and Comanche, Artesian, Mestina, Waco, the Staples Street Transfer Station and new CCRTA Administration are now complete. *Project is on schedule.*

**Bond 2012 Project-Williams Drive (Airline Road to South Staples Street)** Routes 8s, 29F and 63 OB are now impacted by the Williams Drive project between South Staples Street and Airline Road, a (15 to 24) month project. This project includes the partial intersection closure of Airline Road at Williams Drive. *Project has been delayed.*

Other City Bond projects on the immediate horizon that will adversely impact bus routes, bus stops and proof problematic for time performance include:

- Alameda Street-Bond 2012 Project between Ayers Street & Louisiana Avenue, a (15 to 24) month project is scheduled to begin later this year.

- Greenwood Drive-Bond 2012 Project between Gollihar Road & Horne Road is planned to be an (11 to 16) month project also beginning later this year.
2. **Purchased Transportation Department Report: B-Line Service Contract Standards & Ridership Statistics**

- **Productivity:** 2.57 PPH did meet the contract standard of 2.50 PPH.
- **On Time Performance:** 97.2% did meet the contract standard of 96%.
- **In Vehicle Time:** 99.6% exceeded the contract standard of 95%.
- **Denials:** 0 denials or 0.0% did meet contract standard of 0.0%.
- **Miles between Road Calls:** 16,633 did exceed the contract standard of 12,250 miles.
- **Ridership Statistics:** 10,678 ambulatory; 4,939 wheelchair boarding’s

<table>
<thead>
<tr>
<th>Metric</th>
<th>Standard</th>
<th>Mar-16</th>
<th>Apr-16</th>
<th>May-16</th>
<th>3-Month Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers per Hour</td>
<td>2.50</td>
<td>2.58</td>
<td>2.60</td>
<td>2.57</td>
<td>2.59</td>
</tr>
<tr>
<td>On-time Performance</td>
<td>96%</td>
<td>97.0%</td>
<td>96.0%</td>
<td>97.2%</td>
<td>97.0%</td>
</tr>
<tr>
<td>In Vehicle Time</td>
<td>95.0%</td>
<td>98.8%</td>
<td>99.3%</td>
<td>99.6%</td>
<td>99.2%</td>
</tr>
<tr>
<td>Denials</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Miles Between Roadcalls</td>
<td>12,250</td>
<td>19,833</td>
<td>19,350</td>
<td>16,633</td>
<td>24,758</td>
</tr>
<tr>
<td>Monthly Wheelchair Boardings</td>
<td>No standard</td>
<td>5,176</td>
<td>4,969</td>
<td>4,939</td>
<td>4,931</td>
</tr>
</tbody>
</table>

3. **Customer Programs Monthly Customer Assistance Form (CAF) Reports**

For May 2016, there were 38 reported CAF’s (excludes commendations) which represents a decrease from 45 reported CAF’s overall in April 2016. The statistics for May represents a 15% decrease, 38 CAF’s vs 45 CAF’s compared to the month of April 2016. There were 13 Commendations.

![Graph showing the number of CAFs reported monthly from May 2015 to May 2016](image)
Route Summary Report for May 2016

<table>
<thead>
<tr>
<th>Route</th>
<th># of CAF’s</th>
<th>Route</th>
<th># of CAF’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>#3 NAS Shuttle</td>
<td>0</td>
<td>#37 Crosstown</td>
<td>1</td>
</tr>
<tr>
<td>#4 Flour Bluff Mini B</td>
<td>1</td>
<td>#51 Gregory Park &amp; Ride</td>
<td>0</td>
</tr>
<tr>
<td>#5 Alameda</td>
<td>1</td>
<td>#63 The Wave</td>
<td>1</td>
</tr>
<tr>
<td>#6 Santa Fe/Malls</td>
<td>1</td>
<td>#65 Padre Island Connector</td>
<td>0</td>
</tr>
<tr>
<td>#12 Saxet Oak Park</td>
<td>0</td>
<td>#67 Robstown/Gregory</td>
<td>0</td>
</tr>
<tr>
<td>#15 Kostoryz</td>
<td>0</td>
<td>#76 Harbor Bridge Shuttle</td>
<td>0</td>
</tr>
<tr>
<td>#16 Agnes/Ruth</td>
<td>1</td>
<td>#77 Harbor Ferry</td>
<td>0</td>
</tr>
<tr>
<td>#17 Carroll/Southside</td>
<td>0</td>
<td>#78 North Beach</td>
<td>0</td>
</tr>
<tr>
<td>#19 Ayers/Norton</td>
<td>0</td>
<td>#84 Light House</td>
<td>0</td>
</tr>
<tr>
<td>#19G Greenwood</td>
<td>0</td>
<td>#94 Port Aransas Shuttle</td>
<td>1</td>
</tr>
<tr>
<td>#19M McArdle</td>
<td>0</td>
<td>#95 Flexi-B Port A</td>
<td>0</td>
</tr>
<tr>
<td>#21 Arboleda</td>
<td>1</td>
<td>B-Line (Para-transit)</td>
<td>4</td>
</tr>
<tr>
<td>#23 Molina</td>
<td>0</td>
<td>Facility Maintenance</td>
<td>5</td>
</tr>
<tr>
<td>#25 Gollihar/Greenwood</td>
<td>0</td>
<td>Service Development</td>
<td>3</td>
</tr>
<tr>
<td>#26 Airline/Lipes Connector</td>
<td>0</td>
<td>Safety and Security</td>
<td>5</td>
</tr>
<tr>
<td>#27 Leopard</td>
<td>6</td>
<td>Vehicle Maintenance</td>
<td>1</td>
</tr>
<tr>
<td>#27 Leopard (Sun)</td>
<td>1</td>
<td>IT Systems</td>
<td>1</td>
</tr>
<tr>
<td>#29 Staples</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#29F Flour Bluff</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#29SS Spohn South</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#32 Southside Mini B</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#34 Robstown Circulator</td>
<td>1</td>
<td>TOTAL CAF’S</td>
<td>38</td>
</tr>
</tbody>
</table>
May 2016 CAF Breakdown by Service Type:

<table>
<thead>
<tr>
<th>CAF Category</th>
<th>RTA Fixed Route</th>
<th>B-Line ADA Paratransit</th>
<th>Contracted Fixed Route</th>
<th>Totals</th>
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</thead>
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<tr>
<td>Service Stop Issues</td>
<td>5</td>
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<td>6</td>
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<tr>
<td>Driving Issues</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Customer Services</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Late/Early – No Show</td>
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<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Fare Dispute</td>
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<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Disputed drop-off/pickup</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility Maintenance</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Service Development</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Safety and Security</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>IT Systems</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>4</strong></td>
<td><strong>4</strong></td>
<td><strong>38</strong></td>
</tr>
<tr>
<td><strong>Commendations</strong></td>
<td><strong>9</strong></td>
<td><strong>3</strong></td>
<td><strong>1</strong></td>
<td><strong>13</strong></td>
</tr>
</tbody>
</table>

**Conclusion:**

During May 2016, RTA received 38 CAF’s/Commendations regarding RTA Fixed-Route Service, B-Line and Purchased Transportation; thirteen (13) of the 51 reported CAF’s (May) were commendations.

There were a total of 30 CAF’s/Commendations received regarding RTA Service representing 76.5% of total customer contacts: 5 for Facilities Maintenance, 3 for Service Development, 5 for Safety and Security, 1 for IT Systems, 1 for Vehicle Maintenance and 15 for Transportation.

A total of 4 CAF’s/Commendations were reported regarding B-Line service representing 13.7% of the total customer contacts.

A total of 4 CAF’s/Commendations were reported regarding Contracted Fixed Route service representing a 9.8% of the total customer contacts.

Actions taken as a result of reported CAF’s include, but are not limited to, the following:

1. Coaching and counseling
2. Driver training
3. Progressive disciplinary action as appropriate, group discussion/coaching in operator meetings
4. Discussion in supervisory meetings
5. Examination of RTA operations policy

The RTA documents CAF’s to capture information regarding a wide range of issues from the community’s perspective point of view. CAF’s are communicated to the Customer Programs group via the telephone, e-mail, letter or in person.
CAF’s are redirected to relevant management and supervisory staff for further investigation. Customer Service staff will provide a prompt and written response at the conclusion of the investigation to the customer within ten working days. CAF’s play an important role as a quality assurance tool to identify issues regarding service; they also inform RTA regarding education and training needs. CAF’s assist Service Development in identifying problems around existing service and identifying underserved areas. CAF’s also serve to guide policy development.

4. **Vehicle Maintenance Department Monthly Miles Between Road Calls Report**

For May 2016, 8,454 miles between road calls (MBRC) were recorded as compared to 6,862 MBRC in April 2015. A standard of 6,500 miles between road calls is used based on the fleet size, age, and condition of CCRTA vehicles.

MBRC is a performance gauge of maintenance quality, fleet age, and condition; an increase in MBRC is a positive indicator. As defined by the Federal Transit Administration, a road-call is the practice of dispatching a service vehicle to repair or retrieve a vehicle on the road. There are two types of road-calls; Type I and Type II. A Type I road-call is a major mechanical failure that prevents the revenue vehicle from completing a scheduled revenue trip. A Type II road-call is a mechanical failure causing an interruption in revenue service.
5. Safety/Security Department Report

SAFETY SUMMARY

For May 2016, we had 8 vehicle reported accidents, 19 customer related incidents and drove a total of 290,911.8 miles. The total collision rate for the month was at 2.75 per hundred thousand miles driven. The desirable range for total collisions is at 2.0 or less.

