



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

AGENDA MEETING NOTICE

BOARD OF DIRECTORS

DATE: Wednesday, September 2, 2020
TIME: 8:30 a.m.
LOCATION: Staples Street Center
 602 North Staples Street, 2ND Floor Board Room • Corpus Christi, TX

BOARD OF DIRECTORS MEETING

EDWARD MARTINEZ (Chair)

Michael Reeves (Vice Chair) ~ Dan Leyendecker (Secretary)

Lynn Allison ~ Anne Bauman ~ Patricia Dominguez ~ Anna Jimenez

Glenn Martin ~ Eloy Salazar ~ Philip Skrobarczyk ~ Matt Woolbright

| | TOPIC | SPEAKER | EST.TIME | REFERENCE |
|--|--|---------------------|----------|--------------------|
| 1. | Pledge of Allegiance | E. Martinez | 1 min. | ----- |
| 2. | Roll Call | D. Leyendecker | 2 min. | ----- |
| 3. | Safety Briefing | M. Rendón | 5 min. | ----- |
| 4. | Receipt of Conflict of Interest Affidavits | E. Martinez | 2 min. | ----- |
| 5. | Opportunity for Public Comment 3 min. limit – no discussion | E. Martinez | 3 min. | ----- |
| <p>NOTE: DUE TO THE CURRENT CONDITIONS FOR COVID-19, WE ENCOURAGE SOCIAL DISTANCING AND FACIAL COVERINGS ARE REQUIRED (AND AVAILABLE) FOR INDIVIDUALS ATTENDING THE MEETING.</p> <p>Public Comment may be provided in writing, limited to 1,000 characters, by using the Public Comment Form online at www.ccrta.org/news-opportunities/agenda or by regular mail or hand-delivery to the CCRTA at 602 N. Staples St., Corpus Christi, TX 78401, and MUST be submitted no later than 5 minutes after the start of a meeting in order to be provided for consideration and review at the meeting. All Public Comments submitted shall be placed into the record of the meeting.</p> | | | | |
| 6. | Update on CCRTA's Response to COVID-19 | J. Cruz-Aedo | 5 min. | PPT |
| 7. | Discussion and Possible Action to Approve the Board of Directors Meeting Minutes of August 5, 2020 | E. Martinez | 3 min. | Pages 1-9 |
| 8. | <p>CONSENT ITEMS: The following items are routine or administrative in nature and have been discussed previously by the Board or Committees. The Board has been furnished with support documentation on these items. 5 min. Pages 10-13</p> <p>a) Action to Authorize Adopting a Resolution for Electrical Services with the Texas Coalition for Affordable Power (pgs. 10-11)</p> <p>b) Action to Amend the Pension Funding Policy for the Defined Benefit Plan to comply with the language required by the Pension Review Board (pgs. 12-13)</p> | | | |
| 9. | Presentation by Wells Fargo Institutional Asset Advisors – CCRTA Defined Benefit Plan & Trust for Period Ending June 30, 2020 | Christopher Koeller | 5 min. | PPT |
| 10. | Discussion and Possible Action to Exercise the One (1) Year Option on the Contract to James River Petroleum for Unleaded Fuel Supply | D. Majchszak | 5 min. | Pages 14-15 PPT |

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|--|--------------|---------|--|--|
| 11. Presentations: | | | | |
| a) July 2020 Financial Report | R. Saldaña | 5 min. | Pages 16-27 PPT <i>PPT</i> <i>PPT</i> Pages 28-35 PPT | |
| b) July Procurement Updates | R. Saldaña | 5 min. | | |
| c) July 2020 Safety & Security Reports | M. Rendón | 5 min. | | |
| d) July 2020 Operations Report | G. Robinson | 5 min. | | |
| 12. CEO's Report | J. Cruz-Aedo | 10 min. | ---- | |
| 13. Board Chair's Report | E. Martinez | 10 min. | ---- | |
| 14. Adjournment | E. Martinez | 1 min. | ---- | |
| 15. Information Items: | | | ---- | |
| a) Member Inquiry Forms | | | | |
| 1. ADM Committee Meeting–July 22, 2020 | | | | |
| 2. OPS Committee Meeting–July 22, 2020 | | | | |
| b) Member Inquiry Forms | | | | |
| 1. Board Meeting–August 5, 2020 | | | | |

Total Estimated Time: 0 hr., 00 min.

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BOARD OF DIRECTORS BUDGET WORKSHOP #4

| | TOPIC | SPEAKER | EST.TIME | REFERENCE |
|-----------|-------------------------------------|------------|----------|------------|
| 1. | 2020 Budget Workshop #4 | R. Saldaña | 45 min. | <i>PPT</i> |
| | a. Dept. 02 – Customer Service | | | |
| | b. Dept. 21 – Facilities Management | | | |
| | c. Dept. 49 – Capital Improvements | | | |
| | d. Dept. 77 – Staples Street Center | | | |

Total Estimated Time: 45 min.

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On **Friday, August 28, 2020** this Notice was posted by **Dena Linnehan** at the CCRTA Staples Street Center, 602 N. Staples Street, Corpus Christi, Texas; and sent to the Nueces County and the San Patricio County Clerks for posting at their locations.

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

In compliance with the Americans with Disabilities Act, individuals with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the Assistant Secretary to the Board at (361) 903-3474 at least 48 hours in advance so that appropriate arrangements can be made. Información en Español: Si usted desea esta información en Español o en otro idioma, por favor llame al teléfono (361) 289-2712.

Mission Statement

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

Vision Statement

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



CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
WEDNESDAY, AUGUST 5, 2020

Summary of Actions

1. Pledge of Allegiance
2. Roll Call
3. Safety Briefing
4. Announcement of CCRTA Board of Directors Committee Appointments by the Board Chair and Action to Confirm Committee Appointments of Board Members
5. Receipt of Conflict of Interest Affidavits
6. Opportunity for Public Comment
7. Heard Briefing on CCRTA's Response to Hurricane Hanna
8. Heard Update on CCRTA's Response to COVID-19
9. Action to Approve the Board of Directors Meeting Minutes of July 1, 2020.
10. Heard Consent Items –
 - a) Action to Award a Contract to The Lilly Company for Parts Inventory Storage Cabinets and Shelving (pgs. 11-12)
 - b) Action to Issue a Request for Proposals (RFP) for Bus Stop Amenities (pgs. 13-14)
 - c) Action to Issue an Invitation for Bids (IFB) for Bear Lane Bus Parking Lot Reconstruction (pg. 15)
11. Action to Authorize Issuing an Invitation for Bids for Power Washing Services for the Transfer Stations
12. Heard Presentations –
 - a) June 2020 Financial Report
 - b) June Procurement Update
 - c) June 2020 Safety & Security Report
 - d) June 2020 Operations Report
13. Heard CEO's Report
14. Heard Chairman's Report
15. Adjournment
16. Informational Items

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

Call to Order & Roll Call

Mr. Edward Martinez, Board Chairman, called the meeting to order at 8:31 a.m., and held the Pledge of Allegiance. Ms. Dena Linnehan called Roll and stated a quorum was present.

