

AGENDA MEETING NOTICE

DATE:

Wednesday, September 27, 2017

LOCATION:

Staples Street Center

602 North Staples Street, 2ND Floor Board Room • Corpus Christi, TX

TIME:

8:30 a.m.

Administration & Finance Committee Meeting

9:15 a.m.

Budget Workshop #5

9:45 a.m.

Operations & Capital Projects Committee Meeting

ADMINISTRATION & FINANCE COMMITTEE

TOM NISKALA (Chair)
Larry Young, Sr. ~ Abel Alonzo

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	Roll Call –	D. Linnehan	1 min.	
2.	Opportunity for Public Comment	T. Niskala	3 min.	
3.	Discussion and Possible Action to Approve the Administration & Finance Committee Meeting Minutes of August 23, 2017	T. Niskala	2 min.	Pages 1-4
4.	Discussion and Possible Action to Issue a Request for Proposal (RFP) for Life Insurance and Accidental Death and Dismemberment (AD&D)	A. Gaitan	3 min.	Page 5 PowerPoint
5.	Discussion and Possible Action to Issue a Request for Proposal (RFP) for Occupational Medical Services	A. Gaitan	3 min.	Page 6 PowerPoint
6.	Discussion and Possible Action to Issue a Request for Proposal (RFP) for Long-Term Disability (LTD) and Short-Term Disability (STD) Insurance	A. Gaitan	3 min.	Pages 7-8 PowerPoint
7.	Discussion and Possible Action to Adopt a Resolution Designating Certain Individuals the Authority to Sign Checks	R. Saldaña	3 min.	Page 11 Attachments Exhibit A
8.	Discussion and Possible Action to Adopt a Resolution Approving the Investment Policy, Designation of Investment Officers, Designation of Investment Advisor and List of Approved	R. Saldaña	3 min.	Pages 12-13 Attachments

	Brokers/Dealers			
9.	Discussion and Possible Action to Authorize Staff to Enter into a New Investment Relationship with TexPool Investment Pools Participation Agreement, Completion of Documents Required to Open Investment Accounts, and Designate Authorized Representatives to Conduct Business Transactions on Behalf of the Agency	R. Saldaña	3 min.	Pages 14-15 Attachments
10.	 Presentations: a. 2016 Defined Benefit Plan Audit by Collier, Johnson & Woods b. Investment Report for the 2nd Quarter Ended June 30, 2017 c. August 2017 Financial Report 	R. Saldaña J. Shepherd R. Saldaña R. Saldaña	3 min. 3 min. 3 min.	Page 16 Attachment Pages 17-18 PowerPoint Pages19-25 PowerPoint
11.	Adjournment	T. Niskala	1 min.	

Total Estimated Time: 37 min.

BUDGET WORKSHOP #5

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	2018 Budget Workshop #5			
	a. Capital Budget	R. Saldaña	30 min.	PowerPoints
	b. Final 5-YR CIP	tt.		
	c. Final L/R Financial Plan	tt.		
	d. Operating and Capital Budget Overview &	"		
	Summary			
	e. Final 5-YR Service Plan	G. Robinson		

Total Estimated Time: 30 min.

OPERATIONS & CAPITAL PROJECTS COMMITTEE

MICHAEL REEVES (Chair)

George B. Clower ~ Glenn Martin ~ Edward Martinez ~ Scott Harris

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	Roll Call –	D. Linnehan	2 min.	
2.	Opportunity for Public Comment	M. Reeves	3 min.	
3.	Discussion and Possible Action to Approve the Operations & Capital Projects Committee Meeting Minutes of August 23, 2017	M. Reeves	3 min.	Pages 1-4

4.	Discussion and Possible Action to Approve the Request for Proposal (RFP) for the Law Enforcement Services Contract	M. Rendón	3 min.	Pages 5-6 PowerPoint
5.	Presentations: a. August 2017 Operations Report	G. Robinson	5 min.	Pages 7-18 PowerPoint
	b. Procurement Update	R. Saldaña	5 min.	PowerPoint
6.	Adjournment	M. Reeves	1 min.	

Total Estimated Time: 22 min.

On <u>Friday, September 22, 2017</u> this Notice was posted by <u>Dena Linnehan</u> at the CCRTA Staples Street Center, 602 N. Staples Street, Corpus Christi, Texas; and sent to the Nueces County and the San Patricio County Clerks for posting at their locations.

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

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

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

Mission Statement

The Regional Transportation Authority was created by the people to provide quality transportation in a responsible manner consistent with its financial resources and the diverse needs of the people. Secondarily, The RTA will also act responsibly to enhance the regional economy.



Vision Statement

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

REGIONAL TRANSPORTATION AUTHORITY ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES WEDNESDAY, AUGUST 23, 2017

Summary of Actions

- 1. Conducted Roll Call
- 2. Provided Opportunity for Public Comment
- 3. Action to Approve Administration & Finance Committee Meeting Minutes of July 26, 2017
- 4. Action to Recommend the Board Authorize the Chief Executive Officer (CEO) or Designee to Issue a Request for Proposals (RFP) for Actuarial Services for Defined Benefit Pension & Trust Plan
- 5. Action to Recommend the Board Authorize the Chief Executive Officer (CEO) or Designee to Enter into a Month-to-Month Agreement Ending March 31, 2018 with Wells Fargo Institutional Trust Group for Portfolio Management of the Agency's Defined Contribution Plan and Defined Benefit Plan & Trust
- 6. Action to Recommend the Board Authorize the Chief Executive Officer (CEO) or Designee to Authorize Exercising the Second Option Year with Wells Fargo Bank, N.A. from January 1, 2018 to December 31, 2018 for Depository and Banking Services
- 7. Heard Presentations:
 - a. July 2017 Financial Report
 - b. Second Quarter 2017 Reports
 - i. Employees Defined Benefit Plan & Trust
 - ii. Employees Defined Contribution Plan
- 8. Adjournment

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

<u>Committee Members Present:</u> Tom Niskala, Angie Granado and Larry Young

Committee Members Absent: Abel Alonzo

<u>Staff Present:</u> Jorge Cruz-Aedo, CEO; Daniel Benavidez, Esteban Campos, David Chapa, Kelly Coughlin, Jennifer Fehribach, Angelina Gaitan, Bryan Garner, Anna Hinojosa, Monica Jasso, Denise Jones, Dena Linnehan, Derrick Majchszak, Sharon Montez, Victoria Reyes, Mike Rendoń, Gordon Robinson, Sandy Roddel, Robert Saldaña and Susan Teltschik

<u>Public Present:</u> Benjamin Schmit, MV Transportation; Gina Salazar, ATU Local 1769; Barbie Baker, JBBM Consulting & Promotions; Lisa Keckler and Pat Mahoney, Wells Fargo

Call to Order & Roll Call

Mr. Tom Niskala called the meeting to order at 8:33 a.m. Ms. Dena Linnehan called Roll and stated a quorum was present.

Opportunity for Public Comment

No one spoke under Public Comment.

Action to Approve the Administration & Finance Committee Meeting Minutes of July 26, 2017

MR. LARRY YOUNG MADE A MOTION TO APPROVE THE ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES OF JULY 26, 2017. MS. ANGIE GRANADO SECONDED THE MOTION. NISKALA, GRANADO AND YOUNG VOTING IN FAVOR. THE MOTION CARRIED. ALONZO ABSENT

Action to Recommend the Board Authorize the Chief Executive Officer (CEO) or Designee to Issue a Request for Proposals (RFP) for Actuarial Services for Defined Benefit Pension & Trust Plan

MR. YOUNG MADE A MOTION TO RECOMMEND THE BOARD AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR ACTUARIAL SERVICES FOR DEFINED BENEFIT PENSION & TRUST PLAN. MS. GRANADO SECONDED THE MOTION. NISKALA, GRANADO AND YOUNG VOTING IN FAVOR. THE MOTION CARRIED. ALONZO ABSENT

Action to Recommend the Board Authorize the Chief Executive Officer (CEO) or Designee to Enter into a Month-to-Month Agreement Ending March 31, 2018 with Wells Fargo Institutional Trust Group for Portfolio Management of the Agency's Defined Contribution Plan and Defined Benefit Plan & Trust

MR. YOUNG MADE A MOTION TO RECOMMEND THE BOARD AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO ENTER INTO A MONTH-TO-MONTH AGREEMENT ENDING MARCH 31, 2018 WITH WELLS FARGO INSTITUTIONAL TRUST GROUP FOR PORTFOLIO MANAGEMENT OF THE AGENCY'S DEFINED CONTRIBUTION PLAN AND DEFINED BENEFIT PLAN & TRUST. MS. GRANADO SECONDED THE MOTION. NISKALA, GRANADO AND YOUNG VOTING IN FAVOR. THE MOTION CARRIED. ALONZO ABSENT

Action to Recommend the Board Authorize the Chief Executive Officer (CEO) or Designee to Authorize Exercising the Second Option Year with Wells Fargo Bank, N.A. from January 1, 2018 to December 31, 2018 for Depository and Banking Services

MR. YOUNG MADE A MOTION TO RECOMMEND THE BOARD AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO AUTHORIZE EXERCISING THE SECOND OPTION YEAR WITH WELLS FARGO BANK, N.A. FROM JANUARY 1, 2018 TO DECEMBER 31, 2018 FOR DEPOSITORY AND BANKING SERVICES. MS. GRANADO SECONDED THE MOTION. NISKALA, GRANADO AND YOUNG VOTING IN FAVOR. THE MOTION CARRIED. ALONZO ABSENT

Heard Presentations:

- a. July 2017 Financial Report
- b. Second Quarter 2017 Reports
 - i. Employees Defined Benefit Plan & Trust
 - ii. Employees Defined Contribution Plan

Mr. Robert Saldana introduced Ms. Lisa Keckler and Mr. Pat Mahoney with Wells Fargo Institutional Trust Group who provided information on the Employees Definied Benefit Plan & Trust and the Employees Defined Contribution Plan. Ms. Keckler commented the Defined Benefit Plan & Trust is a single-employer defined benefit pension plan administered by the Agency, and vesting of benefits for all full-time employees is between three and seven years, and discounted early retirement benefits are available at age 55.

She also commented on the the Defined Contribution Plan and employees are required to contribute 7.51% of their gross pay, yet are able to make voluntary post-tax contributions up to 10%. She said the employee's retirement benefit amounts depend on the employee's contributions and investment earnings, and they are fully vested in their contributions and direct their investments.

Mr. Pat Mahoney commented on the current market status as the S&P 500 Index Equity being up by 14 percent in some areas. He commented the Yield curve has flattened in the 2nd Quarter on Fixed Income Returns, domestic bond markets delivered positive performance and some risk sectors outperformed. Mr. Mahoney reported on the Investment policy summary percentage allocations on Equities were at a 53.98, Fixed Income at 36.92, Real Assets & Alternatives at 6.06 and Cash & Cash Equivalents at 3.04. He gave a recap of cash flow with market gains of a little above \$3.3 million with good improvements, also provided a list of investment funds, comparative performance; 1 year over 10 percent, 10 year over 5 years and at a reasonalble performance.

Mr. Mahoney reported on the funded status of June 30, 2016 at \$31.5 million versus June 30, 2017 at \$35.1 million for assets. He also commented that participation by fund shows employees selecting target funds over the other available funds, and Ms. Keckler stated Wells Fargo focuses on the short-term plan numbers as the employee's returns are low. Mr. Mahoney conmented key changes cut the ratio and line path, and he introduced additional investment classes, as he stated Cash Flow on June 30, 2017 into the contribution plan was at \$9.0 million of total funds, with the Fund Array overview showing the types of fund available. He commented Performance Grades and Market Values shows the different funds rating and how they perform.

Heard Presentations:

a. July 2017 Financial Report

Mr. Robert Saldaña reported on July's total operating revenue at \$160,416 versus the \$252,132 budgeted amount, or \$91,716 under budget. He stated departmental expenses came in at \$2,646,713 million versus \$2,615,475 million, or \$31,238 over budget, depreciation was at \$708,333 versus \$390,067 with total operating expenses of \$3,355,046 million versus budgeted amounts of \$3,005,542 million, or \$349,504 over. Mr. Saldaña said sales tax revenues of \$2.8 million were inline with the \$2.8 million budgeted.

Mr. Saldaña reported year-to-date revenues were at \$1.6 million being slightly under the budgeted amount of \$1.7 million by \$66,103. He commented departmental expenses were \$18.2 million, or \$597,948 under budget of \$18.8, depreciation was at \$4.9 million versus budgeted amounts of \$2.7 million, making total operating expenses \$23.2 versus budgeted amount of \$21.6 million. Mr. Saldaña commented that budget depreciation amount represents only the local share of the depreciation expense while the actual represents the depreciation of both local and federal portions.

In summary, Mr. Saldana commented the Agency's financial performance for the month of July fell short of budgeted amounts by \$579,880, and the majority of the negative monthly variance is attributed to higher costs associated with health care insurance by the agency's Human Resources. He commented other variances are due to the purchasing timing that occurred in Purchased Transportation, MIS, Vehicle Maintenance, and Facilities Maintenance departments. He said the other shortfall is depreciation expenses being significantly higher than budgeted amounts because budget depreciation amounts represent only local share while actuals represent depreciation of both local and federal portions.

Adjournment

There being no further business, the meeting was adjourned at 9:02 a.m.

Submitted by: Dena Linnehan



September 27, 2017

Subject: Issue a Request for Proposal (RFP) for Life Insurance and Accidental Death and Dismemberment

Background

The authority provides group life term and accidental death and dismemberment (AD&D) coverage at no cost to the employees. Employees are provided with coverage in both areas that is equal to two times their annual base pay to a maximum of \$100,000. In addition, employees may voluntarily purchase \$25,000 life coverage for their spouse and/or \$10,000 for each eligible dependent at a monthly cost of \$2.00 and up to an additional \$100,000 (in \$5,000 increments) in supplemental life coverage. The current contract is set to expire on December 31, 2017.

Identified Need

The Group Life Insurance was awarded to Minnesota Life in February of 2012 for a three year base contract with two (2) one year options. The authority has identified the need for our employees to have life insurance options available to them when unexpected incidents occur. The authority has been pleased with the services that Minnesota Life has offered to our Human Resources department and our employees.

Financial Impact

The cost of having Life Insurance available for our employees on an annual basis is estimated to be approximately \$76,345. This cost is split with a portion of about \$30,093 being paid by the employee for additional voluntary products and the remaining \$46,252 paid by the CCRTA. These monies are 100% budgeted within individual operating department budgets.

Recommendation

Staff request the Administration Committee recommend the Board of Directors authorize the issuing a Request for Proposal (RFP) for Life Insurance and Accidental Death and Dismemberment.

Respectfully Submitted,

Submitted by: Angelina Gaitan

Director of Human Resources

Final Approval by:

Jorge Cruz-Aedo

Chief Executive Officer



September 27, 2017

Subject: Issue a Request for Proposal (RFP) for Occupational Medical Services

Background

The RTA provides medical occupational services as noted below, through The Doctor's Center. The current contract is set to expire on March 31, 2018 and we are out of option years. The services currently provided include, but is not limited to:

Post Job Offer Physicals
DOT and Non-DOT Physicals
Return to Work Medical Examinations
Medical Services for Work Related Injuries
Periodic Physicals
Drug & Alcohol Screens
Employee Health Education

Identified Need

This contract was initially awarded in April of 2013. The Doctor's Center has proven their ability to provide the necessary compliance with the FTA's regulations and has provided a satisfactory level of service to the RTA and its employees through acceptable patient to doctor ratio.

At this time, the RTA is considering options that will be able to provide a more cost effective means for the agency, and providing our employees with more enhanced updated testing procedures.

Financial Impact

The cost of utilizing having the Occupational Medical Services on an annual basis is estimated to be approximately \$32,000. These funds are budgeted in the Human Resources Department.

Recommendation

Staff request the Administration Committee recommend the Board of Directors authorize the issuing a Request for Proposal (RFP) for Occupational Medical Services.

Respectfully Submitted,

Submitted by:

Angelina Gaitan

Director of Human Resources

Final Approval by:

Jorge Cruz-Aedo

Chief Executive Officer



September 27, 2017

Subject: Issue a Request for Proposal (RFP) for Long-Term Disability and Short-Term Disability Insurance

Background

The Authority provides long-term disability insurance to full time employees who have been employed for one (1) year. The Authority pays for the premium cost. The current program provides coverage with a 90-day elimination period and benefits equal to 66.67% of an employee's base wages. The policy provides income protection to employees for total and permanent disabilities, as well as for occupational disabilities and mental and nervous related disabilities.

The Authority also offers short-term disability insurance to active employees working a minimum of 32 hours per week and the employee is responsible for the premium cost. The current plan provides coverage with a 14-day elimination period and the benefits equal to 60.00% of an employee's base wages. The policy provides income protection to employees for a benefit period of 11 weeks, for partial, total and permanent disabilities.

Identified Need

The current contract for the long-term disability is through Jefferson Pilot/Lincoln Financial and expires February 1, 2018 and we are out of option years. The current contract for the short-term disability is through UNUM and expires January 31, 2013 and we are out of option years. We intended to consolidate these two contracts into one and solicit this as one RFP.

Financial Impact

The total annual amount for these benefit are approximately \$104,820.00. This cost is split with a portion of about \$38,367 being paid by the employee for the voluntary premium selection of the short-term disability and the remaining \$66,453 paid by the CCRTA for the long-term disability insurance. These monies are budgeted out of individual department operating budgets.

Recommendation

Staff requests that the Administration Committee recommend the Board of Directors authorize issuing a Request for Proposals (RFP) for Long-Term Disability and Short-Term Disability Insurance.

Respectfully Submitted,

Submitted by:

Angelina Gaitan Director of Human Resources

Final Approval by:

Jorge Gruz-Aedo Chief Executive Officer



September 27, 2017

Subject: Adoption of a Resolution Designating Certain Individuals the Authority to Sign Checks

Background

Section 451.101 of the Texas Government Code allows the Authority's Board of Directors to designate certain persons to sign checks and other demands for money on an annual basis or more often if needed.

Identified Need

As per policy an annual Board Resolution is needed to designate those with signature authority. The resolution and signature page are attached.

Financial Impact

There are no additional costs associated with this action.

Recommendation

Staff recommends to the Board of Directors to Adopt a Resolution (attached) designating the listed individuals as having authority to sign checks and other demands for money on behalf of the Authority.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel

Director of Finance

Reviewed by:

Robert M. Saldaña

Managing Director of Administration

Final Approval by:

Jorge Cluz-Aedo

Chief Executive Officer

Corpus Christi Regional Transportation Authority



ResolutionDesignation of Persons to Sign Checks

WHEREAS, Section 451.101 of Chapter 451 of the Texas Government Code, provides that the Authority may authorize certain persons to sign checks or the demands for money of the Authority; and

WHEREAS, due to personnel replacements and changes, the Authority has determined it necessary to revise the current authorizations on file with the Authority's depository banks;

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

Section 1. The incumbents in the following offices are hereby designated as persons authorized to sign checks or demands for money of the Authority subject to the limitations provided in the Authority's Bylaws and by applicable state and federal law: Chair, Vice Chair, Secretary, Chief Executive Officer, and Managing Director of Administration. Attached as Exhibit "A" are the specimen signatures of the incumbents in such positions.

Section 2. This Resolution shall take effect as of the date a copy of this Resolution, together with the specimen signatures attached is forwarded to the Authority's depository banks; provided that, any checks or demands for money outstanding as of the effective date of this Resolution which were properly issued under prior resolutions of the Board of Directors shall be honored and given full force and effect.

DULY PASSED AND ADOPTED this 4th day of October, 2017.

ATTEST:	CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY	
Edward Martinez Board Secretary	Curtis Rock Board Chair	

Federal Tax ID# 74-2390259

Exhibit A

REGIONAL TRANSPORTATION AUTHORITY

BEFORE ME, the Secretary of the Corpus Christi Regional Transportation Authority, on this day personally appeared the following persons, who are the incumbents in their respective positions and are authorized according to Section 5.02 of the Bylaws of the Corpus Christi Regional Transportation Authority and the attached Resolution to sign checks or demands for money of the Authority subject to the limitations provided in said Bylaws, and the signatures below are true and correct signatures of said persons.