The chart below shows the last 12 months of our total collision rate. Please keep in mind that this chart shows all vehicle collisions regardless of fault. The classifications of preventable and non-preventable are not distinguished for purposes of calculating this rate.

SECURITY SUMMARY

For May 2016, there were approximately 1,400 hours of security coverage was used for all areas of CCRTA Operations. Officers arrested 1 individual for public intoxication, issued 10 criminal trespass warnings, 35 disturbance warnings, arrested 9 individuals for criminal trespassing and responded to 1 call for service.
Committee Review
This was presented to the Operations Committee on June 22, 2016.

Respectfully Submitted,

Submitted by: [Signature]
Wesley Vardeman
Outreach Coordinator

Reviewed by: [Signature]
Mike Rendon
Director of Safety & Security

Reviewed by: [Signature]
Robert Saldaña
Director of Transportation

Reviewed by: [Signature]
Bryan Garner
Director of Maintenance

Reviewed by: [Signature]
Gordon Robinson
Director of Planning

Reviewed by: [Signature]
Rosa E. Villarreal
Managing Director of Operations

Approved by: [Signature]
Jorge Cruz-Aedo
Chief Executive Officer
RTA Committee on Accessible Transportation (RCAT)
MEETING MINUTES
Thursday, May 19, 2016

Advisory Committee Members Present: Anne Bauman, Tammye Salinas, Sylvia Wilson, Donnie Contreras, Robert Box, Richard Balli and Jose Chapa

Advisory Committee Members Absent: Joyce Lopez

Board Members Present: None

Staff Present: Sharon Montez, Gordon Robinson, Mike Rendon, Billy Laridis, Roxie Garrison and Melanie Gomez

MV Present: CJ Loomis and Janessa Cano

Employee Representative(s):

Call to Order: Ms. Anne Bauman called the meeting to order at 12:00 p.m. Ms. Melanie Gomez called the roll and determined that a quorum was present.

Opportunity for Public Comment
Mr. Abel Alonzo wanted to invite the committee to an event, the Run, Walk and Roll against Gangs, Drugs and Violence that his organization is putting together on May 28th at 8:00am. Mr. Richard Balli wanted to discuss wheelchairs. He is concerned that operators are not being trained properly on new, custom wheelchairs. Mr. Balli would like to attend the next operator training to show that those new wheelchairs are able to be secured. Ms. Montez advised that she would talk to the Director of Operations.

Action to Approve Minutes of April 21, 2016 was approved as presented.

Mr. Chapa made a motion to adopt the RCAT Minutes of April 21, 2016 as presented; Mr. Box seconded the
Committee for Persons with Disabilities (CFPWD) and Corpus Christi Human Relations Committee (CCHRC) Update
Mr. Richard Balli provided a report of the CFPWD meeting. He advised the committee that there was an incident the meeting was cut short due to no quorum. Mr. Balli also wanted to advise the committee that he attend a community parent fair for disabled children and adults at JFK Elementary. He was introduced as the CFPWD Chairperson and he mentioned the RCAT committee and invited parents to attend the monthly meetings. Ms. Sylvia Wilson and Mr. Balli provided the report of the CCHRC meeting. Ms. Wilson mentioned a gentleman presented at the meeting regarding the issues with the Hillcrest neighborhoods and asked that the Commission be present at weekly meetings that are being held. Other information that was presented was participation by the Commission at this year’s annual Juneteenth celebration.

Presentation: Transit Plan 20/20 Update
Mr. Gordon Robinson updated the committee on the Transit Plan 20/20. He reported that the key findings of the community engagement were on-time performance, travel times, service area and Sunday service. Mr. Robinson also advised the committee of some of the proposed service alternatives for several areas. The benefits of those service alternatives would mean better service for 50 to 55% of customers, increased Sunday service, new routes and improved access to education and employment locations. Additional feedback will be obtained via an online survey and customer outreach.