Board Members Present: Edward Martinez, Board Chair; Dan Leyendecker, Board Secretary; Lynn Allison, Patricia Dominguez, Anna Jimenez, Glenn Martin, Eloy Salazar, Philip Skrobarczyk and Matt Woolbright.

Board Members Absent: Michael Reeves, Board Vice Chairman and Anne Bauman.

Staff Present: Jorge G. Cruz-Aedo, CEO; David Chapa, Dena Linnehan, Derrick Majchszak, Sharon Montez, Rita Patrick, Mike Rendón, Gordon Robinson and Robert Saldaña.



Public Present: None. Public Comment has been made available online to the Public on the CCRTA website at the following link below. No online comments have been received.

<https://www.ccrta.org/news-opportunities/agendas/>

Held Safety Briefing

Mr. Mike Rendón provided safety information in the event of an emergency for the Board members and guests in the audience. He pointed out three exits to the Board of Directors room, to the back by the kitchen, my immediate right, and to the back of this boardroom. He said during an emergency you will utilize the west side door, report to the clock tower adjacent to the transfer station, Ms. Linnehan will account for the Board of Directors members, and that he will make sure everyone exits properly. Mr. Rendón also commented do not use the elevator, do not return to the building unless an 'all clear' has been given, and if we have to shelter in place, we will shelter in place in the west side of the building.

Announcement of CCRTA Board of Directors Committee Appointments by the Board Chair and Action to Confirm Committee Appointments of Board Members

Mr. Edward Martinez asked the board members to confirm his appointment of Mr. Eloy Salazar to the Administration & Finance Committee due to a vacancy of Mr. George Clower terming out.

MR. GLENN MARTIN MADE A MOTION TO CONFIRM COMMITTEE APPOINTMENTS OF BOARD MEMBERS. MR. DAN LEYENDECKER SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, ALLISON, DOMINGUEZ, JIMENEZ, LEYENDECKER, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT REEVES AND BAUMAN.

Action to receive Conflict of Interest Affidavits

None received.

Provided Opportunity for Public Comment

No Public Comments received.

Heard Briefing on CCRTA's Response to Hurricane Hanna

Mr. Jorge G. Cruz-Aedo reported on July 25, 2020, Hurricane Hanna made landfall South of Baffin Bay. He mentioned on May 15, 2020, the agency approved the Emergency Preparedness Policy and was sent to all employees. He also commented that on June 3, 2020, employees were notified that the Emergency Preparedness Policy was activated and meant we are cognizant we are in the hurricane season in Corpus Christi and the surrounding areas. Due to a tropical storm developing, on July 21, 2020, our Managing Director of Operations and Director of Planning ("our two directors") participated with the Texas State Operations Center (TSOC) on preparedness training and daily briefings. He mentioned all employees were notified of the approaching storm and we began to implement the emergency plan. Mr. Cruz-Aedo said on July 22, 2020, the executive team met daily to go over the hurricane updates, and our two directors continued to work with TSOC and the National Weather Service (NWS) to keep abreast of daily briefings. The agency's vehicle maintenance contacted vendors and contractors to remove or secure any items.

Mr. Cruz-Aedo commented that on July 24, 2020, the agency cancelled all services on Saturday, July 25, 2020 based on the forecast of Tropical Storm Hanna. All employees, tenants, Board of Directors, Small Cities Committee of Mayors, Corpus EOC, Nueces County OEM, local media and social media venues were notified with alert messaging to all physical and digital platforms. He said the agency also emphasized these updates would continue to be provided to our community on



upcoming services status as well. He also commented the Emergency Preparedness Duty Teams were to report on Saturday morning as we prepared for the suspension of service. Transportation and our MV Bus Operators and supervisors began notifying all passengers of the suspension of service on Saturday. A call to Federal Transportation Administration (FTA) was made to discuss several items in preparation and projections to have a system shut-down, possible evacuation, message distribution and protection of assets. He also stated our Finance department responded by increasing P-card limits, increasing Petty Cash for any power outages and set up an accounting process for expenses related to any incurred damages.

Mr. Cruz-Aedo commented on Saturday, July 25, 2020, Hurricane made landfall and all transportation services were cancelled with continued messaging being distributed throughout the day on all digital platforms. A decision was made after review of the storm activity to cancel all routes to North Beach and Port Aransas on July 26, 2020. Our two directors continued participating in briefings with NWS and the EOC, our preparedness team also reported to work and 10 Gillig and 10 Arboc buses were relocated to the Staples Street Center, and vehicles were placed around Dispatch for protection from the wind and debris. We lost power at our Bear Lane facility around 6:00 p.m. and generators supplied power to portions of the Maintenance and Operations buildings at Bear Lane. He said the Emergency Preparedness Duty Team were released after 7:00 p.m.

The agency continued to keep employees informed and sent a memo providing update for work schedules on July 26-27, 2020, and when to return to work based on their schedule, unless communicated otherwise by a supervisor. Mr. Cruz-Aedo provided the post-hurricane return to service for Sunday morning, July 26, 2020, of the City and County's EOC shutdown on Sunday morning. He said we had no damage to facilities or vehicles, and all buses were returned to Bear Lane with other vehicles repositioned to their assigned locations. On Monday, July 27, 2020, routes 65, 94 and 95 resumed service, including North Beach routes 76 and 78 with a detour, and Street Supervisors and Operators continued monitoring roads.

Heard Update on CCRTAs Response to COVID-19

Mr. Jorge G. Cruz-Aedo commented the agency continues to be very engaged with the COVID-19 pandemic to ensure that both employees and riders are provided the safest environment to have public transportation in our community. He said as we continue to deep clean our buses inside and outside, transfer stations and facilities and high touch areas. We also have our sanitizer stations in both buses and our buildings, perform special cleaning protocols when someone has tested positive in their office/cubicle to include tenant offices and conference rooms, and we now are power washing our transfer stations twice a week. Mr. Cruz-Aedo stated we purchased germ killing UV lighting for our buses air conditioning units and installed MERV-13 AC filters in all facilities. He reported our Marketing department have initiated a Facial Coverings Campaign with bus wraps advertising face coverings saves lives, donation of over 32,000 masks to first responders and monthly packets to security officers. He also commented we continue to donate surgical masks to riders during peak hours at the transfer stations. In addition to our bus bench advertising, there are 40 benches promoting wearing masks in Spanish and English. He said there will be a commercial airing soon on local television for "Safe & Clean", and we have installed printed materials along with displaying electronic messages at stations, with social media and daily postings on our website of "B-Safe" efforts. He said the agency donated a bus wrap and 10 bus benches to the Nueces County's "Don't Get It/Don't Give It" Campaign.