Curtis Rock, Board Chair
Michael Reeves, Board Vice-Chair
Edward Martinez, Board Secretary
Jorge G. Cruz-Aedo, Chief Executive Officer
Jorge G. Cruz-Aedo, Chief Executive Officer
Robert Saldaña, Managing Director of Administration
Sharon Montez, Managing Director of Capital Projects and Customer Services
and Customer Services
EXECUTED this 4 th day of October, 2017.
executed this 4 day of October, 2017.
Edward Martinez, Board Secretary



September 27, 2017

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

Background

In accordance with Section 2256.005 of the Texas Government Code ("Public Funds Investment Act"), the Board of Directors of the Corpus Christi Regional Transportation Authority shall annually:

- Review and adopt an investment policy that governs investing Authority Funds (This
 policy <u>excludes</u> pension funds, which have a separate policy)
- Designate the Investment Officers
- Designate the Investment Advisor
- Approve a list of broker/dealers.

This policy was last approved by Resolution on February 1, 2017 by the Board of Directors. The new proposed Resolution for adoption is included as part of this document.

The Investment Policy defines the parameters in which funds are to be managed to ensure that the investment strategies exercised are effective and to the best interest of the CCRTA.

Because the investing environment is driven by complex regulatory and Market forces, CCRTA has continued to opt for a professionally managed investment portfolio through the services of an Investment Advisor. Patterson & Associates, a SEC-registered Investment Advisor, is currently serving the Authority under a 2-year agreement which expires on December 7, 2018.

Modifications to the Investment Policy

The proposed modifications are a result of the changes made by the legislature earlier this year to the Public Funds Investment Act:

- Broker/Dealers are no longer required to certify to your policy. CCRTA will
 continue to send each broker/dealer a copy of the policy so that they will continue
 to transact on behalf of CCRTA according to investment guidelines but they are
 no longer required to certify to it.
- Pools and Investment Advisers are the only entities required to certify to the policy.

 Pools and Money Market Funds which strive to maintain a \$1 NAV now have to be in compliance with all requirements in SEC Rule 2a-7.

The body of the policy has not been changed. However, Garcia Hamilton & Associates is being removed as an authorized Broker/Dealer.

Attached is a copy of the Investment Policy, which includes a listing of Authorized Brokers/Dealers, for the Board's consideration and action. Legal counsel has reviewed and approved this policy.

Recommendation

Staff requests that the Administration Committee recommend to the Board of Directors to adopt a Resolution which approves the Investment Policy and designates Sandy Roddel, Director of Finance, and Robert Saldana, Managing Director of Administration as Investment Officers.

Respectfully Submitted,

Submitted by:

Marie Sandra Roddel

Director of Finance

Reviewed by:

Robert M. Saldaña

Managing Director of Administration

Final Approval by:

Jorge Cruz-Aedo

Chief Executive Officer

Corpus Christi Regional Transportation Authority



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

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

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

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

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

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

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

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

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

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

The foregoing Resolution was adopted by the Board of Directors of the Regional Transportation Authority at a duly held meeting on October 4, 2017.

DULY PASSED AND ADOPTED this 4TH day of October, 2017.

ATTEST:	CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Jorge Cruz-Aedo	Curtis Rock
Chief Executive Officer	Chairman of the Board

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY BOARD POLICY

INVESTMENTS

POLICY STATEMENT

Section 1.Statement.

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

Section 2.Scope of Policy.

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

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

Section 3.Policy Objectives.

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

- (a) <u>Preservation and Safety of Principal</u>. Safety of principal is the foremost objective. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether resulting from security default or erosion of market value.
- (b) <u>Liquidity</u>. The investment portfolio will retain sufficient liquidity to enable the CCRTA to meet all operating requirements which can be reasonably anticipated. Cash flow analysis will be utilized to continuously monitor cash flow changes and guide investment decisions.
- (c) <u>Diversification</u>. The CCRTA will diversify its investments in an effort to avoid incurring unreasonable or avoidable risks regarding specific security types or individual financial institutions. Diversification will include diversification by maturity and market sector and will include the use of a number of institutions and brokers for diversification, competition, and market coverage. Diversification serves to reduce market and interest rate risk. Asset allocation shall reflect an emphasis on high credit quality governmental investments.

(d) Yield. The investment portfolio shall be designed with the objective of attaining a reasonable market yield, taking into account risk constraints and cash flow needs of the portfolio. CCRTA will not make investments for the purpose of trading or speculation as its dominant criteria. However, CCRTA intends to pursue active portfolio management techniques while working within the guidelines of the Policy in order to enhance total returns.

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

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

PROCEDURES

Section 4. Investment Strategy.

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

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

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

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

Section 5.Standard of Prudence.

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

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

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

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

Section 6.Delegation of Authority and Responsibilities.

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

(a) The Board of Directors

The Board's responsibilities include:

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

(b) Investment Officer(s)

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

- The Investment Officers are responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management.
- The Investment Officers shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy.

- The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls and documentation to regulate the activities of subordinate officials and staff.
- The Investment Officers shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officers are not available.
- No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and established procedures.
- The Investment Officers shall be knowledgeable of laws concerning the investment of public funds, current investment practices and investment risks and opportunities as required by the Act (2256.008). The Investment Officer shall obtain ten (10) hours of training within twelve months of assuming the position and in each two year period that begins on the first day of the CCRTA's fiscal year and consists of the two consecutive fiscal years after that. The training may be obtained from:
 - Government Finance Officers Association
 - Government Finance Officers Association of Texas
 - Government Treasurers Organization of Texas
 - Association of Public Treasurers of the US & Canada
 - Texas Municipal League
 - University of North Texas Center for Public Management
 - Patterson & Associates

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

- The Investment Officers shall be bonded employees.
- This Policy and its adopting resolution authorize the Investment Officers to engage in investment transactions on behalf of CCRTA. The persons so authorized are authorized to approve electronic transfers used in the process of investing.
- If the Investment Officers have a personal business relationship with a business organization
 offering to engage in an investment transaction with the CCRTA, that individual shall file a
 statement disclosing that personal business interest in accordance with the Act
- The Investment Officers shall develop and maintain a cash flow analysis to determine available balances and project cash flow needs for the prudent investment of CCRTA funds and the creation of adequate liquidity buffers.
- The Investment Officers shall maintain current and accurate documentation on all investment transactions and holdings.
- The Investment Officers shall ensure adequate security and independent safekeeping for all securities owned by or pledged to CCRTA.
- The Investment Officers shall ensure that all certification and other requirements placed on financial counter-parties are observed.
- The Investment Officers shall monitor the credit ratings of all investments requiring ratings no less than monthly. Ratings may be obtained from the rating agencies, Bloomberg, the Wall Street Journal or other recognized financial reporting entities. Should the investments lose the required ratings, the Investment Officers shall inform the CEO of the loss of the ratings and options for the liquidation of the investments consistent with this policy. Rated investments include:
 - Obligations of States (other than Texas) and their agencies and subdivisions; banker's acceptances, commercial paper, money market mutual funds and investment pools.
- The Investment Officers shall monitor the status and ownership of all banks issuing brokered CDs owned by the CCRTA based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officers shall immediately liquidate any brokered CD which places the CCRTA above the FDIC insurance level.

Section 7. Authorized Investments.

- (a) <u>List of Investments</u>. The investment types listed below, and as further defined by the Act, are authorized for the CCRTA. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by CCRTA until this Policy has been amended and the amended version adopted by the Board.
 - Obligations of the United States, its agencies, and instrumentalities with a stated maturity not to exceed three years and excluding mortgage backed securities.
 - Direct obligations of the State of Texas or its agencies and instrumentalities with a stated maturity not to exceed two years.
 - Obligations, the principal and interest of which are unconditionally guaranteed, insured, or backed by, the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities including the Federal Deposit Insurance Corporation and with a stated maturity not to exceed three years, and excluding mortgage backed securities.
 - Obligations of states, agencies, counties, cities, and other political subdivisions of any US state rated not less than A or its equivalent by at least two nationally recognized investment rating agencies not to exceed three years to maturity.
 - Fully insured or collateralized depository certificates of deposit from any bank doing business
 in the State of Texas and under the terms of a written depository agreement with that bank,
 not to exceed two years to stated maturity, to include certificates of deposit purchased
 through the CDARS program with a Texas bank;
 - FDIC insured brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the CCRTA's safekeeping agent, not to exceed two years to maturity.
 - Fully collateralized repurchase agreements and reverse repurchase agreements as defined by the Act, with defined termination dates, and placed through a primary government securities dealer with a stated maturity not to exceed six months. Flex repurchase agreements used for capital projects may extend beyond three years as determined by the bond expenditure plan.
 - Bankers' acceptances as defined by the Act with a stated maturity not to exceed three months.
 - Commercial paper rated A1/P1 or equivalent by at least two nationally recognized rating agencies with a stated maturity not to exceed three months.
 - AAA-rated, local government investment pools in Texas striving to maintain a \$1 net asset value per share <u>and in compliance with SEC Rule 2a-7.</u>
 - SEC registered money market mutual funds as defined by the Act and in compliance with SEC Rule 2a-7.
 - Interest bearing accounts of banks in Texas with FDIC coverage or collateralized in accordance with this Policy.
- (b) <u>Competitive Bidding Requirement</u>. All securities, including certificates of deposit, will be purchased or sold only after three (3) competitive offers/bids are taken to verify that CCRTA is receiving a fair market price. In the case of coordinated programs for the purchase of certificates of deposit bids (CDARS) from multiple brokers will not be required.

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

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

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

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

	Max. % of Portfolio
US Treasury Obligations	80%
US Agencies/Instrumentalities	80%
State Government Obligations	45%
Local Government Obligations	45%
Certificates of Deposit (Depository)	50%
Brokered Certificates of Deposit	30%
Repurchase Agreements	50%
Flex in CIP Funds	100%
Local Government Investment Pools	80%
Money Market Funds	100%
Limited to 80% in any one fund	
(Not to exceed 10% of the value of the fu	und)
Commercial Paper	35%
Limited to 5% from any one issuer	
Bankers Acceptances	20%

Section 8. Financial Counter-Parties.

(a) Designation of Depository

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

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

(b) Investment Management Firm

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

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

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

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

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

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

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

(c) Security Brokers/Dealers

Investments may be made with or through the following institutions:

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

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

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

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

(d) Policy Review Certification

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

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

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

Section 9. Collateralization and Safekeeping.

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

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

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

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

- Federal Deposit Insurance Corporation ("FDIC") insurance,
- Obligations of the United States or its agencies and instrumentalities, including mortgage backed securities which pass the bank test.
- Direct obligations of the State of Texas or its agencies, or

- Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities.
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated not less than A or its equivalent by at least two nationally recognized investment rating agencies.

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

(a) Pledged Depository (Pledged) Collateral

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

- The Agreement shall be in writing;
- The Agreement shall be approved by the Board of Directors or the Loan Committee of the Depository and a copy of the meeting minutes or resolution reference must be delivered to the CCRTA; and
- No listing of pledged collateral shall be part of the agreement.

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

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

(b) Repurchase Agreements (Owned) Collateral

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

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

Section 10.Reporting.

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

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

- A detailed description of the investment position of the entity on the date of the report;
- A summary statement, for each pooled fund group that states the:
 - Beginning market value for the reporting period;
 - Ending market value for the period; and
 - Fully accrued interest for the reporting period;
- For each individual invested asset:
 - State the book value and market value at the end of the reporting period by the type of asset and fund type invested;
 - State the maturity date of each separately invested asset that has a maturity date;
 - State the account or fund or pooled group fund for which each individual investment was acquired (if more than one such account or fund exists).
- Dollar weighted average yield of the portfolio and its benchmarks,
- Earnings for the period (accrued plus net amortization),
- Analysis of the total portfolio by market sector and maturity, and
- Statement of compliance of the investment portfolio with the Act and the Investment Policy.

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

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

Section 11. Annual Policy Adoption.

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

Last Approved by Resolution – February 1, 2017

Corpus Christi Regional Transportation Authority Investment Policy ATTACHMENT A

Authorized Investment Advisor

Patterson & Associates Austin, Texas

Corpus Christi Regional Transportation Authority Investment Policy ATTACHMENT B

Authorized List of Brokers/Dealers

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



September 27, 2017

Subject: Authorize Staff to Enter into a New Investment Relationship with TexPool Investment Pools Participation Agreement, Completion of Documents Required to Open Investment Accounts, and Designate Authorized Representatives to Conduct Business Transactions on Behalf of the Agency

Background

The Investment Policy of the CCRTA, in accordance with the Public Investment Act section of Chapter 2256 of the Texas Government Code, allows for the participation in governmental investment pooled funds as part of the Authority's overall investment strategy. Governmental Investments Pools have a history of prudent management by utilizing safe investment strategies with competitive yields.

TexPool is the oldest and largest local government investment pool in Texas achieving the highest S&P rating of "AAAm". There are two types of investing accounts: TexPool and TexPool Prime and both are qualified platforms within the Authority's portfolio and portfolio composition. Daily performance yields for the last 9 months have averaged at 1.02 and 1.2587 respectively. No minimum balances are required.

Identified Need

In reviewing the existing banking and investment arrangements it was discovered that CCRTA can achieve greater portfolio diversification and improve returns by participating in TexPool and TexPool Prime.

Financial Impact

There are no additional costs associated with this action.

Recommendation

Staff requests that the Administration Finance Committee recommend to the Board of Directors to establish a new investment relationship with TexPool by entering into a TexPool Investment Pools Participation Agreement and completing all the documents required to open investment accounts, and designating authorized representatives to conduct business transactions on behalf of CCRTA.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel

Director of Finance

Reviewed by:

Robert M. Saldaña

Managing Director of Administration

Final Approval by:

Jorge Cruz-Aedo Chief Executive Officer



TexPool Investment Pools Participation Agreement

Preamble

This participation agreement (the "Agreement") is made and entered into by and between the Comptroller of Public Accounts (the "Comptroller"), acting through the Texas Treasury Safekeeping Trust Company (the "Trust Company"), Trustee of the Texas Local Government Investment Pool (TexPool) and TexPool Prime, (collectively the "TexPool Investment Pools"), and Corpus Christi Regional Transportation Authority (the "Participant").

WHEREAS, the Interlocal Cooperation Act, TEX GOV'T CODE ANN, ch. 791 and the Public Funds Investment Act, TEX. GOV'T CODE ANN. ch. 2256 (the "Acts") provide for the creation of a public funds investment pool to which any local government or state agency may delegate, by contract, the authority to hold legal title as custodian and to make investments purchased with local funds;

WHEREAS, the Trust Company is a special purpose trust company authorized pursuant to TEX. GOV'T CODE ANN. § 404.103 to receive, transfer and disburse money and securities belonging to state agencies and local political subdivisions of the state and for which the Comptroller is the sole officer, director and shareholder;

WHEREAS, TexPool and TexPool Prime are public funds investment pools, which funds are invested in certain eligible investments as more fully described hereafter;

WHEREAS, the Participant has determined that it is authorized to invest in a public funds investment pool created under the Acts and to enter into this Agreement;

WHEREAS, the Participant acknowledges that the Trust Company is not responsible for independently verifying the Participant's authority to invest under the Acts or to enter this Agreement;

WHEREAS, the Participant acknowledges that the performance of TexPool Investment Pools is not guaranteed by the State of Texas, the Comptroller, or the Trust Company and that there is no secondary source of payment for the TexPool Investment Pools; and

WHEREAS, in an effort to ensure the continued availability of an investment pool as a vehicle for investment of local government funds and simultaneously provide for enhancement in services and potential decreases in management and administrative fees, Participant and Trust Company desire to provide in this Agreement that the Trust Company may obtain private professional investment management and related services.

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree with each other as follows:

Article I: Definitions

"Account" shall mean any account or accounts, established by the Participant in TexPool Investment Pools in accordance with this Agreement and the Operating Procedures (as defined herein), which Account represents an undivided beneficial ownership in TexPool Investment Pools.

"Authorized Investments" shall mean those investments which are authorized by the Investment Act (as herein defined) for investment of public funds.

"Authorized Representative(s) of the Participant" shall mean any individual who is authorized to execute documents and take such other necessary actions under this Agreement as evidenced by the duly enacted Resolution of the Participant.

"Authorized Representative(s) of the Trust Company" shall mean any employee of the Comptroller or Trust Company who is designated in writing by the Comptroller or the Trust Company's Chief Executive Officer to act as the authorized Trust Company representative for purposes of this Agreement and shall include employees of any private entity performing the obligations of the Comptroller under this Agreement.

"Board" shall mean the advisory board provided for in the Investment Act (as defined below).

"Investment Act" shall mean the Public Funds Investment Act, TEX. GOV'T CODE ANN. ch. 2256, as amended from time to time.

"Investment Policy" shall mean the written TexPool Investment Pools Investment Policies, as amended from time to time, relating to the investment and management of funds in TexPool Investment Pools as established by the Trust Company consistent with the Investment Act.

"Letter of Instruction" shall mean a written authorization and direction to the Trust Company signed by an Authorized Representative of the Participant.

"Operating Procedures" shall mean the written procedures established by the Trust Company describing the management and operation of TexPool Investment Pools, and providing for the establishment of, deposits to and withdrawals from the Accounts, as amended from time to time.

"Participant" shall mean any entity authorized by the Acts to participate in a public funds investment pool that has executed this Agreement pursuant to a Resolution.

"Resolution" shall mean the resolution adopted by the governing body of a local governmental entity authorizing the entity's participation in TexPool Investment Pools and designating persons to serve as Authorized Representatives of the Participant.

Article II: General Administration

Section 2.01. TexPool Investment Pools Defined.

- (a) TexPool Investment Pools are public funds investment pools created pursuant to the Acts.
- (b) Subject to Section 6.10, the Trust Company agrees to manage the Participant's Account(s) in accordance with the Investment Act and the Investment Policy.

Section 2.02. Board.

- (a) The Board is composed of members appointed pursuant to the requirements of the Investment Act.
- (b) The Board shall advise the Trust Company on the Investment Policy and on various other matters affecting TexPool Investment Pools, and shall approve fee increases.

Section 2.03. General Administration.

- (a) The Trust Company shall establish and maintain the Investment Policy specifically identifying the Authorized Investments consistent with the Investment Act and the general policy and investment goals for TexPool Investment Pools.
- (b) The Trust Company shall establish and maintain the Operating Procedures, describing the management and operation of TexPool Investment Pools and providing for procedures to be followed for the establishment of, deposits to, and withdrawals from the Accounts and such other matters as are necessary to carry out the intent of this Agreement.
- (c) The Trust Company shall have the power to take any action necessary to carry out the purposes of this Agreement, subject to applicable law and the terms of this Agreement.

Section 2.04. Ownership Interest. Each Participant shall own an undivided beneficial interest in the assets of TexPool Investment Pools in an amount proportional to the total amount of such Participant's Accounts relative to the total amount of all Participants' Accounts in TexPool Investment Pools, computed on a daily basis.

Section 2.05. Independent Audit. TexPool Investment Pools are subject to annual review by an independent auditor consistent with Ch. 2256, TEX GOV'T CODE ANN. In addition, reviews of TexPool Investment Pools may be conducted by the State Auditor's Office and the Comptroller's office. The Trust Company may obtain such legal, accounting, financial or other professional services as it deems necessary or appropriate to assist TexPool Investment Pools in meeting its goals and objectives.

Section 2.06. Liability. Any liability of the Comptroller, the Comptroller's office, the Trust Company, representatives or agents of the Trust Company, any Comptroller employee, Trust Company or any member of the Board for any loss, damage or claim, including losses from investments and transfers, to the Participant shall be limited to the full extent allowed by applicable laws. The Trust Company's responsibilities hereunder are limited to the management and investment of TexPool Investment Pools and the providing of reports and information herein required.

Article III: Participant Requirement

Section 3.01. The Participation Agreement. The Participant must execute this Agreement and provide a Resolution authorizing participation in TexPool Investment Pools and designating persons to serve as Authorized Representatives of the Participant and any other documents as are required under, and substantially in the form prescribed by, the Operating Procedures before depositing any funds into TexPool Investment Pools. The Participant must provide an updated Resolution designating Authorized Representatives within 5 business days of the departure of any Authorized Representative of the Participant.

Section 3.02. Operating Procedures

- (a) The Participant acknowledges receipt of a copy of the Operating Procedures. The Operating Procedures describe in detail the procedures required for the establishment of accounts, deposits to and withdrawals from TexPool Investment Pools, and related information.
- (b) The Operating Procedures may be modified by the Trust Company as appropriate to remain consistent with established banking practices and capabilities and when such modification is deemed necessary to improve the operation of TexPool Investment Pools.
- (c) The Participant hereby concurs with and agrees to abide by the Operating Procedures.

Article IV: Investments

Section 4.01. Investments. All monies held in TexPool Investment Pools shall be invested and reinvested by the Trust Company or Authorized Representatives of the Trust Company only in Authorized Investments in accordance with the Agreement, the Investment Policy and the Investment Act. Participant hereby concurs with any such investment so made by the Trust Company. Available funds of TexPool Investment Pools that are uninvested may be held at the Trust Company's account at the Federal Reserve Bank of Dallas, or any designated custodian account, or with a custodian selected by the Trust Company. All investment assets and collateral will be in the possession of the Trust Company and held in its bookentry safekeeping account at the Federal Reserve Bank, any designated custodian account, or with a custodian selected by the Trust Company.