Google Transit Demonstration
Mr. Gordon Robinson provided a demonstration of Google Transit which has been recently launched. He advised that it is available via a computer or smart phone. Mr. Robinson explained that it is specifically for fixed route and Mr. CJ Loomis informed the committee that for B-Line trips, the Bus Mobi app can be used. Mr. Robinson showed how multiple options are provided when more than one route can be taken to reach a destination. He also demonstrated how options can be changed to accommodate the riders’ needs. The date and time of travel can be changed. He also demonstrated how the exact address does not need to be known to be able to use Google Transit. Landmarks are recognized.
Presentation: Alternative Modes of Transportation
Mr. Billy Laridis introduced himself to the committee and provided a presentation regarding alternative modes of transportation. Mr. Laridis reminded the committee of all of the services that CCRTA provides. He mentioned several other transportation options that are currently being used through the states, such as taxis, UBER, demand response and autonomous vehicles. He explained how with autonomous vehicles, there is not a need for infrastructure. All the vehicles would be GPS based with a software program. Mr. Laridis mentioned that the only obstacle would be a state legislation that currently prevents those types of vehicles.

Presentation: Update on Security Services for Staples Street Center
Ms. Sharon Montez updated the committee on security services for the new Staples Street Center. She advised that CCRTA currently has a request for proposals out for bid. A new contract will be established because the Staples Street Center will be in operation seven days a week from approximately 6am to 12:30am. The request is to have a security guard, commissioned officer present at the building from about 5am to 1am. The contract would be a two year bid base with a one year option. The estimated cost would approximately $146,000 a year. Ms. Bauman wanted to clarify that the security that is currently in place for the transfer stations will not be affected. Ms. Montez confirmed that this security service would be solely for the new building.

Presentation: Token Program Update
Ms. Sharon Montez provided the committee with an update of the current Token Program. She gave a brief history and explanation of the token program. She mentioned that there was a change in the past where the program was cut in half and a bus pass matching program was implemented, where if a pass was purchased, one would be given for free. In December of 2012, there was a change from metal coin tokens to a cardstock token pass. She advised that there are currently 40 agencies participating in the program and approximately $63,764 is being given out in free passes per year with this program. Ms. Montez reported that as part of the budgeting process, this program will be revisited to determine if the program is working properly. She advised the committee of the current criteria to be eligible for the program. Some of the things that the CEO would like to improve about the program would be to formalize the program, have the Board of Directors take action on the formal program,
create an annual application process and a formal approval process, CCRTA staff would evaluate and recommend applications for approval and annual reports would be presented to the Board of Directors.

Committee Reports

No-Show/Eligibility Appeals

The No-Show/Eligibility Appeals Committee met on Tuesday, May 17, 2016. Members present were Robert Box, Joyce Lopez and Richard Balli. Staff members present were Melanie Gomez and Janessa Cano (MV). There were 4 appeals scheduled in May. One appellant provided a letter to appeal a 30-day proposed service suspension. The proposed service suspension was dismissed contingent upon the appellant attending a B-Line Orientation. Three appellants were present to appeal a 30-day proposed service suspension. One proposed service suspension was reduced to a 7-day service suspension. One proposed service suspension was determined conditional, for medical appointments only. One service suspension was dismissed due to extenuating circumstance. There were 15 warning notices issued in April, 10 seven day proposed service suspensions and 8 thirty day proposed service suspensions.

Chairperson’s Report
Ms. Bauman shared upcoming meeting dates with the committee and advised that the upcoming meetings will be held at the new building.

Informational Items
Ms. Bauman advised that these items were made available to the committee members in their packets.

Request for Agenda Items
None

Other Business: Ms. Bauman adjourned the meeting at 1:20p.m. The next meeting will be held on Thursday, June 16, 2016.
The Audit, Finance & Health Pension Plan Subcommittee for the Regional Transportation Authority Board of Directors met at 9:30 a.m. on Wednesday, May 25, 2016 at the CCRTA Staples Street Center located at 602 N. Staples Street, Corpus Christi, Texas.

Committee Members Present: Tom Niskala, Chair

Committee Members Absent: Thomas Dreyer, Edward Martinez, Mary Saenz

Staff Members Present: Jorge Cruz-Aedo, CEO; Kelly Coughlin, Bryan Garner, William Laridis, C.J. Loomis, Sharon Montez, Cindy O’Brien, Mike Rendon, Gordon Robinson, Robert Saldana, Rosa Villarreal and Dena Linnehan

Public Present: Norberto D. Perez, Veterans Securing America; Roland Barrera, RBI; Roland Estrada & Rosie Aguiar, ATU-Local 1769; Abel Alonso, B-Line Rider

Call to Order
Mr. Niskala called the Audit, Finance & Health Pension Plan Subcommittee Meeting to order at 9:30 a.m. A quorum was not present and staff was asked to review the agenda items and table until next meeting.

   a. Update on the Resolution Authorizing Confirmation and Execution of the Third Amendment to the RTA Employees Defined Benefit Plan and Trust
   b. Update on Federal Discretionary Grants

Adjournment
There being no further business, the meeting was adjourned at 9:37 a.m.

Submitted by: Dena Linnehan