Mr. Cruz-Aedo also provide information of our Human Resources efforts for daily health checks, employees health and a personal leave sell back program at mid-year and again at end of this year. These efforts include free-standing temperature machines at both facilities, daily dialogue with employees who may have been exposed to a positive person, or may have symptoms. He said at



this time, CCRTA has 5 positive cases and 6 recovered, 3 quarantined, and MV has 5 positive cases, with 7 recovered and 8 quarantined. He commented the agency continues daily text messaging on prevention to employees, and employees are required to wear masks in public areas and follow CDC guidelines. He said employees are communicated and asked to self-monitor their health and immediately inform HR if symptomatic. The agency has had no interruption of services as vehicles are cleaned daily between 6:00 a.m. to 8:30 p.m. The schedule of a Hybrid Service consists of weekday (higher frequency) and Saturday (lower frequency) levels, and is from 8:00 a.m. to 8:30 p.m. He said Sunday service operates the same as pre-COVID service with some routes being adjusted. Mr. Cruz-Aedo provided the financial impact the agency has experienced since the beginning that include \$50 H-E-B cards to employees, IT computer equipment for teleworkers, \$2.00 per hour increase for essential employees, emergency supplies purchased, security services increase of \$2.00 per hour and transportation services purchased.

He said our security effort to help riders stay safe are enforcing a mask order at all transfer stations and before boarding our buses as mandated by the Governor and enforcing social distancing at stations. The agency has increased rover patrols on all major routes to educate riders on the mask mandate, and we are supplying security officers and security police with KN95 masks, pocket hand sanitizers and gloves.

Action to Approve the Board of Directors Meeting Minutes of July 1, 2020

MR. LEYENDECKER MADE A MOTION TO APPROVE THE BOARD OF DIRECTORS MEETING MINUTES OF JULY 1, 2020. MR. MARTIN SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, ALLISON, DOMINGUEZ, JIMENEZ, LEYENDECKER, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT REEVES AND BAUMAN.

Heard Consent Items

- a) **Action to Award a Contract to The Lilly Company for Parts Inventory Storage Cabinets and Shelving (pgs. 11-12)**
- b) **Action to Issue a Request for Proposals (RFP) for Bus Stop Amenities (pgs. 13-14)**
- c) **Action to Issue an Invitation for Bids (IFB) for Bear Lane Bus Parking Lot Reconstruction (pg. 15)**

MR. EDWARD MARTINEZ ASKED TO PULL CONSENT ITEM B) FOR FURTHER DISCUSSION.

MR. LEYENDECKER MADE A MOTION TO APPROVE CONSENT ITEMS A) AND C). MR. ELOY SALAZAR SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, ALLISON, DOMINGUEZ, JIMENEZ, LEYENDECKER, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT REEVES AND BAUMAN.

Ms. Montez commented on item b) and commented on this item as previously presented at the Operations & Capital Projects Committee meeting held on July 22, 2020. Ms. Sharon Montez reported this Request for Proposals (RFP) aligns with the Board Priority of Facilities. She reported the agency has 1,375 bus stops, with 199 that have Tolar Shelters and sun shade structures, with 951 benches and 12 Simme seats, and there are 647 trash bins. Additional background information was given on the agency's Shelter Program that consists of a Maintenance Program with an Expansion/Replacement Program. In 2019 funds were included in the Operating Budget to create a more robust program, partly to meet the requirements as set by the FTA regarding maintaining



assets in the State of Good Repair, and also to enhance the CCRTA's shelters in the community. She said currently this contract has been awarded, is underway, and is on schedule.

Ms. Montez commented on the second portion of the item being the Shelter Replacement Expansion Program which is before you today. The goal is to have a contract in place with a long-term solution to timely install shelters in the community, and to also meet a goal of having 50 percent of our bus stops with shelters. This program ensures the agency is installing shelters on an annual basis and we no longer have to bid it as the contract is already in place. Ms. Montez also commented she provides the status of this program, in addition to the Shelter refurbishment process, to the CEO for his weekly report to the Board of Directors. Mr. Cruz-Aedo stated the 5-year goal of having a program in a transit agency to improve bus stops with either a pad, a shelter, bench and/or trash can of a 50 percent goal, is one of the highest objectives. Ms. Montez stated for the State of Texas in the Transit Industry, the highest goal was at 21 percent and commended the Board on setting this goal.

Ms. Montez stated Phase I of the expansion program has budgeted funds to add 40 shelters in 2020 to the 198 shelters currently in place, and these should be arriving this month. Ms. Montez also commented on the ADA Infrastructure Program that started in 2010 due to the Board's Priority and mentioned it was at a 6 percent when it began, and we are now over 60 percent. She said this says a lot about the Board and how they care about the community.

She provided a slide with a chart showing the need, and projected purchase schedule of shelters over the next 3-year period at an estimated total cost of \$2.27M. Each RFP will be evaluated for shelter design, experience and past performance, maintenance and durable shelters and amenities, responsiveness, delivery and costs. She mentioned there is no DBE goal for this contract, and provided amounts for the 3-year period of the contract at \$523,750 for 2020, \$814,326 for 2021 and \$983,653 for 2022.

MR. MARTIN MADE A MOTION TO APPROVE CONSENT ITEM C) AFTER FURTHER DISCUSSION. MS. ALLISON SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, ALLISON, DOMINGUEZ, JIMENEZ, LEYENDECKER, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT REEVES AND BAUMAN.