Section 4.02. Failed Investment Transaction. In the extraordinary event that a purchase of securities results in a failed settlement, any resulting uninvested funds shall remain in the Trust Company's Federal Bank of Dallas account, any designated custodian account or with a custodian selected by the Trust Company. If an alternative investment can be secured after the failure of the trade to settle, TexPool Investment Pools will receive all the income earnings, including but not limited to, any compensation from the purchaser failing in the trade and the interest income from the alternative investment.

Section 4.03. Investment Earnings and Losses Allocation. All interest earnings in TexPool Investment Pools will be valued daily and credited to the Participant's Accounts monthly, on a pro rata allocation basis. All losses, if any, resulting from the investment of monies in TexPool shall also be allocated on a pro rata allocation basis. All earnings and losses will be allocated to the Participant's Accounts in accordance with generally accepted accounting procedures.

Section 4.04. Commingling of Accounts. Participant agrees that monies deposited in TexPool and TexPool Prime, may be commingled with all other monies held in TexPool and TexPool Prime, respectively for purposes of common investment and operational efficiency. However, each Participant will have separate Accounts on the books and records of TexPool Investment Pools, as further provided for in the Operating Procedures.

Article V: Fees, Expenses and Reports

Section 5.01. Fees and Expenses. The Participant agrees to pay the amount set forth in the fee schedule. Participant agrees that all fees shall be directly and automatically assessed and charged against the Participant's Accounts. The basic service fee shall be calculated as a reduction in the daily income earned, thus only the net income shall be credited to the Participant's Account. Fees for special services shall be charged to each Participant's account as they are incurred or performed. A schedule of fees shall be provided to the Participant annually. Each Participant will be notified thirty (30) days prior to the effective date of any change in the fee schedule.

Section 5.02. Reports. A monthly statement will be mailed to the Participant within the first five (5) business days of the succeeding month. The monthly statement shall include a detailed listing of the balance in the Participant's Accounts as of the date of the statement; all account activity, including deposits and withdrawals; the daily and monthly yield information; and any special fees and expenses charged. Additionally, copies of the Participant's reports in physical or computer form will be maintained for a minimum of three prior fiscal years. All records shall be available for inspection at all reasonable hours of the business day and under reasonable conditions.

Section 5.03. Confidentiality. The Trust Company and any private entity acting on behalf of the Trust Company for purposes of this Agreement will maintain the confidentiality of the Participant's Accounts, subject to the Public Information Act, TEX GOV'T CODE ANN. ch. 552, as amended.

Article VI: Miscellaneous

To the Participant:

Section 6.01. Notices. Any notices, Letters of Instructions or other information required or permitted to be given hereunder shall be submitted in writing and shall be deemed duly given when deposited in the U.S. mail postage prepaid or successfully transmitted via facsimile addressed to the parties as follows:

Corpus Christi Regional Transportation Authority	
Participant	
602 N. Staples	
Address	
Corpus Christi, TX 78401	
City, State, Zip	
3 6 1 2 8 9 2 7 1 2 3 6 1 8 8 3 1 9 8 3	

To Trust Company with respect to contractual matters or disputes under this Agreement:

Texas Treasury Safekeeping Trust Company Attn: TexPool Investment Pools Rusk State Office Building 208 East 10th Street Austin, TX 78701

Telephone: (512) 463-3716 FAX No.: (512) 463-0823

To **TexPool Investment Pools** with respect to operational matters, including enrollment documents; changes to Authorized Representatives; Bank Information Sheets; initiation of deposits or withdrawals of funds; changes to addresses; audit confirmation requests; and account inquiry:

TexPool Participant Services C/O Federated Investors Inc. 1001 Texas Ave., Suite 1400

Houston, TX 77002

Telephone: 1-866-839-7665 (1-866-TEX-POOL) FAX No.: 1-866-839-3291 (1-866-TEX-FAX1)

The Participant and the Trust Company agree to notify the other of any change affecting this information and agree that unless and until so notified, the other party shall be entitled to rely on the last information provided.

Section 6.03. Severability. If any provision of this Agreement shall be held or deemed to be in fact illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 6.04. Execution of Counterparts. This Agreement may be simultaneously executed in several separate counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.05. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any dispute under this Agreement shall be in Travis County, Texas.

Article VI: Miscellaneous (continued)

Section 6.06. Captions. The captions or headings in this Agreement are for convenience only and in no way defined, limit or describe the scope or intent of any provisions, articles or sections of this Agreement.

Section 6.07. Amendments.

- (a) The Trust Company shall advise the Participant in writing of any amendments to this Agreement no less than 45 days prior to the effective date of such amendment. The Participant may ratify the proposed amendment of this Agreement by letter to the Trust Company. If the Participant elects not to ratify the amendment, the Participant may terminate this Agreement in accordance with Section 6.08. In the event the Participant fails to respond in writing to a notice of amendment prior to the effective date of such amendment, this Agreement shall be deemed amended.
- (b) The Trust Company may periodically revise the Operating Procedures from time to time as it deems necessary for the efficient operation of TexPool Investment Pools. The Participant will be bound by any amendment to the Operating Procedures with respect to any transaction occurring subsequent to the time such amendment takes effect, provided, however, that no such amendment shall affect the Participant's right to cease to be a Participant.

Section 6.08. Termination. This Agreement may be terminated by either party hereto, with or without cause, by tendering 30 days prior written notice in the manner set forth in Section 6.01 hereof.

Section 6.09. Term. Unless terminated in accordance with Section 6.08, this Agreement shall be automatically renewed on each anniversary date hereof.

Section 6.10. Assignment. The Trust Company may enter into an agreement with a third party investment manager to perform its obligations and service under this Agreement, provided that such third party investment manager shall manage TexPool Investment Pools according to the Investment Act, Investment Policy and in a manner consistent with that directed by the Trust Company. The Trust Company also shall have the right to assign its rights and obligations under the Agreement to a third party investment manager if the Trust Company determines that such assignment is in the best interest of the State and Participants. In the event a successor pool to TexPool or TexPool Prime is deemed by the Trust Company to be in the best interest of the State and the Participant, the Trust Company may take any action it deems necessary to assign its rights and benefits under any third party agreements and transfer the assets from TexPool Investment Pools to any successor pool.

TEXAS TREASURY SAFEKEEPING TRUST COMPANY

In Witness Whereof, the parties hereto have caused this Agreement to be executed as of the dates set forth below, and the Agreement shall be effective as of the latest such date.

PARTICIPANT:	COMPTROLLER OF PUBLIC ACCOUNTS
Signature	Signature
Curtis Rock	l I
Printed Name	Printed Name
Chair, CCRTA Board of Directors	
Title	Title
Date	Date
CERTIFICATE OF INCUMBENCY: The preceding signatory is a duly appointed, acting, and qualified officer of this Agreement.	of the Participant, who, in the capacity set forth above is authorized to execute
IN WITNESS WHEREOF, I have duly executed this certificate as of the _	day of, 20
Signature	
Eddie Martinez	
Printed Name	
Secretary, CCRTA Board of Directors	
Title	

ORIGINAL SIGNATURE AND DOCUMENT REQUIRED

TEX-ENROLL

4 OF 4



Bank Information Sheet

0 8 2 3 2 0 1 7 Effective Date*

Please complete this form to add new banking instructions, or to change or delete existing banking instructions. *Required Fields 1. Participant Information Corpus Christi Regional Transportation Authority Participant Name* 602 N. Staples Corpus Christi 7 8 4 0 1 Street Address* City* State* Zip Code' 602 N. Staples Corpus Christi |T|X| | 7 | 8 | 4 | 0 | 1 | Mailing Address* City* State* Zip Code* Nueces mroddel@ccrta.org County* 3 | 6 | 1 | 9 | 0 | 3 | 3 | 4 | 7 | 0 3 6 1 8 8 3 1 9 8 3 Marie Sandra Roddel Primary Representative* Phone Number* Fax Number* 2. Instructions 0 0 0 0 1 Corpus Christi Regional Transportation Authority Location Number* Account Number Account Name* ☑ 449 TexPool Please check all that apply. Add New Account ☐ Add New Banking Instructions ☐ Change Banking Instructions ☐ Delete Banking Instructions ✓ Wire and ACH⁻ ☐ Wire Only □ ACH Only⁺ Primary ☐ Primary ☐ Primary 3. Bank Information Wells Fargo Bank, NA 615 N Upper Broadway St Bank Name* Bank Address* 7 8 4 0 1 1 Corpus Christi Nueces Texas Zip Code County* City* 5 8 0 8 0 0 3 9 3 9 2 2 6 6 3 1 6 8 8 Bank ABA Number Bank Account Number Main Account Orlando Saenz - (281) 652-4029 **Bank Contact** Bank Account Name* Credit Information Correspondent Bank Information (if applicable) Correspondent Bank Name/City Correspondent Bank ABA Number

Correspondent Bank Account Number

Correspondent Bank Account Name

Account Number*	Location Number*				
4. Signature					
BANK'S WIRING INSTRUC		INE WITH TH	OCAL BANK. ACH INSTRUCTIONS MAY VARY FROM YOUR IE FEDERAL RESERVE. IF ACH INSTRUCTIONS DIFFER ORMATION SHEET.		
'If ACH availability is selected, I hereby authorize State Street Bank to directly deposit and withdraw funds by means of ACH electronic transfer to and from the financial institution and the account designated above ("Designated Account"). I agree that this authorization may be withdrawn with at least 45-days advance written notice to TexPool Participant Services. I understand that the Trust Company reserves the right to discontinue ACH electronic transfer without advance notice. I also authorize State Street Bank to deduct from the Designated Account or from subsequent deposits made to the Designated Account all amounts deposited in error, Likewise, I authorize State Street Bank to credit all amounts withdrawn in error to Designated Account					
Note: This authorization must Participant, which is on file v		esentative of	he Participant as set forth in the duly enacted Resolution of the		
As a current Authorized Rep	resentative, I certify that the above informat	ion is both true	and correct.		
			0 8 2 3 2 0 1 7		
Signature of First Authorized Re	presentative*		Date*		
Marie Sandra Roddel			3 6 1 9 0 3 3 4 7 0		
Printed Name*			Telephone Number*		
Director of Finance					
Title*					
		2			
			0 8 2 3 2 0 1 7		
Signature of Second Authorized	Representative*		Date*		
Robert Saldana			3 6 1 9 0 3 3 4 9 0		
Printed Name*			Telephone Number*		
Managing Director of A	Administration				
Title*					
5. Mailing Instructions					
or maining mondonons			Maria Ma		

The completed Bank Information Sheet can be faxed to TexPool Participant Services at 1-866-839-3291. Please mail the original form to: TexPool Participant Services 1001 Texas Avenue, Suite 1400

Houston, TX 77002

TEX-BANK

2 OF 2

G45340-12 (8/15)



Resolution Authorizing Participation in the TexPool Investment Pools and Designating Authorized Representatives

WHEREAS. Corpus Christi Regional Transportation Authority

("Participant") is a local government or state agency of the State of Texas and is empowered to delegate to the public funds investment pools the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pools ("TexPool/TexPool Prime"), public funds investment pools, were created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That Participant shall enter into a Participation Agreement to establish an account in its name in **TexPool/TexPool Prime**, for the purpose of transmitting local funds for investment in **TexPool/TexPool Prime**.
- B. That the individuals, whose signatures appear in this Resolution, are authorized representatives of the Participant and are each hereby authorized to transmit funds for investment in **TexPool/TexPool Prime** and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

Authorized Representatives of the Participant These individuals will be issued P.I.N. numbers to transact business via telephone with a Participant Service Representative. 3 | 6 | 1 | 2 | 8 | 9 | 2 | 7 | 1 | 2 | Signature **Jorge Cruz-Aedo** 3 | 6 | 1 | 8 | 8 | 3 | 1 | 9 | 8 | 3 | Printed Name **IChief Executive Officer** jcruz-aedo@ccrta.org Title Email | 3 | 6 | 1 | 9 | 0 | 3 | 3 | 4 | 9 | 0 Signature |Robert M. Saldaña | 3 | 6 | 1 | 8 | 8 | 3 | 1 | 9 | 8 | 3 Printed Name | Managing Director of Administration |rsaldana@ccrta.org Email |3|6|1|9|0|3|3|4|7|0 Signature |Marie Sandra Roddel |3|6|1|8|8|3|1|9|8|3 Printed Name Director of Finance [mroddel@ccrta.org Email |3 |6 | 1 || 9 | 0 | 3 || 3 | 5 | 4 | Signature |Daniel Benavidez |3|6|1|8|8|3|1|9|8|3 Printed Name |Comptroller dbenavidez@ccrta.org Title

Authorized Representatives of the Participant (continued)	F. A. 18 3
5.	
Signature Telephone Number	
Printed Name Fax Number	
Title Email	
List the name of the Authorized Representative provided above that will have primary responsibility for performing transactions and receiv	ving confirma-
ions and monthly statements under the Participation Agreement.	
Marie Sandra Roddel	
Printed Name	
In addition and at the option of the Participant, one additional authorized representative can be designated to perform inquiry only of seletion. This limited representative cannot make deposits or withdrawals. If the Participant desires to designate a representative with inquiry complete the following information.	
1. Angelica Acevedo [3 6 1 9 0 3 3 4 8 0]	
Printed Name Telephone Number	
Accountant 3 6 1 8 8 3 1 9 8 3	
Title Fax Number	
C. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and unit TexPool/TexPool Prime receives a copy of any such amendment or revocation. This resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 23 Day of August Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secreta City Secretary or County Clerk.	, _{20_} 17
Corpus Christi Regional Transportation Authority	
Name of Participant	
SIGNED:	
Signature	
Curtis Rock	
Printed Name	
Chair, CCRTA Board of Directors	
Title	
•	
ATTEST:	
Signature	
Eddie Martinez	
Printed Name	
Secretary, CCRTA Board of Directors	
Title	

ORIGINAL SIGNATURE AND DOCUMENT REQUIRED

TEX-BANK

2 OF 2



Administration & Finance Committee Memo

September 27, 2017

Subject: 2016 RTA Employees Defined Benefit Plan & Trust Audited Financial Statements

Background

The Fiscal 2016 RTA Employees Defined Benefit Plan & Trust audited financial statements are being presented to the Administration & Finance Committee. The audit was conducted by the independent firm of Collier, Johnson, & Woods, P.C. The firm provided a clean opinion that the financial statements fairly present the fiduciary net position of RTA Employees Defined Benefit Plan & Trust as of December 31, 2016 and 2015.

Identified Need

In accordance with the Texas Government Codes Chapter 802, sections 103 and 104, it is required that CCRTA file an annual financial report, including the financial statements and schedules as examined in an annual audit performed by a certified public accountant within 210 days after the last day of the plan's fiscal year.

Financial Impact

The audit was conducted by the accounting firm of Collier, Johnson & Woods, P.C. at the agreed upon rate of \$12,000.

Recommendation

For information only

Respectfully Submitted,

Submitted by:

Marie Sandra Roddel

Director of Finance

Reviewed by:

Robert M. Saldaña

Managing Director of Administration

Final Approval by:

Jorge Cruz-Aedo

Chief Executive Officer

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2016

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555 N. Carancahua Suite 1000 Corpus Christi, Texas 78401-0839 361-884-9347 • Fax 361-884-9422 www.cjw-cpa.com

INDEPENDENT AUDITOR'S REPORT

July 26, 2017

RTA Employees Defined Benefit Plan and Trust Corpus Christi, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of RTA Employees Defined Benefit Plan and Trust (Plan), which comprise the statements of fiduciary net position as of December 31, 2016 and 2015, and the related statements of changes in fiduciary net position for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of RTA Employees Defined Benefit Plan and Trust as of December 31, 2016 and 2015, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter- Adoption of Accounting Standard

As discussed in Note 2 to the financial statements, in 2016, the Plan adopted new accounting guidance Accounting Standards Update (ASU) 2015-12. Our report is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions, and the Schedule of Investment Returns on pages 3-5 and pages 24-26 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Collier, Janon & Woods

Management's Discussion and Analysis

December 31, 2016 (Unaudited)

This section of the financial statements of the RTA Employees Defined Benefit Plan and Trust offers a narrative overview and analysis of the financial activities for the years ended December 31, 2016 and 2015. The reader of this statement should take time to read and evaluate all sections of this report, including the notes and other supplementary information that is provided in addition to the MD&A.

Financial Highlights and Analysis

- Net position restricted for pensions is available for payment of retirement benefits and other qualified distributions to the Plan's participants. Net position restricted for pensions increased by \$2.37 million or 7.85% in 2016 and decreased by \$952 thousand or 3.05% in 2015. Changes primarily correlate with investment income (loss) and employer contributions compared to benefits paid.
- Employer contributions increased \$519 thousand or 52.64% in 2016, compared to a 16.4% decrease in 2015. The 2016 increase is due to an increase in actuarial determined contributions.
- The amount of benefits paid to retired members and beneficiaries increased by \$68,581 or 4.59% during 2016 compared to 19.62% increase in 2015. This is a primary result of an increasing number of retirees.
- The Plan's rate of return on investments for the year ended December 31, 2016 was 8.01% which was more than the return of (1.42%) for the year ended December 31, 2015. The actuarial assumed rate of return is 7.5%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Plan's financial statements. The financial statements are comprised of: (1) financial statements, (2) notes to the financial statements, and (3) required supplementary information.

The Statement of Fiduciary Net Position reports the Plan's assets and liabilities, with the difference between the two reported as net position. This is a measure of financial position, which can indicate financial condition improvement or deterioration from year to year.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan's net position changed during the fiscal year. It reflects contributions by the employer and investment income, along with deductions for retirement benefits, refunds, withdrawals, and administrative expenses.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes should be read as an integral part of the financial statements.

Management's Discussion and Analysis

December 31, 2016 (Unaudited)

Required Supplementary Information (unaudited) includes management's discussion and analysis (MD&A) and the schedule of changes in net pension liability and related ratios, the schedule of contributions, and the schedule of investment returns and is supplementary information required by U.S. generally accepted accounting principles.

CONDENSED FINANCIAL INFORMATION

		DECEMBER		СНА	NGE
	2016	2015	2014	2016-2015	2015-2014
Assets:					
Investments at Fair Value	32,583,077	30,210,461	31,162,434	2,372,616	(951,973)
Total Plan Assests	32,583,077	30,210,461	31,162,434	2,372,616	(951,973)
Liabilities -					
Net Position Restricted					
for Pensions	32,583,077	30,210,461	31,162,434	2,372,616	(951,973)

	YEAR ENDED DECEMBER			CHANGE	
	2016	2015	2014	2016-2015	2015-2014
Additions:					
Net Investment Income (Loss)	2,523,595	(348,950)	1,706,633	2,872,545	(2,055,583)
Employer Contributions	1,503,736	985,175	1,178,498	518,561	(193,323)
Total Additions	4,027,331	636,225	2,885,131	3,391,106	(2,248,906)
Deductions:					
Benefits Paid to Participants	1,561,905	1,493,324	1,248,352	68,581	244,972
Administrative Expenses	92,810	94,874	91,465	(2,064)	3,409
Total Deductions	1,654,715	1,588,198	1,339,817	66,517	248,381
Net Increase (Decrease)					
in Net Position	2,372,616	(951,973)	1,545,314	3,324,589	(2,497,287)

Management's Discussion and Analysis

December 31, 2016 (Unaudited)

Request for Information

This financial report is designed to provide our patrons and other interested parties with a general overview of the finances to demonstrate the Plan's accountability for the funds it receives. Questions concerning any of the information in this report or requests for additional financial information should be addressed to Corpus Christi Regional Transportation Authority, Finance Department, 602 N. Staples St., Corpus Christi, Texas 78401, (361) 883-2287. In addition, this Employees Defined Benefit Plan and Trust Financial Report for 2016 will be posted on the Authority's website: www.ccrta.org under the category "Financial Transparency" – Pension Information.