Action to Authorize Issuing an Invitation for Bids for Power Washing Services for the Transfer Stations

Ms. Sharon Montez commented on this item as previously presented at the Operations & Capital Projects Committee meeting held on July 22, 2020, and aligns with the Board Priority of Facilities. She provided background information of the four transfer stations of the agency being Robstown, Southside, Port Ayers and Staples Street. She said these stations were power washed once a month with the custodians cleaning them twice a day prior to COVID-19 pandemic. She commented with the highly contagious spread of this virus, the agency is intensifying all cleaning processes which is exhausting current Facilities Staff with their regular and other types of cleaning and maintenance of the facilities, we want to add another layer to increase the cleaning of the stations. She said the Board of Director awarded a short-term contract in May to Phoenix Clean for power washing the stations, and the amount was not to exceed \$121,800. Ms. Montez also commented on the latest data and widespread nature of the COVID-19 virus. She said staff felt the need of power washing the stations twice a week, along with custodial crew cleaning process, and a misting crew using the EPA disinfectant. She read an article from the *San Francisco Chronicle* of July 8, 2020 and it said, "We know the coronavirus primarily spreads through person-to-person contact when an infected person coughs or sneezes. But live particles that cause COVID-19 can survive on some surfaces for days or weeks, and remain in the air for hours. That is cause for concern." Additionally, the article



contained, "It may be possible that a person can get COVID-19 by touching a surface or object that has the virus on it and then touching their own mouth, nose, or possibly their eyes," according to the Centers for Disease Control and Prevention, citing what scientists call fomite *transmission*". She stated in efforts to minimize the risk of exposure of COVID-19 to the CCRTA riders, Facilities Maintenance Staff has a layering process in place and we are using EPA disinfectants. Ms. Montez said we clean and mist the facilities and stations thoroughly several times a day, and this will add another layer to our process by increasing the level of cleaning at the stations with outsourcing the power washing. A slide presented with a chart to show the type of materials with description to show how long a virus stays present on a specific item. The estimated base contract of \$487,200 would have a one-year option. She said no DBE percentage is required for this project.

MR. SALAZAR MADE A MOTION TO AUTHORIZE ISSUING AN INVITATION FOR BIDS FOR POWER WASHING SERVICES FOR THE TRANSFER STATIONS. MS. ALLISON SECONDED THE MOTION. THE MOTION CARRIED. MARTINEZ, ALLISON, DOMINGUEZ, JIMENEZ, LEYENDECKER, MARTIN, SKROBARCZYK AND WOOLBRIGHT VOTING IN FAVOR. ABSENT REEVES AND BAUMAN.

Heard Presentations –

a) June 2020 Financial Report

Mr. Robert Saldaña reported on highlights for the month of June where Total Revenue exceed Expenses by \$6.8M primarily due to our first draw-down of the CAREs Act where we drew-down \$6.7M. He said Operating Revenues are at almost 96 percent of budget with Operating Expenses around 3.5 percent under budget. Mr. Saldaña provided a snapshot of the Income Statement and explained the columns of Adopted Budget for the year, Month Actual and Baseline budget for the month, and said we have about \$6.9M to the good for the month of revenues over expenses. A slide was shown with the breakdown by category of June Revenues he detailed each line item with total Operating Revenues and Capital Funding being \$10.3K for the month of June on a budget of \$3.8M. Mr. Saldaña presented a pie-chart on a slide detailing each object and amounts with the percentage of budget. These excluded Depreciation, Debt Service and Street Improvements. Mr. Saldaña reported on Expenses coming in at \$2.8M for the month of June on a budget of \$2.9M, or \$100K in savings for the month. He said Salaries and Benefits are up due to the additional \$2 per hour for essential employees, Services has a savings of \$150-160K, and Materials and Supplies is up by \$154K mainly driven by COVID-19.

Mr. Saldaña reported on the year-to-date (YTD) and at mid-year, and highlighted Passenger Service Revenues at about 70 percent of target. Staples Street Center collected 99.7 percent of revenues, and we are receiving all our leasing revenue. Total Departmental Operating Expenses are \$1.3M to the good. A slide showing the YTD Income Statement Snapshot was presented and Operating Revenues are at \$24K on a budget of \$19K, or Total Revenues being \$5M to the good, at \$25.5M YTD on a budget of \$19.9M YTD. He said Operating Expenses came in at \$18.6M on a budget of \$20M, or the \$1.3M savings previously discussed, and Total Revenues over Expenses is almost \$5M to the good for the first half of the year. He presented a slide with the breakdown of items with the Total Operating Revenues & Capital Funding being \$25.5M with line share being Sales Tax at \$16M and the CAREs Act grant at almost \$7M that we have received as of June. He again presented a slide with a pie-chart detailing each object and amounts with the percentage of budget for YTD. These too excluded Depreciation, Debt Service and Street Improvements. For Expenses, we at \$16.4M on a budget of \$17.8M, or \$1.3M to the good, and mainly due from an \$800K savings in Services. Mr. Saldaña report on the May 2020 Sales Tax where in May last year we received \$2.8M, and this year we have received \$2.791M, or \$71K less than last



year. He said when you look at budget of \$2.95M, we received the \$2.791M, or at \$158K less than budget. A slide presented of a Sales Tax Trend chart showed the highs and lows by months and years.

b) June Procurement Update

Mr. Saldaña reported there are no procurements/solicitations for the month of June. He said for the 3 Month Outlook, we have one 2-year contract with a 1-year option for Unleaded Fuel at \$603,087 and looking to exercise the first option year. He reported for the CEO's Signature Authority of less than \$50K we have 7 items; Waste Collection and Disposal Services at \$19,368 one-year agreement with two 1-year options; Pest Control Services at \$45,715; Mass Notification Software at \$45,715 three-year base agreement; HVAC Services at \$39,681 one-year agreement with two 1-year options; Local and Long Distance Phone Provider at \$24,840 three year service contract with one 2-year option; Brass Fittings at \$24,206 two-year agreement with one 1-year option and Hydraulic Hoses and Fittings at \$49,344 two-year agreement with one 1-year option. He said we still maintain our Marina Rental Space on a month-to-month contract with the City of Corpus Christi.

c) June 2020 Safety & Security Report

Mr. Mike Rendón commented for the month of July we did not meet with the ARB Accident Review Board due to safety reasons and hope to meet over the next few months. We want to keep our Administration and Operations personnel distancing. There are 9 individuals who meet monthly at the ARB offices and want to make sure we stay safe during the COVID-19 pandemic. He reported there were 383 contacts with individuals the month of June with almost 35 percent being loitering, almost 33 percent being quality of life and 13.3 percent being security issues, or 60 percent of stats. The zero stats on the chart for criminal trespass arrest (CTA) and arrests for public intoxication (PI) are basically due to keep from issuing these as the Sherriff's Department is not taking these into the jails unless it involves an assault. Mr. Rendón stated for the Staples Street Center (SSC) we are averaging over the past two months, 55 entries into the building from the normal entries of 400 prior to the pandemic, with a few months back being at 5 to 10 entries. He said this is mainly due to more movement in passengers at the Greyhound counter and a few tenants who are accepting clients by appointment only. Security guards and officers are also enforcing anyone entering the building to wear a mask and to social distance while in the building, and said majority are complying with the mask mandate requirement.

Mr. Rendón also commented and commended the CEO with our First Responders Mask Giveaway and we have been assisting the Marketing Department with their Stay and B-Safe Campaign. He also Thank additional Staff for their coordination efforts in getting tents set up, arranging the buses. The event was well attended as there was 20 law enforcement officers from various agencies, Corpus Christi Mayor and Borchard, County Sherriff, 5 Constables Precinct Robstown along with several others. This event to receive free facial masks for our first responders was held on Monday, August 3, 2020. He commended the CEO for the great idea to allow the agency to do this for our first responders. He also mentioned the Fire Chief Rocha was also in attendance.

Mr. Rendón also commented on the 'See Something, Say Something' Campaign the Security and Safety Department started over a year ago, posters have been updated, we continue to notify both employees and tenants about the campaign, although we are seeing a third less vehicles in our employee's parking area, we still find unsecure vehicles of employees and tenants.



d) June 2019 Operations Report

Mr. Gordon Robinson commented for the month of June we boarded just over 210K passenger trips, had just under 25K revenue hours, a decrease from 2019, and our operators drove almost 380K revenue miles. He said the monthly ridership trends has been just over 210K miles, and well below our normal average ridership over the past several years. Mr. Robinson mentioned, although ridership continues to be adversely impacted by COVID-19 pandemic, the June monthly ridership has continued toward a two-month upward trend, and is up from last month's total of 196,997 by 13,718 rides. He also commented on the monthly ridership mode, system-wide, we are 32 percent down overall. He said our On-Time Performance is meeting the industry standard without any issues, even with less vehicle traffic on the roads. Mr. Robinson also mentioned the wheelchair and bicycle boardings are down by almost 40 percent than last year at this time. He presented a slide with a chart of routes currently impacted by the City's Bond Projects and the Harbor Bridge Project detours, and there are 6 services currently on detour out of 32 with 6 additional routes we expect to be on detour as construction to begin later this year. Mr. Robinson commented the Harbor Bridget Project Team has been very forthcoming with us of any road closures and/or constructions sites that would create an issue for our buses to travel through. For the B-Line Performance, productivity center is down due to the pandemic along with Miles Between Road Calls (MBRC). He reported the MBRC on the large bus fleet is a little over 11K which met the industry standard and had a good month in June. Mr. Robinson said being in the Summer season, heat does have a factor on our vehicles.

Mr. Cruz-Aedo commented to the Board members that our normal ridership is around 14-16K to 17K on good days prior to January, and now with the pandemic and social distancing on our buses, we are averaging 6K a day, or over 60 percent.

Heard CEO's Report

Mr. Jorge G. Cruz-Aedo commented as mentioned in the Financial Report, the CAREs Act has really helped the agency continue on the track of maintaining our budget and services without any interruptions in services or reduction in employees during this pandemic. He said it has helped us in 2020 and may help us also in 2021, not to the level we are at this time. He said with the uncertainty of the COVID-19 beyond 2021, how the Transit industry will shape up over the new few years, is a concern he has and has shared with Mr. Barry Rhodes of Cassidy & Associates. Mr. Cruz-Aedo commented in the new legislation being proposed to help in the COVID-19 environment, at the present time, the initial proposal has no new funding for transportation and CCRTA. He said he has asked Mr. Rhodes to help us reach out to our senators, and our legislative Texas team in Washington to remind them we need to continue to provide some relief to transit and transit in Texas. He stated he and the Board Chair have sent a letter to the Texas team to ask them for an additional \$16M in new federal funding so we may be able to withstand the future effects of what other pandemics, concerns, etc. the transit industry would experience in 2021, 2022 and beyond. He said there is no funding set aside or suggested by any group, and mentioned Mr. Rhodes is working the 'Hill' and congressional teams in Washington so that we are not forgotten. He also said when an agreement is made, hopefully transit will be back in the picture and the CCRTA to receive any additional funding.

Heard Chairman's Report

Mr. Edward Martinez, Board Chairman opened it up for the board members to comment. Ms. Jimenez commended everyone for staying on track even with the pandemic and shortfalls in the budget, and good job for Mr. Rendón for safety reminder to lock your vehicles, also good job to Marketing for the Masks for First Responders and wish she could have attended. Mr. Martin thanked everyone and glad to be here today and compliments to staff for everything they continue to do. Mr. Salazar commented on the great meeting today, and pushing the masks for the first responders



and being involved with our community. Mr. Skrobarczyk also commented great job to all and good meeting today. Mr. Woolbright commended Ms. Linnehan for organizing the meetings and making sure the board members have all the documents of the meetings as well. Mr. Martinez also commended staff for the hard work, and staying strong during this pandemic. He attended the masks giveaway and how appreciative he was to see everyone who attended as great job and involvement with our community.

Adjournment

There being no further review of items, the meeting adjourned at 9:49 a.m.

Submitted by: Dena Linnehan

s/s Dan Leyendecker
Dan Leyendecker, Board Secretary



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo

September 2, 2020

Subject: Authorize Adopting a Resolution for Electrical Services with the Texas Coalition for Affordable Power

Background

The CCRTA is a founding member of Texas Coalition for Affordable Power (TCAP). The CCRTA joined STAP in 2002, TCAP was formed when STAP merged with CAPP in 2011.

Identified Need

In order to take advantage of the group purchasing power of the Coop, the CCRTA entered into a 5-year agreement with TCAP for the purchase our electricity via the Strategic Hedging Program (SHP). Instead of buying electricity through a fixed price longer term contract, SHP will procure one twelfth of the annual supply each month, two years forward year to year. This provides the lowest market pricing to reduce carrying charges and risk premiums that longer term contracts must charge. SHP features an ultra-competitive RFP process of 20+ vetted creditworthy supplies. At least 4 suppliers will be in each TCAP portfolio at all times. Prices will be known to members well prior to fiscal year budgeting needs. This will also provide members with twice a year periodic off ramps if a member desires to revert to a traditional fixed price/fixed term contract.

In order to prepare for an electric supply contract beyond the 2022, it is necessary for members to have their governmental bodies pass the enclosed resolution to approve the Professional Services Agreement and the Commercial Electricity Service Agreement. The resolution authorizes TCAP to function as a procurer of energy in addition to serving as an agent in negotiating contracts.

Disadvantaged Business Enterprise

For this procurement the DBE goal is zero percent (0%).

Financial Impact

CCRTA uses approximately 5,245,000 kWh per year. The contract price that CCRTA had from 2014-2017 was \$0.07485/kWh. The current contract price for 2018-2022 is \$0.03649/kWh.