STATEMENT OF FIDUCIARY NET POSITION

	DECEMBER 31,	
	2016	2015
Assets:		,
Investments, at Fair Value (Note 3):		
Money Market Funds	993,499	615,256
Mutual Funds	7,528,614	6,361,950
Collective Investments Funds	24,060,235	23,233,161
Total Investments, at Fair Value	32,582,348	30,210,367
Accrued Interest Receivable	729	94
Total Assets	32,583,077	30,210,461
Liabilities		
NET POSITION RESTRICTED FOR PENSIONS	32,583,077	30,210,461

See Notes to Financial Statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	YEAR ENDED DECEMBER 31	
	2016	2015
Additions:		
Employer Contributions	1,503,736	985,175
Investment Income:		
Net Appreciation (Depreciation) in		
Fair Value of Investments	2,388,778	(462,739)
Interest	51,083	45,518
Dividends	9,533	9,816
Mutual/Common Trust Fund Earnings	74,201	58,455
Net Investment Income (Loss)	2,523,595	(348,950)
Total Additions	4,027,331	636,225
Deductions:		
Benefits Paid to Participants	1,561,905	1,493,324
Administrative Expenses	92,810	94,874
Total Deductions	1,654,715	1,588,198
Net Increase (Decrease) in Net Position	2,372,616	(951,973)
Net Position Beginning of Year	30,210,461	31,162,434
NET POSITION END OF YEAR	32,583,077	30,210,461

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 1 - DESCRIPTION OF THE PLAN

The following brief description of the RTA Employees Defined Benefit Plan and Trust (Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The RTA Employees Defined Benefit Plan and Trust (Plan) is a single-employer defined benefit pension plan administered by the Corpus Christi Regional Transportation Authority (Authority) and established upon the applicable sections of the Internal Revenue Code. The Authority Board may periodically amend the Plan document. The current Plan provisions were established by a Plan and Trust agreement adopted by the Board of Directors in July 1986, and amended in July 1994, February 2002, November 2010, December 2011, and December 2012.

Benefits

Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The Plan assets are maintained under a trust agreement with Wells Fargo Bank (Trustee). The Trustee carries out an investment policy established by the Authority Board consistent with purposes of the Plan and all applicable laws. Administration costs are paid by the Plan.

Any employee shall be eligible to participate in the Plan on the date of the commencement of full-time employment or reemployment. For purposes of this section, a full-time employee shall be defined as any employee who receives compensation from the employer on the basis of an average of at least 40 hours of employment per week. Once an employee has become a participant, he will continue to be a participant as long as he continues to be an employee without a break in service and thereafter as long as he or his beneficiary retains any right to benefits under the Plan.

Plan participants are eligible for their pension benefit after terminating employment with vested rights. Participants are eligible for normal retirement on his normal retirement date (first day of the calendar month immediately following the date he attains age 62). A participant who has both attained his 55th birthday and has completed at least ten (10) years of service may retire at any time by giving at least 120 days prior written notice to the employer, but at a benefit reduced by 5% for each year preceding his normal retirement date. Participants should refer to the Plan Document for a more complete description of the Plan reduction factors. Normal retirement benefits shall be an amount equal to 2% of his final average compensation multiplied by his years of service (converted to a monthly retirement benefit by dividing by twelve).

Vesting

Vesting begins at three years of service with full vesting at seven years. Employees who retire on or after age 62 are entitled to an annual retirement benefit equal to 2% of average compensation for the final three consecutive years of employment times their number of years of service for the Authority. Reduced retirement benefits are available at age 55 with ten years of service. In December 2012, the Plan was amended to allow those eligible for early retirement during a specified window without incurring the normal reduction in benefits. The Plan is not indexed for inflation. As of January 1, 2016 there were 569 participants in the Plan as follows:

-	2016	2015
Retirees and beneficiaries currently receiving benefits	154	140
Terminated and entitled to, but not yet receiving benefits	169	175
Active employees	246	223
TOTAL PARTICIPANTS	569	538

Death Benefits

If the employment of a Participant is terminated by reason of his death prior to the completion of three (3) years of service, no death benefits shall be payable under the Plan. If the employment of a participant is terminated by reason of his death while in the employment of the Authority after the completion of three (3) years of service or after having terminated with at least three (3) years of service, then a death benefit shall be payable to the participant's surviving spouse equal to the "Pre-Retirement Survivor Annuity". The "Pre-Retirement Survivor's Annuity" means a survivor annuity for the life of the deceased participant's spouse which provides payments to the surviving spouse that are equal to the amounts that would have been paid to the surviving spouse (details provided in Plan Document).

If the participant does not have a surviving spouse, no death benefit shall be payable.

Disability Retirement

Employees determined to be disabled under terms of the Authority's long-term disability program as of June 1, 1999 shall be entitled to benefits under this Plan to the extent the Plan provisions in place on June 1, 1999 provided for such benefits.

Contributions

The Authority shall contribute to the fund from time to time amounts based upon the recommendations of the Plan's actuary, in order to fund the costs of the Plan on an acceptable basis. All employer contributions when made to the fund and all property and funds of the fund, including income from investments and from all other sources, shall be retained for the exclusive benefit of participants and their beneficiaries, and shall be used to pay retirement income provided hereunder or to pay expenses of administration of the Plan and the fund.

No contributions shall be required of or permitted by any participant under this Plan.

Note 1 –DESCRIPTION OF PLAN – (Continuation)

Funding Policy

The employer shall establish a funding policy and method consistent with Plan objectives in order that the long range and short range financial needs of the Plan may be determined and communicated to the Board.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to the accounting principles generally accepted in the United States of America (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

Investment Valuation and Income Recognition

The Plan's investments are stated at market value, unless otherwise indicated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for further information and related disclosures regarding the Plan's investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in the fair value of investments includes realized gains or losses and unrealized appreciation or depreciation on investments bought and sold as well as held during the year. Gains and losses on the sale of investments in registered investment company funds are computed using the weighted average cost method.

Use of Estimates

The preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the reported carrying value of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

Risk and Uncertainties

The Plan may invest in various types of investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of fiduciary net position.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Payment of Benefits

Benefit payments are recognized as expenses when due and payable in accordance with the terms of the Plan.

Administrative Expenses

The employer may pay all expenses incurred in the administration of the Plan, including expenses and fees of the Trustee, but it shall not be obligated to do so; except that any such expenses and fees not paid by the employer shall be paid from the Plan. All expenses not paid by the employer and all other proper charges and disbursements of the Trustee, including taxes of any kind which may be levied or assessed under existing or future laws upon or in respect to the Fund or the Trust created hereby, shall be paid by the Trustee out of, and shall constitute a first charge upon, the Fund. In addition, certain investment related expenses are included in the net appreciation of fair value of investments presented in the accompanying Statement of Changes in Fiduciary Net Position.

Adoption of New Accounting Standard

In July 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960). This ASU provides guidance on reporting for Fully Benefit Responsive Investment Contracts (FBRICs), plan investment disclosures and the measurement date for practical expedients. The FASB issued this update to reduce complexity in employee benefit plan accounting, which is consistent with its "Simplification Initiative". The update is effective for annual reporting periods beginning after December 15, 2015. As required under the standard, the Plan implemented this update retrospectively to December 31, 2015 during the year ended December 31, 2016.

Note 3 – DEPOSITS AND INVESTMENTS

The investments of the Plan at fair value at December 31, 2016 are noted below:

	2016	2015
Money Market Fund-		
Wells Fargo Short Term Investment Fund F	993,499	615,256
Mutual Funds:		
Domestic Equity:		
Delaware US Growth Fund Instl Class	969,331	914,771
Fixed Income:	909,331	714,771
Metropolitan West Total Return Bond Fund Class I	2,622,584	2,450,950
International Equity:	2,022,301	2,130,730
Acadian Emerging Markets Portfolio Class Inst	485,221	588,737
Harbor International Fund Class Institutional	1,332,890	1,207,560
Oppenheimer Developing Markets Fund Class I	494,596	-
Commodity:		
Alps/Corecommodity Mgmt Complete		
Comm Strat Fund Cl I	819,490	580,350
Real Estate:		
Vanguard REIT ETF	804,502	619,582
Total Mutual Funds	7,528,614	6,361,950
Collective Investment Funds:		
Domestic Equity:		
Wells Fargo Multi-Manager Small Cap CIT F	2,902,284	2,969,328
Wells Fargo Blackrock S&P Midcap Index CIT F	3,225,085	2,969,475
Wells Fargo Blackrock S&P 500 Index CIT F	2,579,771	3,309,196
Wells Fargo MFS Value CIT F	969,401	896,265
Wells Fargo T Rowe Price Instit Equity		
Income Managed CIT F	970,377	899,504
Wells Fargo T Rowe Price Instit Large-Cap		
Growth Managed CIT F	965,422	908,941
Fixed Income:		
Wells Fargo Core Bond Fund	4,261,698	3,373,427
Wells Fargo Dodge & Cox Intermediate Bond CIT F	2,948,463	2,443,439
Wells Fargo Federated Total Return Bond CIT F	2,620,686	2,445,626
International Equity:	1.006.060	
Wells Fargo Causeway International Value CIT F	1,306,068	1,511,774
Wells Fargo Lazard International Equity CIT F	1,310,980	1,506,186
Total Collective Investment Funds	24,060,235	23,233,161
TOTAL INVESTMENTS	32,582,348	30,210,367

Fair Value Measurements

FASB ASC 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 inputs to the valuation methodology is unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from, or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are inputs that are unobservable and significant to the fair value measurement.

Valuation Methodology

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at the end of the year. Accounts are based on available quoted market prices.

Level 2 Fair Value Measurements

The fair value of certain units of Collective Investment Funds is based on significant other observable inputs. Underlying investments include securities, government and agency obligations, and fixed income securities. Securities traded on security exchanges are valued at closing market prices on the valuation date. Securities traded in the over-the-counter market are valued at the last sale on the valuation date, if any, otherwise at the last reported bid price. Government and agency obligations are valued based upon the most recent bid quotation for identical or similar obligations. Fixed income securities are valued based upon the most recent bid quotation obtained from major market makers or security exchanges. The fair value of the collective trust fund is the respective net asset values reported by the fund daily.

The preceding valuation methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following presents the Plan's fair value measurements at December 31, 2016 and 2015 reported by level, within the fair value hierarchy and segregated by entity size or investment objective.

	FAIR VALUE MEASUREMENTS			
	QUOTED PRICES			
		IN ACTIVE	SIGNIFICANT	
		MARKET FOR	OTHER	
		IDENTICAL	OBSERVABLE	
	FAIR	ASSETS	INPUTS	
	VALUE	(LEVEL 1)	(LEVEL 2)	
December 31, 2016:				
Money Market Fund	993,499	993,499		
Mutual Funds	7,528,614	7,528,614		
Common/Collective Trust Funds	24,060,235		24,060,235	
TOTAL	32,582,348	8,522,113	24,060,235	
December 31, 2015:				
Money Market Fund	615,256	615,256	==	
Mutual Funds	6,361,950	6,361,950	7007	
Common/Collective Trust Funds	23,233,161		23,233,161	
TOTAL	30,210,367	6,977,206	23,233,161	

Investment Policy

The Board of Directors of the Authority has the ultimate responsibility for establishing, terminating, modifying, and administering the Plan. It has delegated the responsibility for administering and managing the Plan's assets to the RTA Audit, Finance, Health and Pension Subcommittee (Subcommittee). The Subcommittee has developed a Statement of Investment Policy in order to establish investment objectives and guidelines for the management and monitoring of investments utilized within the Plan.

This Investment Policy is intended to be a guide. If a conflict arises between the Plan trust documents and the Investment Policy, the Plan trust documents will supersede all matters herein.

The primary investment objective is to earn a rate of return sufficient to match or exceed the long-term growth of the Plan's liabilities through a combination of income and capital appreciation, in a manner consistent with the fiduciary standards of ERISA and with sound investment practices for these funds. Accordingly, the investment manager is required to exercise a high degree of professional care, skill, prudence and diligence in the management of the funds' assets.

Assets are invested to minimize the chance of suffering market value losses. Assets are diversified into different styles with a prudent number of individual issues within each style to mitigate concentration risk. Investment performance is measured quarterly but it is not anticipated that performance goals will be satisfied in every single quarter or year. It is, however, expected that these totals be satisfied over a full market cycle. A full market cycle is considered to be three to five years. In addition, the performance of the various asset categories utilized within the overall investment array should be competitive on a long-term basis with their appropriate benchmarks based on investment objective, investment style and market capitalization.

Asset Allocation

The Plan's asset allocation policy as of December 31, 2016, adopted by the Subcommittee, is as follows. There were no modifications to the investment policy during 2016.

	TARGET %	MAXIMUM %	MINIMUM %	BENCHMARK
Cash	2%	3%	0%	Treasury Bill Equivalent
Equities	60%	70%	50%	S&P 500
Fixed Income	38%	50%	27%	Barclays Capital Aggregate

Rate of Return

The portfolio is expected to produce a compounded annual absolute return over a market cycle of at least 7.5%. For the year ended December 31, 2016 and 2015, the annual dollar-weighted rate of return for the Plan investments, was 8.01%, and (1.42%). The dollar-weighted rate of return demonstrates that the present value of future cash flows plus the final market value of the investments equal the current market price of the investment.

Interest Rate Risk

This is the risk that changes in the interest rates will negatively impact the fair value of an investment. As market interest rates rise, the fair value of an investment held decreases. The Plan's current Investment Policy does not specifically address interest rate risk. The Plan does, however, monitor exposure using the "Segmented Time Distribution" method.

The following is a list of the Plan's fixed income investments and related maturity schedule (in years) as of December 31, 2016 and 2015. The maturity schedule is based on the average maturity of the fund as noted by the fund manager:

DECEMBER	31,	2016

INVESTMENT TVDE	EAID WALLE	LESS THAN 1 YEAR	1-5 YEARS	5-10 VEADS	10+
INVESTMENT TYPE	FAIR VALUE	ITEAR	TEARS	YEARS	YEARS
Collective Investment Funds					
Fixed Income:					
WF Core Bond Fund	4,261,698	127,851	1,960,381	1,704,679	468,787
WF Dodge & Cox		and an artist of the second of			,
Intermediate Bond Fund	2,948,463	383,300	1,326,809	707,631	530,723
WF Federated Total Return			6 16		
Bond Fund	2,620,686	26,207	524,137	1,126,895	943,447
Total Collect Inv Funds	9,830,847	537,358	3,811,327	3,539,205	1,942,957
Mutual Fund					
Fixed Income:					
Metropolitan West Total Return Bond Fund Cl I	2 (22 594			2 (22 594	
Return Bond Fund CIT	2,622,584			2,622,584	
TOTAL	12,453,431	537,358	3,811,327	6,161,789	1,942,957
	-				
DECEMBER 31, 2015					
		LESS THAN	1-5	5-10	10+
DECEMBER 31, 2015 INVESTMENT TYPE	FAIR VALUE	LESS THAN 1 YEAR	1-5 YEARS	5-10 YEARS	10+ YEARS
INVESTMENT TYPE	FAIR VALUE				
INVESTMENT TYPE Collective Investment Funds	FAIR VALUE				
INVESTMENT TYPE Collective Investment Funds Fixed Income:		1 YEAR	YEARS	YEARS	YEARS
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund	FAIR VALUE 3,373,427				
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox	3,373,427	1 YEAR 101,203	YEARS 1,652,979	YEARS 1,248,168	YEARS 371,077
Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun		1 YEAR	YEARS	YEARS	YEARS
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun WF Federated Total Return	3,373,427 2,443,439	1 YEAR 101,203	1,652,979 1,417,195	YEARS 1,248,168 610,860	371,077 415,384
Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun	3,373,427	1 YEAR 101,203	YEARS 1,652,979	1,248,168 610,860 1,002,707	371,077 415,384 831,513
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun WF Federated Total Return Bond Fund	3,373,427 2,443,439 2,445,626	1 YEAR 101,203 97,825	1,652,979 1,417,195 513,581	YEARS 1,248,168 610,860	371,077 415,384
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun WF Federated Total Return Bond Fund	3,373,427 2,443,439 2,445,626	1 YEAR 101,203 97,825	1,652,979 1,417,195 513,581	1,248,168 610,860 1,002,707	371,077 415,384 831,513
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun WF Federated Total Return Bond Fund Total Collect Inv Funds Mutual Fund Fixed Income:	3,373,427 2,443,439 2,445,626	1 YEAR 101,203 97,825	1,652,979 1,417,195 513,581	1,248,168 610,860 1,002,707	371,077 415,384 831,513
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun WF Federated Total Return Bond Fund Total Collect Inv Funds Mutual Fund Fixed Income: Metropolitan West Total	3,373,427 2,443,439 2,445,626 8,262,492	1 YEAR 101,203 97,825	1,652,979 1,417,195 513,581	YEARS 1,248,168 610,860 1,002,707 2,861,735	371,077 415,384 831,513
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun WF Federated Total Return Bond Fund Total Collect Inv Funds Mutual Fund Fixed Income:	3,373,427 2,443,439 2,445,626	1 YEAR 101,203 97,825	1,652,979 1,417,195 513,581	1,248,168 610,860 1,002,707	371,077 415,384 831,513
INVESTMENT TYPE Collective Investment Funds Fixed Income: WF Core Bond Fund WF Dodge & Cox Intermediate Bond Fun WF Federated Total Return Bond Fund Total Collect Inv Funds Mutual Fund Fixed Income: Metropolitan West Total	3,373,427 2,443,439 2,445,626 8,262,492	1 YEAR 101,203 97,825	1,652,979 1,417,195 513,581	YEARS 1,248,168 610,860 1,002,707 2,861,735	371,077 415,384 831,513

Custodial Credit Risk

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by counterparty, or counterparty's trust department or agent but not in the government's name. This is the risk that in the event of bank or investment failure, the Plan's deposits or investments may not be returned. The Plan's investment policy does not specifically address custodial credit risk; however, all of Defined Benefits' deposits and investments are in the name of the Plan and Trust. as of December 31, 2016 and 2015, the Plan's deposits or investments exposed to custodial credit risk are minimal.

Concentration of Credit Risk

This is the risk of investing predominately in any one type of investment or entity. The Plan recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The Plan's adopted investment policy established diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on a monthly basis. Per the policy, no equity holding may exceed 5% of the outstanding voting shares of the issuing corporation. Likewise, regarding fixed income investments, not more than 5% of the market value of the total portfolio may be invested in the debt securities of any one company. As of December 31, 2016 and 2015 there were no exceptions to these policy limits.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan's investment policy addresses general provisions relating to common stocks where limits are established on percentage of investing in a particular stock. The policy also stresses high quality and reasonable diversification of fixed income investments with portfolio holdings concentrated in securities rated A or better, limiting 10% of holdings invested in issues rated below BBB, only with management approval.

The Plan's fixed income investments are rated based on the average quality of the fixed income investments as noted below:

DECEMBER, 31, 2016

, ,	WF Dodge & Cox Intermed Bond CIT F	WF Federated Total Return Bond CIT F	WF Core Bond Fund CIT F	Metropolitan West Total Return Bond I	Total
Cash	58,969	26,207			85,176
U.S. Treasury	589,693	104,827	1,321,126		2,015,646
U.S. Agency	943,507				943,507
AAA		1,205,515	1,875,148	1,767,621	4,848,284
AA	29,485	52,414	127,851	133,227	342,977
A	88,454	235,862	340,936	339,625	1,004,877
BBB	972,993	681,379	596,637	247,572	2,498,581
BB and Below	265,362	314,482		134,539	714,383
TOTAL	2,948,463	2,620,686	4,261,698	2,622,584	12,453,431

DECEMBER 31. 2015

	WF Dodge & Cox Intermed Bond CIT F	WF Federated Total Return Bond CIT F	WF Core Bond Fund CIT F	Metropolitan West Total Return Bond I	Total
Cash	73,303	48,912			122,215
U.S. Treasury	268,779	146,738	1,045,762		1,461,279
U.S. Agency	806,335				806,335
AAA	73,303	929,338	1,619,245	1,720,812	4,342,698
AA	24,434	48,913	67,469	102,450	243,266
A	122,172	317,931	168,671	262,252	871,026
BBB	830,769	660,319	472,280	228,428	2,191,796
BB and Below	244,344	293,475		137,008	674,827
TOTAL	2,443,439	2,445,626	3,373,427	2,450,950	10,713,442

Foreign (International) Currency Risk

This is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan's investment policy allows for fixed income investments which may be international in addition to International Equity funds. The country/regional allocation of the fund is provided below based on prospectus allocations:

DECEMBER 31, 2016

Fund Region	America Region	Europe Region	Asia Region	Australia & Oceana Region	East Region	Other Region	Total
Acadian Emerging Markets							
Portfolio Class Inst	61,429	25,232	349,407		49,153		485,221
Harbor International Fund							
Class Institutional	233,389	945,419	154,082				1,332,890
Wells Fargo Causeway							
International Value CIT F	28,211	896,616	368,442	12,799			1,306,068
Wells Fargo Lazard							
International Equity CIT F	161,906	825,917	271,242	19,665	32,250		1,310,980
_							
TOTAL	484,935	2,693,184	1,143,173	32,464	81,403		4,435,159

DECEMBER 31, 2015

Fund Region	America Region	Europe Region	Asia Region	Australia & Oceana Region	East Region	Other Region	Total
Acadian Emerging Markets							
Portfolio Class Inst	83,130	24,020	426,246		55,341	1	588,737
Harbor International Fund							
Class Institutional	167,972	901,443	138,145				1,207,560
Wells Fargo Causeway							
International Value CIT F	48,528	1,042,519	409,086	11,641			1,511,774
Wells Fargo Lazard							-,,
International Equity CIT F	50,758	951,157	339,043	38,408	55,126	71,694	1,506,186
TOTAL	350,388	2,919,139	1,312,520	50,049	110,467	71,694	4,814,257

Note 4 - NET PENSION LIABILITY

The Net Pension Liability is measured as the Total Pension Liability, less the amount of the Plan's Fiduciary Net Position. In actuarial terms, this will be the accrued liability less the market value of assets. The components of the Plan's Net Pension Liability as of December 31. 2016 and 2015 are as follows:

	2016	2015
Total Pension Liability	34,966,314	33,530,870
Plan Fiduciary Net Position	32,583,077	30,210,461
NET PENSION LIABILITY	2,383,237	3,320,409

The Schedule of Net Pension Liability presents multi-year trend information beginning with 2015 to illustrate changes in the Plan fiduciary net position over time. In addition to the above, this information is presented in the required supplementary information.