Board Priority

The Board Priority is Financial Transparency.

Committee Review

Committee members reviewed and approved this document as presented at the Administration & Finance Committee meeting held on August 26, 2020.

Recommendation

Staff recommends the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Authorize Adopting a Resolution for Electrical Services with the Texas Coalition for Affordable Power.

Respectfully Submitted,

Submitted & Reviewed by: Robert M. Saldaña
Managing Director of Administration

Final Approval by: *Jorge G. Cruz-Aedo* (acting)
Jorge G. Cruz-Aedo
Chief Executive Officer

PROFESSIONAL SERVICES AGREEMENT BETWEEN

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY AND TEXAS

COALITION FOR AFFORDABLE POWER, INC.

This Professional Services Agreement (“AGREEMENT”) is made and entered by and between Texas Coalition for Affordable Power, Inc. (“TCAP”), a non-profit, political subdivision corporation, and Corpus Christi Regional Transportation Authority, a TCAP member.

SECTION 1 DURATION:

This AGREEMENT becomes effective as of signing by MEMBER and shall remain effective as long as MEMBER is being served by TCAP and MEMBER’s electric load included in a current TCAP procurement.

SECTION 2 PURPOSE OF AGREEMENT:

The purpose of this AGREEMENT is to define services and obligations of TCAP to MEMBER and obligations of MEMBER to TCAP and other members. In furtherance of this AGREEMENT, MEMBER will enter into a Commercial Electric Service Agreement (“CESA”) with a retail electric provider (“REP”) selected by TCAP pursuant to the terms set forth herein; provided that nothing in this AGREEMENT is intended to alter the price or other terms of MEMBER’s current CESA in effect through December 31, 2022.

SECTION 3 OBLIGATIONS OF TCAP TO MEMBER:

MEMBER authorizes TCAP to contract for the purchase of energy for MEMBER in the wholesale market from an energy manager selected by TCAP (“Energy Manager”) and to select an acceptable, cost-beneficial REP to serve MEMBER’s electric accounts. TCAP shall provide procurement services, which services shall consist of securing wholesale power for MEMBER through an alternative procurement strategy, such as TCAP’s Strategic Hedging Program (“SHP”), as may be authorized and defined by TCAP’s Board of Directors. MEMBER may elect to consider fixed-price, fixed-term offers for wholesale power supply, such election to be communicated to TCAP separately in writing by providing an Authorized Election Form to TCAP, the form of which has been attached to this AGREEMENT as Exhibit A. If MEMBER has provided to TCAP an Authorized Election Form, TCAP’s procurement services to MEMBER shall also consist of arranging fixed-price, fixed-term offers to MEMBER following solicitation of competitive offers. TCAP consultants and attorneys will negotiate terms and conditions of all contracts, monitor performance of Energy Managers and REPs, work to avoid and remedy problems that may be encountered by MEMBER where possible, assist MEMBER with wires company issues, and represent MEMBER in energy related matters before State agencies, the courts or legislature. TCAP will provide additional customer services to MEMBER that are defined in SECTION 5.

SECTION 4 OBLIGATIONS AND RIGHTS OF MEMBER:

MEMBER will honor the terms of its CESA and promptly pay or promptly dispute invoices from its REP. MEMBER will comply with the confidentiality and non-disclosure obligations contained in its CESA and Section 7 of this AGREEMENT. MEMBER will designate one or more individuals to receive notices and updates from TCAP and will promptly update contact information. MEMBER will pay aggregation fees to support the non-profit functions of TCAP assessed annually by the TCAP Board of Directors and recovered as part of the energy charges paid to REP. Also, MEMBER will pay or receive refunds equal to the Quarterly Adjustment and the Annual Adjustment mutually agreed upon by TCAP and the Energy Manager to address certain variable costs and charges, including costs imposed by ERCOT, such payment or receipt of funds subject to the reserve account as further described herein. TCAP members will fund, and TCAP will maintain and administer, a reserve account to facilitate the reconciliation of any Quarterly Adjustments or Annual Adjustments by collecting any excess amounts paid and/or paying any deficient amounts incurred (as possible). The reserve account balance will be maintained at a minimum level to cover anticipated future needs for up to two (2) years. The TCAP Board may vote to refund to members amounts in excess of future anticipated needs. Any monies remaining in the reserve account at the dissolution of TCAP will be refunded to current membership at the time of dissolution. TCAP is owned and controlled by its members and is governed by a Board of Directors consisting of employees or elected officials of members. Consistent with TCAP's Bylaws, each MEMBER has a right to nominate its representative to serve on the Board of Directors and has a right to vote in annual elections of Board members. MEMBER has a right to attend or monitor each Board meeting. TCAP has a financial audit performed each year and MEMBER has a right to a copy of the annual audit upon request.

SECTION 5 TCAP SERVICES TO MEMBER:

A. Procurement of Energy Supplies and REP Services

1. TCAP Procurement Services and Capabilities

TCAP will assist prospective members in reviewing market conditions and in estimating the most price opportune time to contract for energy supplies. TCAP will work with MEMBER to achieve a competitive price that balances supply security and risk tolerance while maintaining superior billing and customer services. As a political subdivision corporation, offering electricity procurement to political subdivisions, TCAP has the ability to procure wholesale energy supplies and REP services separately to secure the most effective combination of competitively priced energy supplies and superior billing and customer services. TCAP may utilize either wholesale or retail sources of power, or some combination of both. TCAP may utilize multiple suppliers with different generation resources. TCAP will solicit bids from multiple sources for energy supplies. TCAP aggregates the load of all members to maximize clout in negotiating contract terms. TCAP's objective in negotiations with suppliers is to continue obtaining favorable

Exhibit A

terms regarding band widths for annual usage based on total load of all members (rather than based on MEMBER's individual load) and to minimize fees for adding or deleting accounts. TCAP will monitor the wholesale and retail markets for favorable hedging opportunities. TCAP will also monitor, evaluate and issue requests for proposals for power development opportunities beneficial to its MEMBERS, including renewable projects (each, a "Power Project").

2. MEMBER Procurement Options

If MEMBER elects a fixed-price contract for a fixed period by submitting an Authorized Election Form, TCAP will function as MEMBER'S agent in the wholesale energy marketplace in soliciting, evaluating and negotiating each such fixed-price contract. Absent an election, MEMBER shall participate in other procurement strategy options offered by TCAP, such as TCAP's SHP, and TCAP will function as MEMBER's electric energy procurer. As such, TCAP will (i) oversee the Energy Manager, (ii) will direct the Energy Manager to solicit wholesale energy market quotes, (iii) will cause the Energy Manager to transact at the most favorable executable market quotes and (iv) will negotiate and develop the Energy Price in MEMBER'S CESA (the "CESA Energy Price"). The CESA Energy Price shall be developed and agreed upon by TCAP, the Energy Manager and the REP and shall include the wholesale energy market transactions as well as Energy Manager's estimate of any non-fixed charges, including zonal congestion charges, ancillaries service charges, and other charges in connection with MEMBER'S load. If MEMBER elects to purchase power from a Power Project solicited and chosen by TCAP via a competitive RFP process (or other similar process), TCAP will function as MEMBER'S electric energy procurer, and will direct the Energy Manager to include the value of the power procured from such projects in the development of MEMBER'S CESA price.

B. Customer and Billing Services Provided by TCAP

1. REP Portal

TCAP consultants oversee the development and presentation of the REP's portal for TCAP members; the REP will be responsible for operation of the portal. TCAP provides training and assistance regarding portal use.

2. REP Customer Service

TCAP negotiates with the REP regarding service standards and annually reviews REP performance. TCAP maintains a right to replace a REP for unsatisfactory performance without affecting the price of wholesale power, so long as the replacement REP has a credit rating acceptable to the Energy Manager. TCAP continuously monitors customer billings and will alert both the REP and MEMBER, when appropriate, of any billing errors and the adjustments needed to ensure accurate and reliable billings to MEMBER. TCAP will advocate on behalf of MEMBER when needed to resolve billing or customer

Exhibit A

service issues. TCAP will review customer billings and make MEMBER aware of inactive accounts that MEMBER may be able to disconnect to save monthly charges.

3. TCAP Assistance with Budgets and Required Filings and Assistance with TDSP Issues

TCAP monitors Public Utility Commission (“PUC”) and ERCOT activity and will provide MEMBER a forecast of changes in non-by passable charges that may impact MEMBER’s annual budget estimates. TCAP will prepare an annual electricity cost estimate for MEMBER. TCAP will assist MEMBER in preparation of energy related reports that may be necessary for MEMBER to file in response to legislative or agency mandates. TCAP will assist MEMBER in understanding non-bypassable charges included in REP invoices, and assist in resolving issues caused by errors of MEMBER’S Transmission and Distribution Service Provider (“TDSP” aka “wires company”).

4. Information Services

TCAP maintains a member web site, www.tcaptx.com. In addition to regular blog postings on energy news relevant to MEMBER, TCAP has prepared and posted major reports on the history of deregulation in Texas and a history of ERCOT. TCAP consultants continuously monitor the Nymex gas market, ERCOT energy market, and economic conditions that may affect MEMBER, as well as activities at the PUC and ERCOT. Important trends are noted in consultant reports to the Board of Directors and are attached to Board Minutes. TCAP’s Executive Director prepares and distributes a monthly newsletter and coordinates TCAP activities with various city coalitions and Texas Municipal League (“TML”). The Executive Director monthly newsletters will also include important or trending issues in the energy markets.

5. Demand Response, Distributed Generation and Cost Savings Strategy

TCAP will work with relevant service providers to make available to MEMBER competitive demand reduction programs that facilitate MEMBER’s participation in TDSP and ERCOT cost reduction strategies approved by the PUC. Upon request, TCAP will monitor and evaluate demand reduction program performance metrics. TCAP will assist MEMBER in reviewing, analyzing and developing distributed generation programs that can reduce wires and energy costs and/or provide backup power to specific facilities. TCAP will assist MEMBER in meeting renewable energy goals established by MEMBER, including behind-the-meter solar projects and local wind projects.

6. Regulatory and Legislative Representation

TCAP will provide representation and advocacy services on energy issues relevant to MEMBER in regulatory and legislative areas including, but not limited to, ERCOT stakeholder meetings, PUC projects and dockets, and legislative actions.

7. Strategic Hedging

To the extent that there is sufficient interest and commitment of load of TCAP members within an ERCOT zone, and to the extent MEMBER has not elected a fixed-price contract for a fixed period, MEMBER will perpetually (subject to potential charter or ordinance constraints on length of contracts) commit to two-year participation obligations. MEMBER may terminate participation in the SHP, without energy price penalties and with minimal other termination fees, by providing sufficient notice as set forth herein (Section 6). A SHP price will be determined at least 9 months prior to the effective date of the price by averaging the winning bids from periodic competitive auctions that occur throughout the 24 months preceding the effective date. TCAP will direct Energy Manager to conduct the periodic competitive auctions. TCAP will have the right to audit the auction results. The auction process will be designed to identify competitively priced energy supplies from a variety of creditworthy suppliers, resulting in prices that are rarely, if ever, significantly above prevailing market prices and that should generally be less than pricing for long-term fixed priced contracts (when evaluated from a common contract start date and term). Designed to take advantage of the characteristics of the nation's well supplied energy markets, the SHP will also be flexible enough to respond to market changes when and if they occur in the future. Participation in the SHP may be viewed as a series of 24 -month forward year-to-year contracts for as long as desired by MEMBER. If MEMBER participates in the SHP, MEMBER agrees that TCAP is authorized to direct Energy Manager to procure electric energy in the wholesale market on MEMBER's behalf and that TCAP is authorized to commit MEMBER's load to periodic competitive auctions.

SECTION 6 MEMBER RIGHT OF TERMINATION:

A. Fixed-Term, Fixed-Price Contract

MEMBER may terminate a CESA prior to the end-of-term specified in a contract subject to payment of "Liquidated Damages" prescribed in MEMBER's CESA. If MEMBER commits to a fixed multi-year term, fixed-price contract and wants to terminate the agreement prior to the end of the fixed multi-year term, liquidated damages will be based on the differential in the price of electric energy futures contracts used to support the fixed-price agreement and the price of comparable electric energy contracts at time of termination and shall also include damages prescribed herein and in the CESA, as applicable. If electric energy prices are lower at the point of termination than they were at time of contracting, MEMBER should expect to pay energy price damages upon early termination. In any event, any termination payment will be calculated and assessed in accordance with MEMBER's CESA.

B. Strategic Hedging Program

Since the SHP is based on a series of one-year term contracts, MEMBER is entitled to exit the program so long as notice of termination can be given prior to inclusion of MEMBER's load in the competitive auction process for a future year's price. TCAP will

Exhibit A

periodically notify MEMBER of expected procurement schedules and provide no less than 90 days prior notice of any upcoming solicitation, and MEMBER may notify TCAP that it wants to exclude its load from the competitive auction process by giving notice at least 60 days prior to the next procurement date. Termination of involvement in SHP without appropriate notice will require calculation of damages as prescribed by CESA under Edison Electric Institute (“EEI”) principles with the intent of making the REP and Energy Manager whole for the termination. Liquidated damages will be based on the differential in the price of electric energy futures contracts used to support the SHP price and the price of comparable electric energy contracts at time of termination and shall also include damages prescribed herein and in the CESA, as applicable. If electric energy prices are lower at the point of termination than they were at time of contracting, MEMBER should expect to pay energy price damages upon early termination. In any event, any termination payment will be calculated and assessed in accordance with MEMBER’s CESA.