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31. 2016 and 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age Normal
Inflation	
Salary Increases	3.5%
Mortality	RP 2000 Mortality Table
Ad Hoc Post-Employment Benefits	Not applicable

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. Pursuant to Paragraph 43 of GASB No. 67, an alternative analysis was 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. The Authority'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.

Note 4 – NET PENSION LIABILITY – (Continuation)

4. A review of actual contributions over the past five years shows that the Authority 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%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the Plan, calculated using the discount rate of 7.5%, as well as what the Plan's 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:

	1% Decrease to 6.5%	Current Single Rate Assumption of 7.5%	1% Increase to 8.5%
2016	6,487,148	2,383,237	(1,072,544)
2015	7,338,602	3,320,409	(57,330)

Note 5 – PLAN TERMINATION

Although it has not expressed any intention to do so, the Authority expressly reserves the right under the Plan to terminate or partially terminate the Plan and its contributions thereunder at any time subject to the provisions set forth in Section 7 of the Plan and by giving written notice of such termination or discontinuation of its contribution to the Trustee. In the event the Plan terminates, or partially terminates, the present value of the benefits shall be determined as of the Plan termination date and the assets of the Trust Fund shall be allocated to the extent they shall be sufficient, after providing for expenses and administration, in the following order:

1. First

- To benefits which are being paid as of three years prior to the date of termination of the Plan, with the amount to be allocated to such benefit, based on the provisions of the Plan in effect during the five-year period immediately preceding the date of termination under which such benefit would be least.
- b. To benefits which would have been paid as of three years prior to the date of termination (i) if the Participant had retired prior to the three-year period and (ii) if his benefits had commenced (in the normal form of annuity under the Plan) as of the beginning of such three-year period, with the amount to be allocated to each such benefit determined under the provisions of the Plan in effect during the five-year period preceding the date of termination under which the benefit would be the least.

Note 5 – PLAN TERMINATION (Continuation)

- 2. Second, to all other vested Accrued Benefits as determined under Section 3.05.
- 3. Third, to all other Accrued Benefits attributable to non-vested participants.

For purposes of 1.b.i above, the lowest benefit in pay status during a three-year period shall be considered the benefit in pay status for such period.

If the assets available for allocation to any class specified above are insufficient to satisfy in full the benefits of all individuals within that class, the assets shall be allocated pro-rata among such individuals on the basis of present value (as of the termination date) of their respective benefits.

Note 6 – TAX STATUS

On April 27, 2017, the Internal Revenue Service (IRS) issued a favorable determination letter stating that the Plan was in compliance with Section 1.401-1(b)(3) of the Code of Federal Regulations.

Required Supplementary Information

$\frac{\text{SCHEDULE OF CHANGES IN NET PENSION LIABILITY}}{\text{AND RELATED RATIOS}}$

		2016	2015
Fiscal Year Ended December 31:			
Total Pension Liability:			
Service Cost		941,470	876,806
Interest		2,521,413	2,396,547
Changes of Benefit Terms		100 A	115,478
Differences Between Expected and Actual Experience		(465,534)	(260,046)
Benefit Payments, Included Refunds or Member Contributions		(1,561,905)	(1,493,324)
Net Change in total Pension Liability		1,435,444	1,635,461
Total Pension Liability - Beginning		33,530,870	31,895,409
TOTAL PENSION LIABILITY - ENDING (a)		34,966,314	33,530,870
Plan Fiduciary Net Position:			
Contributions - Employer		1,503,736	985,175
Net Investment Income (Loss)		2,523,595	(348,950)
Benefit Payments, Including Refunds of Member Contributions		(1,561,905)	(1,493,324)
Administrative Expense		(92,810)	(94,874)
Net Change in Plan Fiduciary Net Position		2,372,616	(951,973)
Plan Fiduciary Net Position - Beginning		30,210,461	31,162,434
PLAN FIDUCIARY NET POSITION - ENDING (b)		32,583,077	30,210,461
NET PENSION LIABILITY - ENDING (a) - (b)	_	2,383,237	3,320,409
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		93.18%	90.10%
Covered Employee Payroll	\$	9,178,411	\$ 8,818,232
Net Pension Liability as a Percentage of Covered Employee Payroll		25.97%	37.65%

Notes to Schedule

- 1. No Significant Factors Noted to Disclose
- 2. No Significant Methods or Assumptions to Disclose.
- 3. Schedule Will be Built Out to 10 Years.

See accompanying independent auditors' report.

Required Supplementary Information

SCHEDULE OF CONTRIBUTIONS

LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially Determined Contributions	1,468,804	983,696	695,517	988,534	1,125,651	886,742	1,168,423	1,355,811	576,140	529,681
Contribution in Relation to the Actuarially Determined Contribution	1,503,736	985,175	1,178,498	1,280,330	1,125,651	1,064,288	1,168,423	1,355,811	576,140	529,681
CONTRIBUTION DEFICIENCY (EXCESS)	(34,932)	(1,479)	(482,981)	(291,796)	1	(177,546)	1	ı	I.	1
Covered Employee Payroll	9,178,411	8,818,232	7,274,172	7,474,445	7,221,526	7,073,120	7,246,596	6,634,041	6,394,664	6,338,961
Contributions as a Percentage of Covered- Employee Payroll	16.4%	11.2%	16.2%	17.1%	15.6%	15.0%	16.1%	20.4%	%0.6	8.4%
Notes to Schedule Valuation Date	Actuarially deterr	Actuarially determined contribution rates are calculated as of January 1 for the respective year of contributions	ites are calculated	as of January 1 for t	he respective year	of contributions				

Entry Age Normal Closed-Level dollar amout over 15 years from January 1, 2009 8 Years Market Vaue

3.50%

All participants were assumed to retire at age 62 RP 2000 Mortality Table

Methods and Assumptions Used to Determine Contribution Rates:
Actuarial Cost Method
Amortization Method
Remaining Amortization Period
Asset Valuation Method
Inflation Rate
Salary Increases
Investment Rate of Return
Retirement Age
Mortality Rates

See accompanying independent auditors' report.

Required Supplementary Information

SCHEDULE OF INVESTMENT RETURNS

	DECEMB	ER 31,
	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.01%	-1.42%

Note - Schedule Will be Built Out to 10 Years.

See accompanying independent auditors' report.



Administration & Finance Committee Memo

September 27, 2017

Subject: Investment Report for the 2nd Quarter Ended June 30, 2017

Background

As of June 30, 2017 the Authority's combined investment portfolio had a book value of \$21,774,312 and a market value of \$21,772,944. The portion attributed to the bonds was \$6,290 for book and market value since all funds were invested in a money market account, with the balance of \$21,768,022 book value and \$21,766,654 market value, being CCRTA funds. Investments held as of June 30, 2017 had a weighted average yield of 0.241% and a weighted average maturity of 28 days.

Net investment income on the portfolio for the second quarter of 2017 was \$13,400.

The investment return for the quarter was .241% versus the benchmark yield of 1.030% for a six month treasury.

The portfolio consists of a diversified list of investments with 8.27% in T-Notes, 82.45% in Bank investments, and 9.28% in Money Market funds.

The full investment report is included as a separate attachment.

Identified Need

In accordance with Texas State Government Code Chapter 2256, also known as the Public Funds Investment Act, not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

Financial Impact

None at this time

Recommendation

For information only

Respectfully Submitted,

Submitted by:

Marie Sandra Roddel

Director of Finance

Reviewed by:

Robert M. Saldaña

Managing Director of Administration

Final Approval by:

Jorge Cruz-Aedo Chief Executive Officer

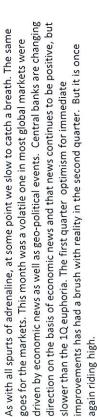


Quarterly Investment Report As of June 30, 2017



INVESTMENT PROFESSIONALS

Economy Slows Slightly in 2nd Quarter



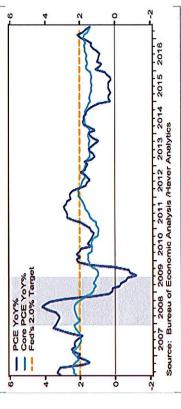
After a strong first quarter, the economy started to slow and consumers stepped back to assess the situation. Coming to the end of the second quarter, that slowing began to cause concern in the markets. Oil prices continued to slide and with it took inflation expectations lower, which is key to the Fed's outlook on a stronger economy.

Both personal income and personal spending were up during the month but below expectations. Income rose only slightly 0.4% taking the YOY rate to 3.5% which is down from January. Spending was up a mere 0.1% with YOY at only 4.2%. Both of these show solid but certainly not robust growth. The consumer has curtailed her spending perhaps based on modest employment markets. Without the consumer, this consumer driven economy will have a difficult time growing past 2%. Consumers make up 2/3 of the economy. The whole quarter has been dismal for retail. Are we in the midst of a major change as brick/mortar and online merge?

The softer consumer spending also lowered GDP slightly, but purchasing managers causing a large spike in orders and inventories, helped balance the scales. The ISM outlooks are the highest since 2014 and manufacturing is surging.

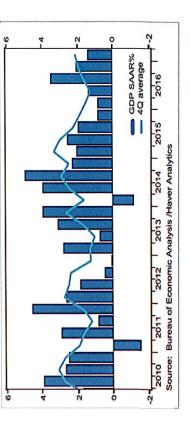
Market and Fed moves all hinge on inflation. CPI and PPI this month pointed to a lower inflation outlook than the 2% needed by the Fed but core PCE (the Fed's primary inflation indicator) rose slightly giving the FOMC room to not disappoint and the overnight rates were raised to 1.25%.

The GDP's final revision for first quarter showed the weakest economy in three years at 0.7% but that number does not take into account a near full employment and consumer confidence at multi-year highs. All layers of government spending fell the most since 2014 and mild winter weather decreased the need for heating as well as heavy coats. However, business investment improved, with spending on equipment, jumping (9.1%) thanks to rising gas and oil well drilling as oil prices continue a slow recovery from multi-year lows.



The housing sector had mixed results. The existing home inventory is down to 3 months going into the buying season. Blamed on a lower inventory of available homes and increasing prices, the existing home sales were meager and pending sales fell, but, home building rose a healthy 13.7%. Non-residential structures were even more robust across the country.

Low inflation and low pricing pressure matched to a full employment picture spurred the stock markets even with lower expectations for 2017 changes in tax rules and health care. As the US settles into a more normal pace, challenges remain.





Global Central Banks Change Course to Normalcy

For the past year the Fed has been out of sync with the other central banks, which saw their economies at much lower stages of recovery. But a major change is occurring as major central banks (CB) also start talking about tightening by adding a definite hawkish bent to their rhetoric. The Fed telegraphed the change and it went smoothly for the markets. The weeks of hawkish tones in the US resulted in a rate hike in June. While Yellen falls short of future policy specifics, the Chairman did move markets by referring to asset markets as "frothy," suggesting at least some Fed officials have justification outside of the recent "soft" data to move forward with a faster rate hike path.

After battling deflation and dislocation for so long there is an end in sight for the CB. With the economic picture improving around the world, the CB are coming to the same position and additionally mulling ways to unwind the massive easing programs of the past years. We may be moving from data dependency to strategy, but raking liquidity away from the markets will be a herculean task affecting rates and currencies. With CBs at various stages, the rates fluctuations, flow of funds and currencies changes are intense.

Across the pond, Mario Draghi of the ECB surprised the markets this month by talking of a readiness to roll back ECB support. Draghi based his decision on reflation in the Eurozone. His ever cautious tone did also hint at a pull back on their buy-back of debt by the end of 2017. ECB could scale back purchases without first raising rates. Raising rates is one step, but slowing or halting the enormous purchases of debt to keep rates low requires a fine hand and timing around the globe.

The Bank of England and Canada echoed Draghi's tone. Both banks are hinting at rate increases. Just on the talk, Canada's 2 year went over 1% for the first time in 2 years and the loonie soared. Similar reactions will occur in each move. The global move away from easing will bring other sovereign rates up and challenge the US position as the highest rates, which may drag our rates higher especially in the long end.

Core inflation in Japan turned positive this year for the first time in two years, changing the discussion from easing to tightening.



The need for extraordinary loose money is diminishing – finally.

The bond markets may however react with a temper tantrum as profits fade for bond traders. The markets will have to adjust as central banks pull money back under control and rates rise in response on news that economies are growing and improving.

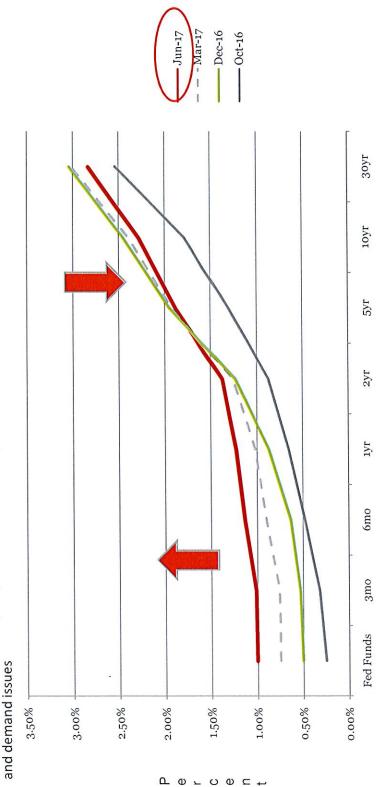
Geo-political events roiling the markets have been almost too numerous to mention this month: terrorists right before the UK elections, Comey testimony airing, Congress choosing politics over reform moves, Datar disruptions, North Korean taunts, the Saudi king ousting his nephew, etc. etc. Even with these major disruptions it is heartening to see the market focus on fundamentals, which point to a slow and steady improvement across the economy.

The remaining fear will be of a flattening curve as short term rates rise on easing moves, but long term rates decline as money finds a balance.

Rates Flattening is a Scary Sign



- Rates have been steadily flattening despite Mnuchin's hint of a ultra long bond
- Rates are making a dangerous move to a flat curve (short rates moving up and longer rates moving down)
 - The short end is no mystery as the Fed hikes rates (0.75 to 1.25% this year alone)
- As low as our US rates are, they remain above other global options which continues to push rates down on simple supply The long end faces challenges from uncertainty in reforms and low inflation



End of Month Rates - Full Yield Curve - Fed Funds to 30yr

Corpus Christi Regional Transportation Authority (RTA), Texas

Quarterly Investment Report March – June 2017

Portfolio Summary Management Report

This quarterly report is prepared in compliance with the Investment Policy and Strategy of the CCRTA and the Public Funds Investment Act (Chapter 2256., Texas Government Code).

Portfolio as of March 31, 2017			Portfolio as of June 30, 2017			
Beginning Book Value	↔	21,953,995	Ending Book Value	↔	21,774,312	
Beginning Market Value	↔	21,951,936	Market Value	S	21,772,944	
			Investment Income for the period	↔	13,400	
Unrealized Gain/Loss	↔	(2,059)	Unrealized Gain/Loss	↔	(1,368)	
			Change in Unrealized Gain/Loss	↔	691	
		į	T		700	
WAM at Beginning Period Date		4 / days	WAIN at Ending Period Date		20 days	
			Change in Market Value ²	↔	\$ (178,992)	

0.241%	1.030%	1.120%
Average Yield to Maturity for period	Average Yield 6 month Treasury Bill for period	Average Yield 1 Year Treasury Note for period

Daniel Benavidez, Comptroller Corpus Christi RTA

Patterson & Associates, Registered Investment Advisor

Linda Patterson

Jorge Cruz-Aedo, Chief Executive Officer Corpus Christi RTA

¹ WAM, represents weighted average maturity.

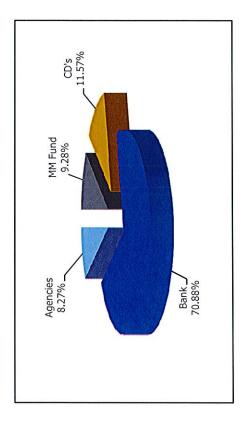
² Change in Market Value" is required data, but will primarily reflect the receipt and expenditure of the Authority's funds from quarter to quarter.

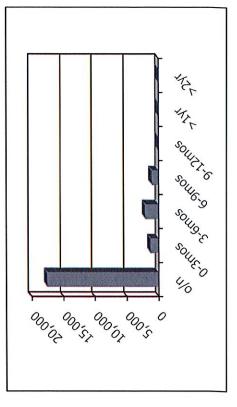
³ The Earnings Credit is being reported as interest earnings, but is used to offset banking fees.

Your Portfolio

As of June 30, 2017

- average maturity because a diversified portfolio can better adjust to volatile market conditions. P&A constantly reviews your portfolio for optimal asset allocation and a controlled
- The very short-term rates continue to move up alternatives are available especially for those with access to commercial paper. Rates beyond one year will easily best the pools. with the Fed's move and short term
- Banks remain uninterested in new deposits and municipal debt has become less attractive with decreased supply.
- It is time to reduce cash balances and stretch out longer and into the two year area if possible. EH.
- The non-cash portion of your portfolio is yielding 0.79%. 8







Portfolio Management Corpus Christi RTA Portfolio Summary

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746

June 30, 2017

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.	
Certificates of Deposit	492,455.72	492,455.72	492,455.72	2.26	365	94	0.426	
Federal Agency Coupon Securities	1,800,000.00	1,800,102.60	1,801,470.28		329	88	0.712	
Bank Accounts	15,432,473.28	15,432,473.28	15,432,473.28	70.87	-	-	0.017	
MM Funds	2,021,061.01	2,021,061.01	2,021,061.01	9.28	~	-	0.790	
CD's - Interest Mon/Qtr/Ann	2,026,851.63	2,026,851.63	2,026,851.63		368	191	0.941	
Investments	21,772,841.64	21,772,944.24	21,774,311.92	100.00%	71	28	0.242	

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of Corpus Christi Regional Transportation Authority of the position and activity within the Authority's portfolio of investment. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

Fiscal Year To Date

June 30 Month Ending

Total Earnings Current Year

4,354.81

35,846.72

Daniel Benavidez, Comptroller



Summary by Type June 30, 2017 Grouped by Fund Corpus Christi RTA

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746

Security Type	Nur Inves	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Average Days YTM 365 to Maturity
Fund: Construction Bond 2013							
MM Funds		-	6,290.43	6,290,43	0.03	0.750	1
In S	Subtotal	-	6,290.43	6,290.43	0.03	0.750	-
Fund: General Fund							
CD's - Interest Mon/Qtr/Ann		2	2,026,851.63	2,026,851.63	9.31	0.941	191
Federal Agency Coupon Securities		2	1,800,000.00	1,801,470.28	8.27	0.712	68
MM Funds		2	2,014,770.58	2,014,770.58	9.25	0.790	_
Certificates of Deposit		2	492,455.72	492,455.72	2.26	0.426	94
Bank Accounts		2	15,432,473.28	15,432,473.28	70.87	0.017	٦
ns	Subtotal	10	21,766,551.21	21,768,021.49	96.66	0.241	28
Total and Average	erage –	=	21,772,841.64	21,774,311.92	100.00	0.242	28



Corpus Christi RTA Fund CON - Construction Bond 2013 Investments by Fund

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746

INVESTMENT PROPERSIONALS	在 は は な な と な と な と な と な と な と な と な と な		}	June 30, 2017						
CUSIP	Investment# Issuer	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	YTM Maturity Days To 365 Date Maturity
MM Funds										
8664004176	10065	East West Bank MM 3 Check	03/14/2014	6,290.43	6,290.43	6,290.43	0.750	0.739	0.750	-
			Subtotal and Average	6,290.43	6,290.43	6,290.43		0.740 0.750	0.750	1
		Total Inv.	Total Investments and Average	6,290.43	6,290.43	6,290.43		0.740 0.750	0.750	-

Fund GEN - General Fund Investments by Fund June 30, 2017

cusip	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	УТМ 360	YTM 365	Maturity Da Date Ma	Days To Maturity
Certificates of Deposit	posit										
16102B	10136	Crockett National Bank	12/10/2016	247,455.72	247,455.72	247,455.72	0.650	0.641	0.650	12/10/2017	162
51199D	10124	Kleberg Bank CD	07/26/2016	245,000.00	245,000.00	245,000.00	0.200	0.197	0.200	07/26/2017	25
		nS	Subtotal and Average	492,455.72	492,455.72	492,455.72		0.420	0.426		93
Federal Agency (Federal Agency Coupon Securities										
3133EDXA5	10130	FFCB Note	11/03/2016	800,949.46	800,000.00	800,125.60	1.150	0.706	0.716	10/10/2017	101
3136G0C66	10129	FNMA Note	11/03/2016	1,000,520.82	1,000,000.00	999,977.00	0.950	0.698	0.708	09/19/2017	80
		nS	Subtotal and Average	1,801,470.28	1,800,000.00	1,800,102.60		0.702	0.712		89
Bank Accounts											
7407163281	10117	Wells Fargo Bus Market Rate PF	01/01/2016	1,754,522.13	1,754,522.13	1,754,522.13	0.150	0.147	0.150		~
9226631688	10002	Wells Fargo Bank Choice IV	01/01/2012	13,677,951.15	13,677,951.15	13,677,951.15	2.4				-
		nS	Subtotal and Average	15,432,473.28	15,432,473.28	15,432,473.28		0.017	0.017		-
MM Funds											
5259A	10122	Fidelity Prime MM Inst (FIPXX)	02/19/2016	0.00	0.00	0.00					Ψ-
5259B	10127	Wells Fargo Gov MM (WFFXX)	09/08/2016	2,014,770.58	2,014,770.58	2,014,770.58	0.790	0.779	0.790	ļ	-
		ns	Subtotal and Average	2,014,770.58	2,014,770.58	2,014,770.58		0.779	0.790	9	-
CD's - Interest Mon/Qtr/Ann	on/Qtr/Ann										
172443647	10135	East West Bank	11/04/2016	1,005,120.42	1,005,120.42	1,005,120.42	0.780	0.769	0.780	11/04/2017	126
172267625D	10137	East West Bank	03/07/2017	1,021,731.21	1,021,731.21	1,021,731.21	1.100	1.084	1.100	03/13/2018	255
		Su	Subtotal and Average	2,026,851.63	2,026,851.63	2,026,851.63		0.928	0.941		191
		Total Investments	nents and Average	21,768,021.49	21,766,551.21	21,766,653.81		0.238	0.241		28



Corpus Christi RTA

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746

Cash Reconciliation Report For the Period April 1, 2017 - June 30, 2017 Grouped by Fund

Trans. Date In	Investment #	Fund	Trans. Type	Security ID	Par Value	Par Value Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Fund	pur										
04/10/2017 10130	0130	GEN	Interest	3133EDXA5	800,000.00	FFCB 0.8M 1.15% Mat. 10/10/2017 10/10/2017	10/10/2017	00.0	4,600.00	0.00	4,600.00
05/09/2017 10131	10131	GEN	Interest	254672N79	248,000.00	DISCBK 0.2M 0.60% Mat.	05/09/2017	0.00	737.88	0.00	737.88
05/09/2017 10132	0132	GEN	Interest	14042REB3	248,000.00	CPONNA 0.2M 0.60% Mat.	05/09/2017	0.00	737.88	0.00	737.88
05/09/2017 10133	0133	GEN	Interest	71270QQA7	248,000.00	PUNBK 0.2M 0.60% Mat. 05/09/201705/09/2017	705/09/2017	0.00	737.88	0.00	737.88
05/09/2017 10134	0134	GEN	Interest	46176PFQ3	248,000.00	INVBKS 0.2M 0.60% Mat.	05/09/2017	00.0	737.88	0.00	737.88
05/09/2017 10131	0131	GEN	Maturity	254672N79	248,000.00	DISCBK 0.2M 0.60% Mat.	05/09/2017	0.00	00.00	248,000.00	248,000.00
05/09/2017 10132	0132	GEN	Maturity	14042REB3	248,000.00	CPONNA 0.2M 0.60% Mat.	05/09/2017	0.00	0.00	248,000.00	248,000.00
05/09/2017 10133	0133	GEN	Maturity	71270QQA7	248,000.00	PUNBK 0.2M 0.60% Mat. 05/09/201705/09/2017	705/09/2017	0.00	0.00	248,000.00	248,000.00
05/09/2017 10134	0134	GEN	Maturity	46176PFQ3	248,000.00	INVBKS 0.2M 0.60% Mat.	05/09/2017	0.00	00.00	248,000.00	248,000.00
06/30/2017 10135	0135	GEN	Interest	172443647	1,000,000.00	EWB 1.0M 0.78% Mat. 11/04/2017	11/04/2017	0.00	1,952.70	0.00	1,952.70
06/30/2017 10135	0135	GEN	Interest	172443647	1,000,000.00	EWB 1.0M 0.78% Mat. 11/04/2017	11/04/2017	-1,952.70	00.00	0.00	-1,952.70
06/30/2017 10137	0137	GEN	Interest	172267625D	1,018,165.64	EWB 1.0M 1.10% Mat. 03/13/2018	03/13/2018	00.00	2,798.18	0.00	2,798.18
06/30/2017 10137	10137	GEN	Interest	172267625D	1,018,165.64	EWB 1.0M 1.10% Mat. 03/13/2018	03/13/2018	-2,798.18	0.00	00.00	-2,798.18
							Subtotal	4,750.88	12,302.40	992,000.00	999,551.52

999,551.52

992,000.00

12,302.40

4,750.88

Total

AP AC (PRF_AC) 7.2.0 Report Ver. 7.3.5 Portfolio CRTA



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Corpus Christi RTA **Maturity Report**

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746

Sorted by Maturity Date Amounts due during April 1, 2017 - June 30, 2017

			000	-	Maturity	Durchaea	Rate	Book Value		Maturity	Ν
CUSIP	Investment # Fund	Fund	Type Issuer	Par Value	Date	Date at Maturity	Maturity	at Maturity	Interest	Proceeds	Income
14042REB3	10132	GEN	MC2 CPONNA	248,000.00 05/09/2017		11/09/2016	0.600	248,000.00	737.88	248,737.88	737.88
254672N79	10131	GEN	MC2 DISCBK	248,000.00 05/	05/09/2017	11/09/2016	0.600	248,000.00	737.88	248,737.88	737.88
46176PFQ3	10134	GEN	MC2 INVBKS	248,000.00 05/	05/09/2017	11/10/2016	0.600	248,000.00	737.88	248,737.88	737.88
71270QQA7	10133	GEN	MC2 PUNBK	248,000.00 05/09/2017		11/09/2016	0.600	248,000.00	737.88	248,737.88	737.88
			Total Maturities	992.000.00				992,000.00	2,951.52	994,951.52	2,951.52

AP MA (PRF_MA) 7.1.1 Report Ver. 7.3.5 Portfolio CRTA



Interest Earnings Sorted by Fund - Fund Corpus Christi RTA

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746

April 1, 2017 - June 30, 2017 Yield on Average Book Value

									Ad	Adjusted Interest Earnings	rnings
CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Maturity Book Value Date	Maturity CurrentAnnualized Date Rate Yield	nnualized Yield	Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Construc	Fund: Construction Bond 2013										
8664004176	10065	CON	RR2	6,290.43	6,278.99	6,282.90	0.750	0.730	11.44	00.00	11.44
			Subtotal	6,290.43	6,278.99	6,282.90		0.730	11.44	0.00	11.44
Fund: General Fund	Fund										
3136G0C66	10129	GEN	FAC	1,000,000.00	1,001,121.77	1,000,816.89 09/19/2017	0.950	0.711	2,375.00	-600.95	1,774.05
3133EDXA5	10130	GEN	FAC	800,000,008	801,812.61	801,374.71 10/10/2017	1.150	0.719	2,300.00	-863.15	1,436.85
51199D	10124	GEN	BCD	245,000.00	245,000.00	245,000.00 07/26/2017	0.200	0.200	122.17	00.00	122.17
16102B	10136	GEN	BCD	247,455.72	247,455.72	247,455.72 12/10/2017	0.650	0.650	401.01	0.00	401.01
172267625D	10137	GEN	RR3	1,021,731.21	1,018,933.03	1,018,963.78 03/13/2018	1.100	1.101	2,798.18	00.00	2,798.18
172443647	10135	GEN	RR3	1,005,120.42	1,003,167.72	1,003,189.18 11/04/2017	0.780	0.781	1,952.70	0.00	1,952.70
254672N79	10131	GEN	MC2	0.00	248,000.00	103,560.44 05/09/2017	0.600	0.600	154.91	0.00	154.91
7407163281	10117	GEN	RRP	1,754,522.13	1,753,866.11	1,754,096.70	0.150	0.150	656.02	0.00	656.02
5259B	10127	GEN	RR2	2,014,770.58	2,011,142.49	2,012,347.36	0.790	0.723	3,628.09	00.00	3,628.09
14042REB3	10132	GEN	MC2	0.00	248,000.00	103,560.44 05/09/2017	0.600	0.600	154.91	00.00	154.91
71270QQA7	10133	GEN	MC2	0.00	248,000.00	103,560.44 05/09/2017	0.600	0.600	154.91	00.00	154.91
46176PFQ3	10134	GEN	MC2	0.00	248,000.00	103,560.44 05/09/2017	0.600	0.600	154.91	0.00	154,91
			Subtotal	8,088,600.06	9,074,499.45	8,497,486.10		0.632	14,852.81	-1,464.10	13,388.71
			Total	8,094,890.49	9,080,778.44	8,503,769.00		0.632	14,864.25	-1,464.10	13,400.15

AP IE (PRF_IE) 7.2.0 Report Ver. 7.3.5 Portfolio CRTA





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Corpus Christi RTA

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746

Amortization Schedule April 1, 2017 - June 30, 2017 Sorted By Fund - Fund

Investment #		Maturity Date Beginning Par Value	inning Par Value	Durchase	Original Premium	Facility	Amounts Amortized	Amount Amortized	Amt Amortized	Amt Amortized Amount Unamortized
Issuer	Fund	Amort. Date	Current Rate	Principal	or Discount	Book Value	As of 04/01/2017	This Period	Through 06/30/2017	This Period Through 06/30/2017 Through 06/30/2017
General Fund	-									
10130 FFCB Note	GEN	10/10/2017	800,000.00	803,232.00	3,232.00	800,949.46	-1,419.39	-863.15	-2,282.54	949.46
10129 FNMA Note	GEN	09/19/2017	1,000,000.00	1,002,110.00	2,110.00	1,000,520.82	-988.23 1,121.77	-600.95	-1,589.18	520.82
			Subtotal	1,805,342.00	5,342.00	1,801,470.28	-2,407.62 2,934.38	-1,464.10	-3,871.72	1,470.28
			Total	1,805,342.00	5,342.00	1,801,470.28	-2,407.62 2,934.38	-1,464.10	-3,871.72	1,470.28

AP AS (PRF_ASW) 7.2.1 Report Ver. 7.3.5 Portfolio CRTA



For the Period July 1, 2017 - January 31, 2018 **Projected Cashflow Report** Corpus Christi RTA Sorted by Monthly

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746

245,490.00 Total 1,004,750.00 1,004,750.00 804,600.00 804,600.00 249,064.18 249,064.18 2,303,904.18 490.00 1,608.46 490.00 4,750.00 4,600.00 1,608.46 11,448.46 4,750.00 4,600.00 245,000.00 1,000,000.00 1,000,000.00 800,000,008 800,000,008 247,455.72 247,455.72 2,292,455.72 245,000.00 245,000.00 1,002,110.00 1,002,110.00 803,232.00 803,232.00 247,455.72 2,297,797.72 **Original Cost** 247,455.72 247,455.72 247,455.72 245,000.00 1,000,000.00 1,000,000.00 800,000.00 Par Value 245,000.00 800,000,008 Total for September 2017 Total for December 2017 Total for October 2017 Crockett National Bank Total for July 2017 GRAND TOTALS: Kleberg Bank CD FNMA Note FFCB Note Transaction Maturity Maturity Maturity Maturity 3136G0C66 3133EDXA5 Security ID 51199D 16102B Fund GEN GEN GEN GEN Projected Trans. Date Investment# September 2017 December 2017 12/10/2017 10136 07/26/2017 10124 09/19/2017 10129 10/10/2017 10130 October 2017 July 2017

2,292,455.72

AP PC (PRF_PC) 7.2.0 Report Ver. 7.3.5 Portfolio CRTA

PATTERSON & ASSOCIATES



INVESTMENT PROPERSIONALS

Texas Compliance Change in Val Report Corpus Christi RTA

Patterson & Associates 901 S. MoPac Suite 195 Austin, TX 78746 Ending Ending 1,754,522.13 0.00 0.00 0.00 0.00 Book Value Market Value 6,290.43 13,677,951.15 13,677,951.15 1,754,522.13 2,014,770.58 0.00 0.00 6,290.43 6,290.43 6,290.43 2,014,770.58 11.44 11.44 11.44 656.02 656.02 0.00 0.00 3,628.09 -248,000.00 Redemptions Change in Value 804,734.87 -247,979.17 -248,000.00 -247,979.17 -248,000.00 804,734.87 3,628.09 0.00 0.00 0.00 0.00 0.00 10,263,008.41 0.00 0.00 0.00 0.00 0.00 248,000.00 248,000.00 248,000.00 248,000.00 10,263,008.41 Purchases/ Additions 11,44 11.44 0.00 0.00 0.00 11.44 11.44 656.02 0.00 0.00 0.00 11,067,743.28 11,067,743.28 656.02 3,628.09 3,628.09 Beginning Market Value Beginning Book Value April 1, 2017 - June 30, 2017 6,278.99 6,278.99 6,278.99 0.00 0.00 12,873,216.28 2,011,142.49 2,011,142.49 248,000.00 247,979.17 248,000.00 6,278.99 12,873,216.28 1,753,866.11 247,979.17 1,753,866.11 Sorted by Fund 11.44 11.44 Interest Accrual 11.44 11.44 0.00 0.00 656.02 0.00 0.00 154.91 737.88 Interest Received 656.02 154.91 737.88 3,628.09 3,628.09 Sub Totals For: Fund: Construction Bond 20 03/14/2014 01/01/2012 01/01/2016 02/19/2016 09/08/2016 11/09/2016 05/09/2017 11/09/2016 05/09/2017 Purch Date Mat Date / 11 GEN CON 0.750 GEN 0.000 GEN GEN Fund YTM 0.150 0.000 0.790 GEN 0.000 GEN 0.000

EWBMM 6,290.43

Fund: Construction Bond 20

Cusip # vul

8664004176

10065

Issuer Par Value Portfolio CRTA

0.00

0.00 0.00

-248,000.00 -247,966.77

0.00 0.00

248,000.00

247,966.77

733.80

-247,966.77

248,000.00 248,000.00 248,000.00 248,000.00

0.00

248,000.00

154.91 737.88 154.91

11/09/2016

GEN 0.000

PUNBK 0.00 INVBKS

0.00

14042REB3

10132

71270QQA7

10133

CPONNA

0.00

254672N79

5259B 10131

FPMMI

WFGVMM 2,014,770.58 DISCBK

1,754,522.13

7407163281

10122

5259A 10127

WFBMRP

WFCIV 13,677,951.15

Fund: General Fund

9226631688

10002

10117

05/09/2017

11/10/2016

GEN

05/09/2017

0.000

0.00

46176PFQ3

10134

247,966.77

0.00

0.00

TC (PRF_TC) 7.0 Report Ver. 7.3.5

Corpus Christi RTA Texas Compliance Change in Val Report April 1, 2017 - June 30, 2017

lnv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value	Č			Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Furchases/ Additions	Redemptions	Change in Value	Ending Market Value
10124	KBCD	GEN	07/26/2016	122.17	245,000.00	0.00	0.00	00.00	245,000.00
51199D	245,000.00	0.200	07/26/2017	00.00	245,000.00	00.00	0.00	00.00	245,000.00
10129	FNMA	GEN	11/03/2016	2,375.00	1,001,121.77	0.00	0.00	-600.95	1,000,520.82
3136G0C66	1,000,000.00	0.708	09/19/2017	00:00	1,000,392.00	0.00	0.00	-415.00	999,977.00
10130	FFCB	GEN	11/03/2016	2,300.00	801,812.61	0.00	0.00	-863.15	800,949.46
3133EDXA5	800,000.00	0.716	10/10/2017	4,012.22	800,592.00	0.00	0.00	-466.40	800,125.60
10135	EWB	GEN	11/04/2016	1,952.70	1,003,167.72	1,952.70	0.00	1,952.70	1,005,120.42
172443647	1,005,120.42	0.780	11/04/2017	1,952.70	1,003,167.72	1,952.70	0.00	1,952.70	1,005,120.42
10136	CNB	GEN	12/10/2016	401.01	247,455.72	0.00	0.00	00.00	247,455.72
16102B	247,455.72	0.650	12/10/2017	00.00	247,455.72	0.00	0.00	0.00	247,455.72
10137	EWB	GEN	03/07/2017	2,798.18	1,018,933.03	2,798.18	0.00	2,798.18	1,021,731.21
172267625D	1,021,731.21	1.100	03/13/2018	2,798.18	1,018,933.03	2,798.18	0.00	2,798.18	1,021,731.21
	Sub Totals F	or: Fund:	Sub Totals For: Fund: General Fund	14,852.81	21,947,715.73	11,076,778.27	11,255,008.41	-179,694.24	21,768,021,49
				15,994.65	21,945,657.23	11,076,778.27	11,255,008.41	-179,003.42	21,766,653.81
		Report	Report Grand Totals:	14,864.25	21,953,994.72	11,076,789.71	11,255,008.41	-179,682.80	21,774,311.92
				16,006.09	21,951,936.22	11,076,789.71	11,255,008.41	-178,991.98	21,772,944.24

Portfolio CRTA



Administration & Finance Committee Memo

September 27, 2017

Subject: August 2017 Financial Report

SUMMARY: The Authority's net financial performance for the month of August falls short of budget by \$20,689. The shortfalls can be attributed to three factors: namely:

- The emergency mobilization efforts from Hurricane Harvey that affected both operating revenues and operating expenses;
- Non-operating revenue actuals from sales tax revenues and grant assistance revenues that fell short of budget expectations; and
- The depreciation expense that continues to exceed budget because of the differences in the percentages applied in local and federal portions.

Since Sales Tax Revenue represents 92% of non-operating revenues, and 85% of total revenues, it is necessary to report the financial impact separately. The accounting accrual for the month fell short of \$77,967.

REVENUES

Sales Tax Allocation – Received in September

The sales tax allocation received on September 11, 2017, in the amount of \$2,579,516.61 represents collections for the month of July. The July collections fell short of July 2016 by \$19,959.29 reflecting a negative growth of 0.77%. However, in comparison to the YOY (Year-over-Year, January-July) to the same period last year it was higher by \$207,905.34 or 1.31%. This positive growth in YOY is a result of the combined monthly increases from March through June.

As a reminder, allocations lag two months behind.

Sales Tax Allocation – Received in August

The sales tax allocation received in August for \$3,121,816.87 represents consumer spending in June and is encouraging because it is the first month of the budget year that sales tax revenue reached the \$3 million dollar mark. The allocation in comparison to the same period last year is higher by \$190,066 or 6.5%. YOY (Year-to-Year) collections for 2017 totaled \$15,774,522 which is \$229,991.13 higher than the same period last year and represents a positive growth of 1.48%.

The allocation for the month of June exceeded the monthly budget by \$121,817, or 4.06%. However, the Year-to-Date allocations fall short of budget by \$843,078, or 5.1%.

- Sales Tax Revenue Reported in August Financials
 - For clarity the actual sales tax revenue of \$2,645,533 reported in the August financials represents an accumulation of transactions that have occurred to date. The transactions include the allocation estimate that will be received in October 2017 which represents August collections, reversal to the July accrual and the recording of the actual July allocation that was received. This process is a result of the two month lag in sales tax allocations in a full accrual accounting environment.
- Operating Revenues For the month of August, Passenger Service collected revenues of \$125,083 in August, a decrease of \$38,486 or 23.52% in comparison to August 2016 which totaled \$163,569. However, there are 6 days of lost passenger fare revenues due to Hurricane Harvey which attributes to the budget shortfall of \$75,031. A preliminary review of the passenger income during August 25 and August 31 indicates a decrease in revenues by \$17,236.07 in comparison to the same period last year.

EXPENSES

Over all, monthly departmental expenses are under budget by \$136,673, or 5.2%. For the year to date, expenses are under budget by \$734,621, or 3.4%. The majority of the variances are due to timing of purchases for supplies and cost-savings from several unfilled staff positions, offset by higher health insurance costs. Following are comments relating to the specific expense categories.

- Salaries & Benefits August reflects \$1,093,946, which is 7.96% (\$94,616) under budgeted amounts. For year to date expenses, this category is 7.15% under budget.
- Services August reflects \$221,570, which is 21.27% (\$59,848) under budgeted amounts.
- Materials and Supplies August reports \$283,966, which is 17.02% (\$41,292) over budgeted amounts. The main variance is related to timing of receipt of invoices for repair parts and supplies for fleet vehicles.
- <u>Utilities</u> August reports \$66,081, which is 43.44% (\$50,754) under budgeted amounts.
- Insurance August reports \$410,211, which is \$144,388 (54.32%) over budgeted amounts. The major factors of this variance are health insurance claims invoices and an adjustment to a carried property insurance premium credit.
- <u>Purchased Transportation</u> August reports \$369,364 which is \$110,139 (22.97%) under budgeted amounts. The variance is related to the timing of invoices from MV Transportation.

 Miscellaneous – August reports \$33,654 which is \$6,995 (17.21%) under budgeted amounts. The variance is primarily due to the timing differences.

Please refer to the following page for the detailed financial statement.

Respectfully Submitted,

Submitted by:

Marie Sandra Roddel

Director of Finance

Reviewed by:

Robert M. Saldaña

Managing Director, of Administration

Final Approval by:

Jorge Cruz-Aedo

Chief Executive Officer

-		Current Month		Prior Year C	omparison
-			Favorable (Unfavorable)		Favorable (Unfavorable)
-	Actual	Budget	Variance	2016	Comparison
	A	В	A vs B	С	A vs C
Operating Revenues:					
Passenger service \$	125,083	200,114	(75,031)	163,569	(38,487)
Bus advertising	13,448	18,268	(4,820)	1,052	12,396
Charter service	-	-		-	-
Other operating revenues	1,581	33,750	(32,169)	40,771	(39,190)
Total Operating Revenues	140,111	252,132	(112,021)	205,392	(65,281)
Operating Expenses:					
Transportation	542,122	577,154	35,032	571,269	29,147
Customer Programs	58,180	37,431	(20,749)	19,958	(38,222)
Purchased Transportation	370,415	479,503	109,088	500,195	129,780
Service Development	34,452	35,451	999	113,256	78,804
MIS	71,006	71,556	550	79,007	8,001
Vehicle Maintenance	380,576	410,532	29,956	404,869	24,293
Facilities Maintenance	155,756	146,688	(9,068)	128,409	(27,347)
Contracts and Procurements	12,834	14,618	1,784	16,305	3,471
CEO's Office	49,696	52,159	2,463	44,939	(4,757)
Finance and Accounting	33,672	40,876	7,204	79,464	45,792
Materials Management	15,325	13,785	(1,540)	15,098	(227)
Human Resources	433,582	442,677	9,095	484,622	51,040
General Administration	34,304	50,410	16,106	22,778	(11,526)
Capital Project Management	16,683	16,284	(399)	15,445	(1,238)
Marketing & Communications	51,488	46,821	(4,666)	61,746	10,258
Safety & Security	177,831	105,244	(72,587)	101,891	(75,940)
Debt Service	10 - 2		-	1-0	
Staples Street Center	40,881	74,286	33,405	49,354	8,473
Total Departmental Expenses	2,478,802	2,615,475	136,673	2,708,605	229,803
Depreciation	708,333	390,067	(318,266)	663,747	(44,586)
Total Operating Expenses	3,187,135	3,005,542	(181,593)	3,372,352	185,217
Operating Income (Loss)	(3,047,024)	(2,753,410)	(293,614)	(3,166,960)	119,936
Other Income (Expense)					
Sales Tax Revenue	2,645,533	2,723,500	(77,967)	1,756,734	888,799
Federal, state and local grant					
assistance	114,843	186,667	(71,824)	225,650	(110,807)
Investment Income	4,835	8,167	(3,331)	8,348	(3,513)
Gain (Loss) on Disposition					
of Property		4,583	(4,583)	17,000	(17,000)
Other Income (Expense)	30,103	30,353	(250)	2	30,103
Subrecipient Grant Agreements	-	•	-	-	=
Street Improvements Program					
for CCRTA Region Entities	(252,728)	(229,083)	(23,645)	-	(252,728)
Net Income (Loss) Before Capital Grants					
and Donations	(504,437)	(29,224)	(475,213)	(1,159,228)	654,791
Capital Grants & Donations	454,524	-	454,524	Ē	454,524
Change in Net Assets \$	(49,913)	(29,224)	(20,689)	(1,159,228)	1,109,315

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY Statement of Net Position Month ended August 31, 2017 and year ended December 31, 2016

	Unaudited August 31 2017	Audited December 31 2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 23,560,450	\$ 15,727,428
Investments	4,070,477	9,002,510
Receivables:		
Sales and Use Taxes	5,051,621	5,439,760
Accrued Interest	15,289	54,719
Federal Government	_	406,078
Other	46,414	36,938
Inventories	702,531	610,376
Prepaid Expenses	1,068,475	280,434
Total Current Assets	34,515,258	31,558,243
Non-Current Assets:		
Restricted Cash and Cash Equivalents	1,611,302	1,728,452
Capital Assets:		1.034-03009 0.031 1€ 0.0307 031 031 031 031 031 031 031 031 031 031
Land	3,658,054	3,658,054
Buildings	49,958,064	49,958,064
Transit Stations, Stops and Pads	25,799,089	25,799,089
Other Improvements	4,706,675	4,706,675
Vehicles and Equipment	63,604,886	63,604,886
Construction in Progress	209,190	209,190
Current Year Additions	9,412,825	
Total Capital Assets	157,348,784	147,935,958
Less: Accumulated Depreciation	(73,261,774)	(67,595,109)
Net Capital Assets	84,087,009	80,340,849
Total Non-Current Assets	85,698,311	82,069,300
TOTAL ASSETS	120,213,568	113,627,543
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions	4,550,803	4,550,803
TOTAL ASSETS AND DEFERRED OUTFLOWS	124,764,371	118,178,346

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Statement of Net Position (cotinued)

Month ended August 31, 2017 and year ended December 31, 2016

	Unaudited	Audited
	August 31	December 31
	2017	2016
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	643,149	843,276
Contractors Retainage Payable	289,246	1,293,190
Current Portion of Long-Term Liabilities:		
Long-Term Debt	555,000	555,000
Compensated Absences	275,328	275,328
Distributions to Regional Entities Payable	3,578,733	3,329,846
Other Accrued Liabilities	546,043	625,718
Total Current Liabilities	5,887,499	6,922,358
Non-Current Liabilities:		
Long-Term Liabilities, Net of Current Portion:		
Long-Term Debt	19,820,000	19,820,000
Compensated Absences	185,229	185,229
Net Pension Liability	3,320,409	3,320,409
Net OPEB Obligation	435,418	435,418
Total Non-Current Liabilities	23,761,057	23,761,056
TOTAL LIABLILITES	29,648,555	30,683,414
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions	195,034	195,034
TOTAL LIABILITIES AND DEFERRED INFLOWS	29,843,589	30,878,448
Net Position:		
Net Invested in Capital Assets	63,712,010	60,082,998
Restricted for Debt Service	1,611,302	1,611,302
Unrestricted	29,597,469	25,605,598
TOTAL NET POSITION	94,920,782	\$ 87,299,898

See Notes to Financial Statements

Corpus Christi Regional Transportation Authority Statement of Cash Flows (Unaudited) Month ended August 31, 2017

	_	8/31/2017
Cook Flows From Operating Activities		
Cash Flows From Operating Activities: Cash Received from Customers	\$	138,574
	Φ	50
Cash Received from Bus Advertising and Other Ancillary		18,824
Cash Payments to Suppliers for Goods and Services		(1,429,632)
Cash Payments to Employees for Services		(665,955)
Cash Payments for Employee Benefits	_	(530,670)
Net Cash Used for Operating Activities	-	(2,468,858)
Cash Flows from Non-Capital Financing Activities:		
Sales and Use Taxes Received		3,121,817
Grants and Other Reimbursements		114,843
Net Cash Provided by Non-Capital Financing Activities	-	3,236,660
Cash Flows from Capital and Related Financing Activities:		454.504
Federal and Other Grant Assistance		454,524
Purchase and Construction of Capital Assets	_	(199,054)
Net Cash Provided by Capital and Related Financing Activities		255,470
Cash Flows from Investing Activities:		
Investment Income		2,274
Maturities and Redemptions of Investments	<u> </u>	245,000
Net Cash Provided by Non-Capital Financing Activities		247,274
Net Increase in Cash and Cash Equivalents		1,270,546
Cash and Cash Equivalents (Including Restricted Accounts), August 31, 2017		23,901,206
Cash and Cash Equivalents (Including Restricted Accounts), August 31, 2017	\$=	25,171,752

REGIONAL TRANSPORTATION AUTHORITY OPERATIONS & CAPITAL PROJECTS COMMITTEE MEETING MINUTES WEDNESDAY, AUGUST 23, 2017

Summary of Actions

- 1. Conducted Roll Call
- 2. Provided Opportunity for Public Comment
- 3. Action to Approve Operations & Capital Projects Committee Meeting Minutes of July 26, 2017
- 4. Action to Recommend the Board Authorize the Chief Executive Officer (CEO) or Designee to Award a Contract to Ram-Bro Contracting, Inc. for Parking Lot Improvements at the Corner of Leopard and Artesian Streets
- 5. Heard Presentations:
 - a. 2017 Mid-Year Ridership and Performance Report
 - b. July 2017 Operations Report
 - c. Procurement Update
- 6. Adjournment

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

<u>Committee Members Present:</u> Michael Reeves, Edward Martinez, George Clower, Glenn Martin and Scott Harris.

Committee Members Absent: None

<u>Staff Present:</u> Jorge Cruz-Aedo, CEO; Daniel Benavidez, Esteban Campos, David Chapa, Kelly Coughlin, Jennifer Fehribach, Angelina Gaitan, Bryan Garner, Anna Hinojosa, Monica Jasso, Denise Jones, Dena Linnehan, Derrick Majchszak, Sharon Montez, Victoria Reyes, Mike Rendoń, Gordon Robinson, Sandy Roddel, Robert Saldaña and Susan Teltschik

<u>Public Present:</u> Benjamin Schmit, MV Transportation; Gina Salazar, ATU Local 1769; Barbie Baker, JBBM Consulting & Promotions; Lisa Keckler and Pat Mahoney, Wells Fargo

Call to Order & Roll Call

Mr. Michael Reeves called the meeting to order at 10:22 a.m. Ms. Dena Linnehan called Roll and stated a guorum being present.

Opportunity for Public Comment

No one spoke under Public Comment.

Action to Approve the Operations & Capital Projects Committee Meeting Minutes of July 26, 2017

MR. SCOTT HARRIS MADE A MOTION TO APPROVE THE OPERATIONS & CAPITAL PROJECTS COMMITTEE MEETING MINUTES OF JULY 26, 2017 AS AMENDED. MR. EDWARD MARTINEZ SECONDED THE MOTION. REEVES, MARTINEZ, CLOWER, MARTIN AND HARRIS VOTING IN FAVOR. THE MOTION CARRIED. ABSENT NONE.

Action to Recommend the Board Authorize the Chief Executive Officer (CEO) or Designee to Award a Contract to Ram-Bro Contracting, Inc. for Parking Lot Improvements at the Corner of Leopard and Artesian Streets

Ms. Sharon Montez commented as part of the Staples Street Center project, vacant land was purchased at the corner of Leopard and Artesian. She said the property was initially to be used as a construction yard for Fulton Coastcon, and upon completion of Staples Street Center, it would become an extension of the main parking lot. Ms. Montez commented that once the General Land Office moves into the building in March of 2018, this lot will accommodate the additional parking needed at Staples Street Center and would be needed for their vehicles as a tenant. She also commented this project Invitation for Bids (IFB) was issued June 28th with pre-bid meeting held on July 6th and Ram-Bro Contracting, Inc. came in with the lowest bid of \$157,544.

Heard Presentations:

a. July 2017 Operations Report

Mr. Gordon Robinson reported for July Operations, boardings for all services totalled 443,044, or 0.7 percent increase. He said year-to-date recorded 3,014 more boardings for a increase of 0.7 percent in 2017 versus year-to-date in 2016.

Mr. Robinson reported unleaded fuel cost of \$2.02 per gallon versus \$2.00 per gallon in 2016. He commented Customer Service processed 58 Customer Assistance Forms (CAF's) and 36 were verified as valid, or a significant decrease from the 42 verified CAF's in June 2017, and there were 7 commendations for the month of July.

The actions taken as a result of reported CAF's include coaching and counseling, driver training, progress disciplinary action as appropriate, group discussion and coaching in the operator meetings, discussions in supervisor's meetings and an examination of the CCRTA Operations Policy.

He also reported there were 7,579 miles between road calls (MBRC) were recorded in July 2017 compared to 10,168 in July 2016, and that a standard of 6,500 miles between road calls is used, based on the fleet size, age, and condition of CCRTA vehicles. Mr. Robinson said in July 2017, the Agency reported three vehicle

accidents, one determined as non-preventable and two were preventable, there were 16 customer-related incidents, and the operators drove a total of 309,523.30 miles. He stated that the Agency's accident rate for the month of July is 1.65 per hundred thousand miles driven with the desirable range at 2.0 or less.

Mr. Robinson also commented on Safety and Security and reported for July 2017, the Agency clocked 1,400 hours of security coverage in all areas of operations. He said the officers reported four arrests for public intoxication, issued 21 criminal trespass warnings, arrested 8 individuals for criminal trespassing, made 333 contacts with people and responded to 19 other calls for service.

b. Procurement Update

Mr. Robert Saldaña reported on the current projects of two issuances of Request for Proposals (RFPs) being presented in October for Board review; one for the Law Enforcement Services at a cost of \$2,035,116; and the other being for Local and Long Distance Service Provider at a cost of \$91,008, and both will go before the committee for review at the September meeting. The remaining procurement is for Leopard Street Parking Lot Improvements at a cost of \$90,119 and will be an Issuance for Bid (IFB) for Board review in September.

Mr. Saldaña reported on the statistics of these projects where 7 agencies were contacted for the Law Enforcement Services, 4 attended the pre-bid meeting, yet no bids were received. He said for the Parking Lot Improvements there were 407 agencies contacted, 3 attended the pre-bid meeting and six bids received.

Mr. Saldaña reported on the four projects on the 4-month outlook going for Board review in September and December, both 3 year with two 1-year options; one being for bus passes at \$102,000, and the other being for depository and banking services at \$57,600. The other two items will be presented for Board review in February 2018; one for portfolio management on the DB & DC Plans at \$186,000, and the other one for actuarial services on defined benefits at \$57,600.

Mr. Saldaña provided details regarding the CEO's 4-month outlook which includes six projects. He said four of the projects will be a 1 year agreement with two 1-year options; Solid waste services not to exceed \$20,214; Two - Occupational Therapist Services both not to exceed \$12,000 each. The other two items are for unleaded fuel 1-Year agreement with one 1-year option not to exceed \$31,500, and the one year agreement with Benetrac not to exceed \$16,308.

Month-to-month agreements, as stated by Mr. Saldaña, are for three projects and are contracts for Long Term Disability at \$21,550, the Marina Rental Space contract at \$11,893 and a pre-employment background screening service not to exceed \$20,300.

Adjournment
There being no further business, the meeting was adjourned at 10:40 a.m.

Submitted by: Dena Linnehan



Operations & Capital Projects Committee Memo

September 27, 2017

Subject: Authorize Awarding a Contract to Off Duty Services for Law Enforcement Services at CCRTA Properties

Background

Request for issuance of a Request for Proposals for Law Enforcement Services was approved by the Board on May 3, 2017. At the April 26, 2017 Administration and Finance Committee it was requested that the Board be presented with the scope of work for the Law Enforcement Services RFP prior to issuance. At the June 7, 2017 Board meeting the scope of work was reviewed and approved. The RFP was issued on June 12, 2017. The contract term is for three (3) years with one (1) two-year option. Bid Opening was held on Thursday, August 31, 2017. Four proposals were received.

Identified Need

This service provides safety and security for customers, employees, and the general public during regular hours of operation at all CCRTA properties.

Law enforcement services provided by other transit authorities such as Capitol Metro, San Antonio VIA, Laredo Transit, El Paso Transit, and Brownsville Metro were surveyed. Capital Metro is the only transit authority whose security service is similar to the one previously used at CCRTA. They contract out with the Austin Police Department to provide security for their agency. The other transit agencies utilize security guard services.

The charts below summarize the evaluation results:

	SUMMARY SCORES								
Approach & Work Firms Plan		Qualification & References	Experience	Training	Technic al Score	Price Score	Total Score		
	(20 Pts. Max)	(15 Pts. Max)	(15 Pts. Max.)	(20 Pts. Max.)	(70 Pts. Max.)	(30 Pts. Max)	(100 Pts. Max.)		
Off Duty Services	17.80	14.40	12.60	15.80	60.60	27.37	87.97		
Premier Protection & Investigation	14.00	12.60	13.60	9.80	50.00	27.60	77.60		
Tommy Cabello	9.40	7.00	7.80	10.00	34.20	30.00	64.20		
Safety Security Service	6.40	6.40	7.00	7.40	27.20	29.63	56.83		

BID TABULATION					
Firms	Three (3) Year Base Bid	Administration Fee	Bid Total		
Off Duty Services	\$2,004,350	\$401,277.70	\$2,405,627.70		
Premier Protection & Investigation	\$1,985,940	\$364,159.00	\$2,350,099.00		
Tommy Cabello	\$1,975,470	\$219,307.50	\$2,194,777.50		
Safety Security Service	\$2,024,880	\$197,500.00	\$2,222,380.00		

Note: Price difference between best value and lowest cost is \$210.849.50

A comprehensive review of the proposals received was conducted by five CCRTA staff members from Operations, Administration, Capital Projects, and Safety and Security departments. The team's overall determination for the firm that would provide the best value for the Authority was to award the contract to Off Duty Services. The following are some of the added values included in the Off Duty Services proposal: 1) enhanced coverage during or after a natural disaster, when local police resources are strained, by providing armed, off-duty law enforcement from other non-affected cities. During a natural disaster local law enforcement personnel must report to their respective law enforcement agencies; 2) providing general liability insurance and Workers' Compensation coverage for all of the police officers; thereby minimizing the Authority's exposure to liability; 3) administering the full payroll process; and 4) utilizing GPS technology on a mobile app, Officer TRAK, to provide accountability for time worked.

Financial Impact

The annual cost will be \$801,875.66. The total cost for the three (3) year contract will be \$2,405,627.70.

Recommendation

Staff requests that the Administration & Finance Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or his designee to award a contract to Off Duty Services for Law Enforcement Services at all CCRTA properties.

Respectfully Submitted,

Submitted by:

Mike Rendon

Director of Safety and Security

Final Approval by:

Jorge Cruz-Aedo

Chief Executive Officer



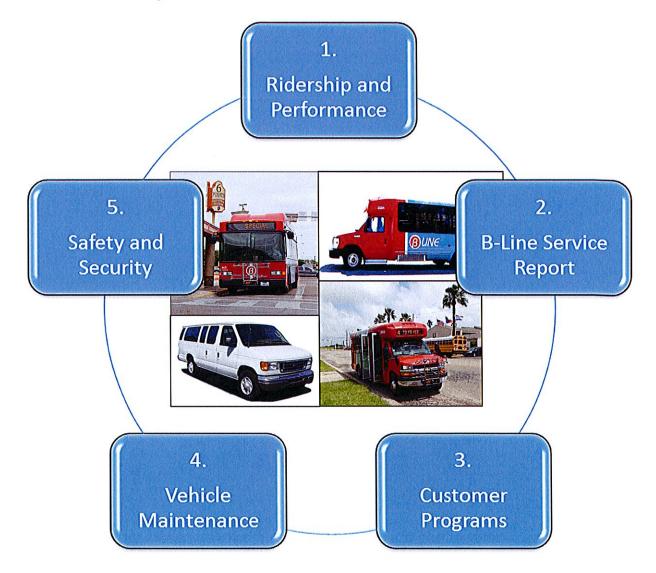
Operations and Capital Projects Committee Meeting

September 27, 2017

Subject: Operations Report for August 2017

The system-wide monthly operations performance report for August 2017 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:

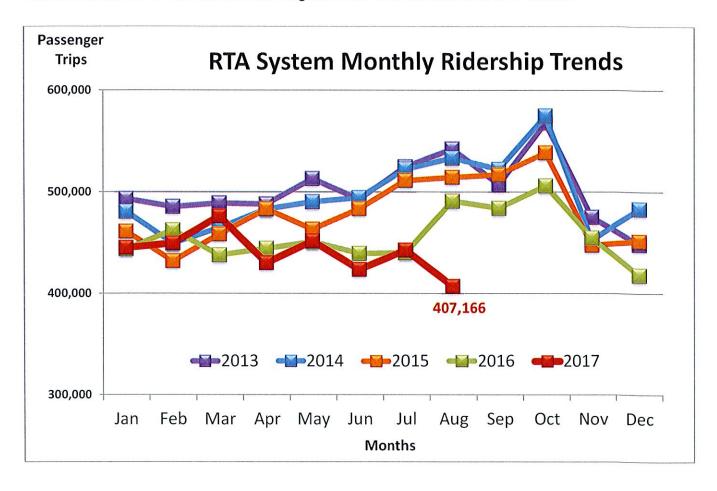


1. System-wide Ridership and Service Performance Results

Boardings for all services in August 2017 totaled 407,166. This represents a 17% decrease as compared to 490,942 boardings in August 2016 or 83,776 fewer boardings this month.

Ridership decline is primarily due to Hurricane Harvey which made landfall on August 25. Services ended at 1pm on August 25. No regularly scheduled services were operated on August 26 through August 28. Limited service resumed on August 29. A ramping up of services occurred on August 30 and full service was operated on August 31 but ended at 8pm each day due to storm damage and hazards. Full service resumed beyond 8pm on September 1 except for Route 55 serving Gregory and Port Aransas services.

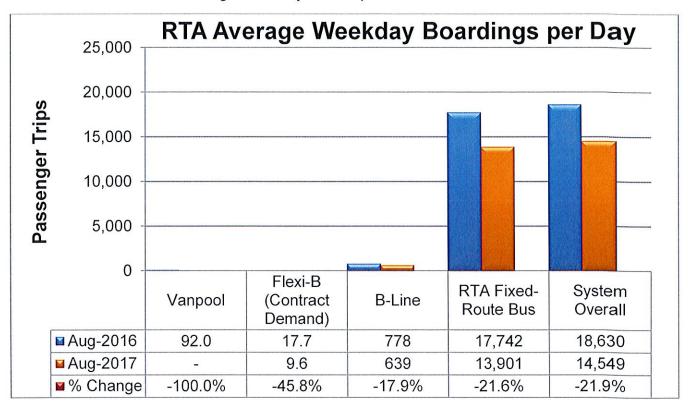
Both months contained 23 weekdays, 4 Saturdays and 4 Sundays. Retail gas prices for unleaded fuel cost about \$2.12 per gallon compared to \$1.94 per gallon in August 2016¹. Rainfall amounts for this month and August 2016 were identical at 4.12 inches.²



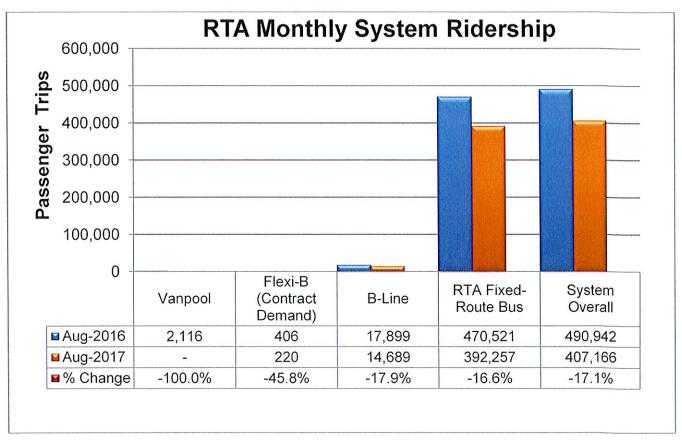
^{1.} GasBuddy.com historical data at http://www.gasbuddy.com.

^{2.} Weather Underground historical data at http://www.wunderground.com.

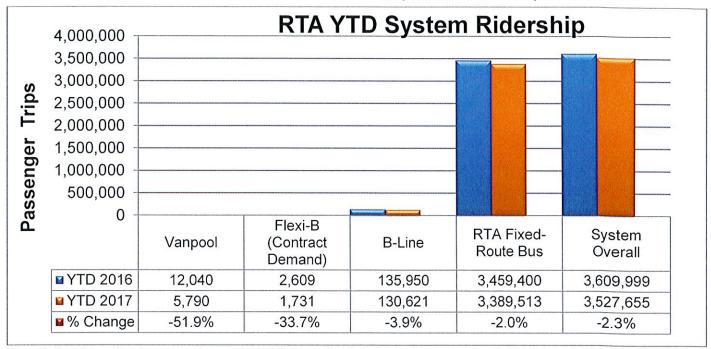
The chart below shows average weekday ridership for all services.



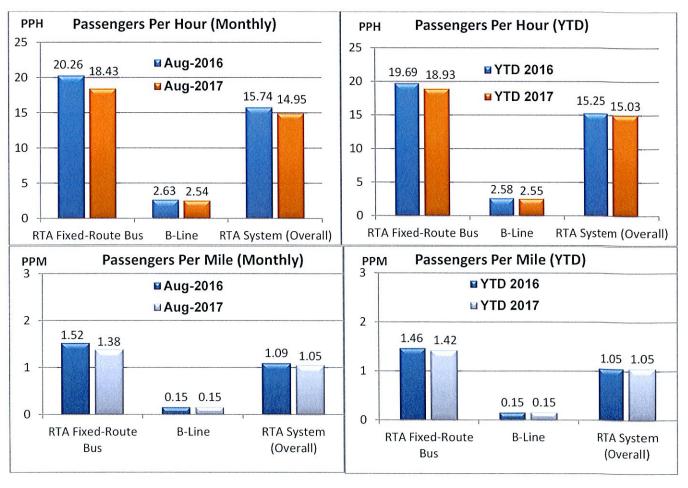
The chart below shows monthly ridership results for all services.



The chart below shows YTD ridership results for all services. CCRTA has recorded 82,344 fewer boardings for a decrease of -2.3% in 2017 as compared to the same period in 2016.



The following charts report system-wide productivity for the month of August 2017 vs. August 2016 and YTD figures.



The following table shows on-time performance of RTA Fixed-Route services.

Schedule Adherence	Standard	Jun-17	Jul-17	Aug-17	3-Month Average		
Early Departure	<1%	1.0%	1.0%	1.0%	1.0%		
Departures within 0-5 minutes	>85%	91.7%	88.0%	85.3%	88.3%		
Monthly Wheelchair Boardings	No standard	5,962	6,553	5,363	5,959		
Monthly Bicycle Boardings	No standard	9,169	9,401	8,090	8,887		
On-time performance surveys with departures > 5 minutes late will be examined by Planning and							
Transportation Departments. Corrective actions may follow.							

The following detours potentially impacted on-time performance:

- Alameda Street (Ayers-Louisiana): To be completed Mid-2018
 Routes 5, 5s, 15s, 19, 29, & 29s
- Ayers Street (Santa Fe-Alameda): To Begin November 1, 2017: (1) year project.
 Routes 15s & 19
- Carroll Lane (Houston-McArdle): Began September 28, 2017: (1) year project.
 Route 17 has already been on detour for two months for utility work.
- Chaparral Street (Schatzel-Taylor to Begin October 1, 2017: (1) year project.
 Route 76 & 78 bond project detour
- Gollihar Road (Staples-Kostoryz): All phases to be completed Mid-2019
 Routes 32, 37 & 37s
- Greenwood Drive (Horne-Gollihar): To be completed November of 2017
 ➤ Routes 15s & 23
- Kostoryz Road (Brawner-Staples): To be completed mid-January 2018
 Routes 15 & 24s
- McArdle Road (Whitaker-Nile): To be completed late October of 2017
 Routes 37 & 66s
- Old Robstown Road (Leopard-Agnes-Hwy 44): Began August 22, 2017
 Route 12
- South Staples Street (Alameda-Morgan): To Begin November 17, 2017
 Routes 5s, 17, 29 & 29s
- South Staples St. (Brawner Parkway-Kostoryz): To Begin December 17, 2017
 Routes 17, 29 & 29s
- Williams Drive (Staples Airline): To be completed October of 2017
 Routes 8s, 29 & 63

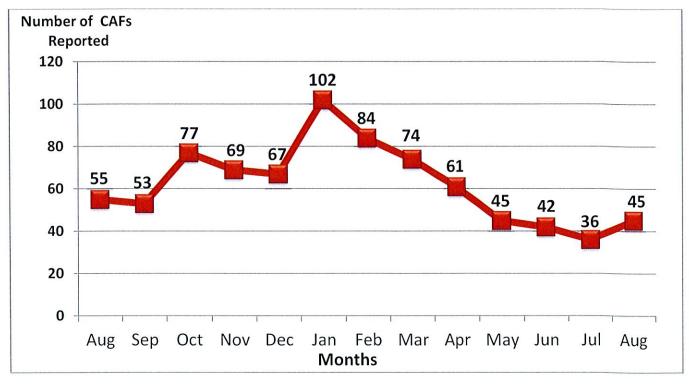
2. <u>Purchased Transportation Department Report: B-Line Service Contract Standards & Ridership Statistics</u>

- Productivity: **2.54** PPH did meet the contract standard of 2.50 PPH.
- On Time Performance: 98.2% did meet the contract standard of 96%.
- In Vehicle Time: 99.3% exceeded the contract standard of 95%.
- Denials: 0 denials or **0.0%** did meet contract standard of 0.0%.
- Miles between Road Calls: 14,546.4 exceeded the contract standard of 12,250 miles.
- Ridership Statistics: 9,754 ambulatory; 3,934 wheelchair boarding's

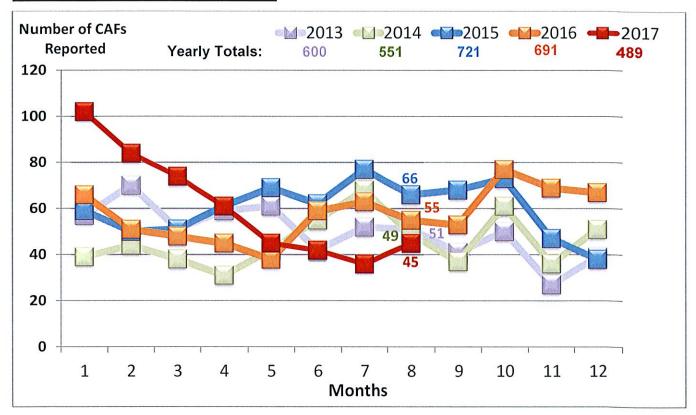
Metric	Standard	Jun-17	Jul-17	Aug-17	3-Month Average
Passengers per Hour	2.50	2.57	2.52	2.54	2.54
On-time Performance	96%	96.9%	97.6%	98.2%	97.6%
In Vehicle Time	95.0%	99.2%	99.3%	99.3%	99.3%
Denials	0.00%	0.00%	0.00%	0.00%	0.0%
Miles Between Roadcalls	12,250	44,320	17,864	14,546	25,576
Monthly Wheelchair Boardings	No standard	4,710	4,340	3,934	4,328

Customer Programs Monthly Customer Assistance Form (CAF) Report

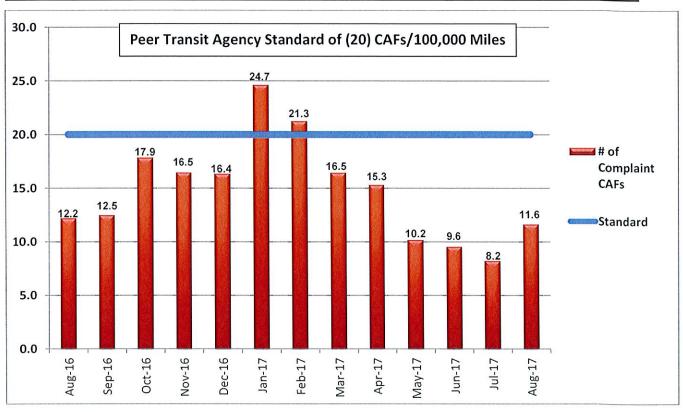
For August 2017, Customer Service processed 65 Customer Assistance Forms (CAF's) of which 45 were verified as valid. This represents an increase from the 36 verified CAF's in July 2017. There were 5 Commendations for the month of August.



3a. CAF Reports: Historical Trends



3b. Reported Complaint CAFs w/o Commendations & Suggestions: Historical Trend



3c. Route Summary Report for August 2017

Route	Route # of Route CAF's		# of CAF's
#3 NAS Shuttle	2	#29SS Spohn South	0
#4 Flour Bluff Mini B	4	#32 Southside Mini B	1
#5 Alameda	1	#34 Robstown Circulator	1
#5x Alameda Express	0	#35 Robstown South	1
#5s Alameda (Sunday)	1	#37 Crosstown	3
#6 Santa Fe/Malls	2	#51 Gregory Park & Ride	0
#12 Saxet Oak Park	0	#63 The Wave	0
#15 Kostoryz	2	#65 Padre Island Connector	0
#16 Agnes/Ruth	2	#76 Harbor Bridge Shuttle	1
#17 Carroll/Southside	1	#78 North Beach	0
#19 Ayers/Norton	0	#83 Advanced Industries	0
#19G Greenwood	1	#84 Lighthouse	0
#19M McArdle	1.4	#90 Flexi-B Port A	0
#21 Arboleda	0	#94 Port Aransas Shuttle	0
#23 Molina	5	B-Line (Para-transit)	3
#25 Gollihar/Greenwood	0	Facility Maintenance	7
#26 Airline/Lipes Connector	1	Service Development	1
#27 Northwest	10	Safety and Security	7
#27x Northwest (Express)	0	Vehicle Maintenance	1
#28 Leopard Omaha	0	Marketing	1
#29 Staples	2	Transportation (Other)	1
#29F Flour Bluff	2	TOTAL CAF'S	65

3d. August 2017 CAF Breakdown by Service Type:

CAF Category	RTA Fixed Route	B-Line ADA Paratransit	Contracted Fixed Route	Totals
Service Stop Issues	18	0	2	20
Driving Issues	3	3	1	7
Customer Services	11	0	3	14
Late/Early – No Show	2	0	1	3
Fare/Transfer Dispute	2	0	0	2
Dispute Drop-off/Pickup	0	0	0	0
Tie Down Issues	0	0	0	0
B-Line Call Lines	0	0	0	0
Facility Maintenance	7	0	0	7
Safety and Security	7	0	1	8
Service Development	1	0	0	1
Vehicle Maintenance	1	0	0	1
Marketing	1	0	0	1
Transportation (Other)	1	0	0	1
Total	54	3	8	65
Commendations	4	1	0	5

Conclusion:

During August 2017, RTA received 65 CAF's/Commendations regarding RTA Fixed-Route Service, B-Line and Purchased Transportation; Five (5) of the 70 reported CAF's (August) were commendations.

There were a total of 54 CAF's/Commendations received regarding RTA Service representing 83% of total customer contacts: 7 for Facilities Maintenance, 1 for Service Development, 7 for Safety and Security, 1 for Vehicle Maintenance, 1 for Marketing and 37 for Transportation.

A total of 3 CAF's/Commendations were reported regarding B-Line service representing 5% of the total customer contacts.

A total of 8 CAF's were reported regarding Contracted Fixed Route service representing 12% of the total customer contacts.

(There was 0 issues relating to the detours and relocation of Six Points Station not included with total CAF numbers).

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

- Coaching and counseling
- Driver training
- Progressive disciplinary action as appropriate, group discussion/coaching in operator meetings
- Discussion in supervisory meetings
- Examination of CCRTA operations policy

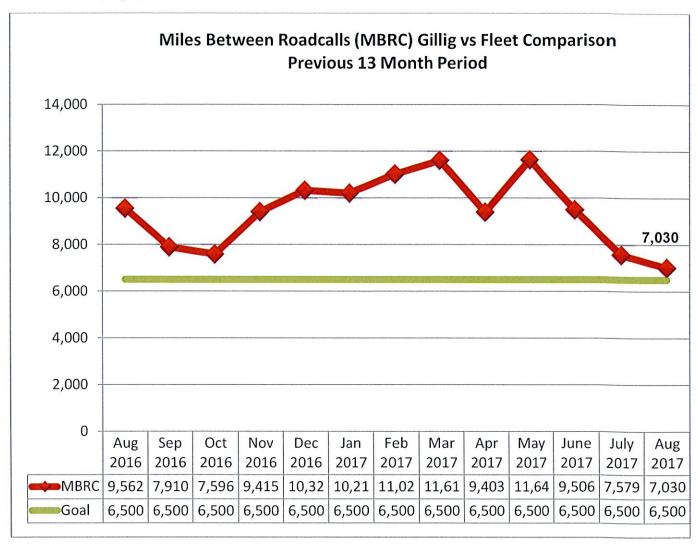
CCRTA documents CAF's to capture information regarding a wide range of issues from the community's perspective point of view. CAF's are communicated to the Customer Programs group via the telephone, e-mail, and letter or in person.

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 CCRTA regarding education and training needs. CAF's assist Service Development in identifying problems around existing service and identifying underserved areas. CAF's also serves to guide policy development.

3. Vehicle Maintenance Department Monthly Miles Between Road Calls Report

For August 2017, 7,030 miles between road calls (MBRC) were recorded as compared to 9,562 MBRC in August 2016. A standard of 6,500 miles between road calls is used based on the fleet size, age, and condition of CCRTA vehicles.



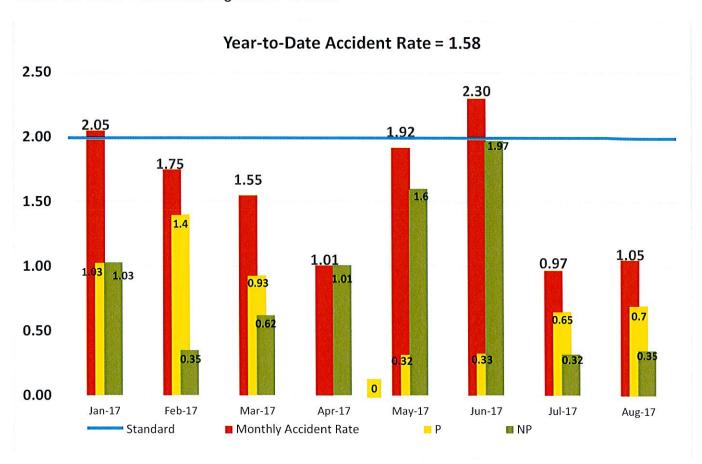
MBRC is a performance gauge of maintenance quality, fleet age, and condition; an increase in MBRC is a positive indicator. As defined by the Federal Transit Administration, a road-call is the practice of dispatching a service vehicle to repair or retrieve a vehicle on the road. There are two types of 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.

4. Safety/Security Department Report

SAFETY SUMMARY

For August 2017, there were three (3) vehicle accidents. One (1) accident was determined to be non-preventable (NP) and two (2) accidents were determined to be preventable. There were twenty (20) customer-related incidents. CCRTA operators drove a total of 284513.7 miles. The year-to-date accident rate for the month of June is 1.58 per hundred thousand miles driven. The desirable range for total collisions is at 2.0 or less.

The chart below illustrates the Year-to-Date accident rate. Please keep in mind that this chart shows all vehicle accidents regardless of fault.



SECURITY SUMMARY

For August 2017, 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 18 criminal trespass warnings, arrested 1 individual for criminal trespassing, made 261 contacts with individuals and responded to 4 other calls for service.

Respectfully Submitted,

Submitted by:

Wesley Vardeman

Outreach Coordinator

Submitted by:

Mike Rendon

Director of Safety & Security

Submitted by:

Bryan Garner

Director of Maintenance

Reviewed by:

Gordon Robinson

Director of Planning

Reviewed by:

Jennifer Fehribach

Managing Director of Operations

Final Approval by:

Jorge Cruz-Aedo

Chief Executive Officer