C. Participation in Power Projects

If MEMBER has chosen to purchase power from a Power Project through TCAP, in accordance with a signed Project Addendum attached to MEMBER’S CESA, MEMBER’s termination rights with respect to its commitment to purchase power from the Power Project shall be contained in the Project Addendum.

SECTION 7 CONFIDENTIALITY:

MEMBER is a governmental body subject to public information laws, including Chapter 552 of the Texas Government Code. If MEMBER receives a valid request under applicable public information laws for information related to this AGREEMENT or its CESA, it shall provide TCAP notice of the request including a description the information sought prior to MEMBER’s release of information so that TCAP has the opportunity to determine whether such information is subject to an exception as trade secret, competitive, commercial, or financial information. With the exception of the preceding disclosures pursuant to public information laws, a Party (that party, the “Receiving Party”) shall keep confidential and not disclose to third parties any information related this AGREEMENT, except for disclosures to Authorized Parties or as otherwise required by law; and provided that MEMBER authorizes TCAP to provide Energy Manager and REP with any relevant information concerning MEMBER’s account, usage and billings. The provisions of this Section 7 apply regardless of fault and survive termination, cancellation, suspension, completion or expiration of this AGREEMENT for a period of two (2) years. “Authorized Parties” means those respective officers, directors, employees, agents, representatives and professional consultants of MEMBER and TCAP and each of their respective affiliates that have a need to know the confidential information for the purpose of evaluating, performing or administering this AGREEMENT.

Exhibit A

SECTION 8 PARAGRAPH HEADINGS:

The paragraph headings contained in this AGREEMENT are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs.

SECTION 9 COUNTERPARTS:

This AGREEMENT may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 10 DEFINITIONS:

“Annual Adjustment” shall mean either a credit to MEMBER for the over-collection of funds, or a charge to MEMBER for under-collection of funds, related to Power Project settlements, if applicable. For those MEMBERS that participate in SHP, the Annual Adjustment shall also include (i) adjustments related to the loss factor for each specific ERCOT zone and (ii) adjustments related to load reconciliation as determined by TCAP, the Energy Manager and the REP.

“Energy Manager” means the wholesale market participant selected by TCAP to conduct SHP procurements at TCAP’s direction, in accordance with Section 5A and Section 7 of this Agreement. The Energy Manager may sell all or a portion of the required wholesale energy to TCAP or TCAP’s REP.

“Power Project” means a power generation project identified by TCAP to supply electric energy to one or more TCAP Members.

“Project Addendum” means the Addendum for a Power Project, if any, signed and attached as an Exhibit to MEMBER’S CESA.

“QSE Services Fee” means the QSE Services Fee in effect during the Delivery Term, as agreed between TCAP and Energy Manager.

“Quarterly Adjustment” shall mean either a credit to MEMBER for the over-collection of funds, or a charge to MEMBER for under-collection of funds, related to (i) ERCOT zonal congestion charges and (ii) ancillary services charges and other charges imposed by governmental agencies or ERCOT upon wholesale suppliers or REPs under statutes, regulations or courts for services within ERCOT zones. Said charges or refunds will be proportional to MEMBER’S relative contribution to TCAP load within specific ERCOT zones.

“Retail Electric Provider” or “REP” means the Retail Electric Provider that is party to (i) the REP Services Agreement with TCAP and (ii) the CESA between itself and MEMBER for the provision of retail electric service.

Exhibit A

“Strategic Hedging Program” or “SHP” means an energy procurement strategy approved by TCAP’s Board of Directors, overseen by TCAP’s designated consultants, and administered by TCAP’s appointed Energy Manager, whereby wholesale energy is solicited and procured at agreed upon intervals, as directed by TCAP.

-- Signature Page to Follow --

Exhibit A

EXECUTED on this the 5TH day of September, 2020.

MEMBER:

By: _____

Printed Name: Jorge G. Cruz-Aedo

Title: Chief Executive Officer

TCAP:

By: _____

Printed Name: _____

Title: _____



Board of Directors Meeting Memo

September 2, 2020

Subject: Amend the Pension Funding Policy for the Defined Benefit Plan to comply with the language required by the Pension Review Board and change the target funding ratio from the range of 85% to 95% to a long-term target funding ratio of 100% with an annual target funding ratio above 85%. The target funding ratio will be calculated as the Actuarial Accrued Liability divided by the Actuarial Value of Assets, which uses the 5-year smoothing method.

Background

The Texas Government Code Section 802.2011 requires the governing board of a Texas public retirement system to “adopt a written funding policy that details the governing body’s plan for achieving a funded ratio of the system that is equal to or greater than 100%.” In response to this new legislative requirement to adopt a written funding policy, the Board approved a Funding Policy for the Defined Benefit Plan on September 6, 2019 that set the funding ratio at a range from 85% to 95%.

Identified Need

Management is in the opinion that a Funding Improvement Plan is necessary to progressively move the Defined Benefit Plan towards the goal of achieving the funded status of 100% over a reasonable period of time, as required by the legislation. Setting the funding ratio at a specific, long term target funding ratio instead of a range will allow sound management decisions to be made to progressively move the Plan closer to its 100% goal. The funding level will be reviewed annually. When the funding ratio falls below the stated target funding level (85%), appropriate strategies can be put into place to restore the financial position of the Plan in accordance with Plan policies and resources. This would include additional contributions to improve the funded status.

Noting that the funding ratio is a core indicator of a pension fund’s financial health there are numerous other factors to consider that influence the financial health of the Plan. Some of those options have already been implemented and include:

- Utilizing the entry-age normal actuarial method to determine the Actuarially Determined Contribution
- Reviewing actuarial assumptions – economic and demographic
- Utilizing Asset Smoothing Method to determine the actuarial value of assets
- Reviewing mortality tables to better align current and future mortality expectations
- Reviewing amortization policy for actuarial gains and losses
- Reviewing rate of return and discount rate in order to align with future expectations
- Review funding ratio

- Annual review of the financial position of the Plan by Management, Board, and Authority's Actuary.

Disadvantaged Business Enterprise (DBE)

Not applicable.

Board Priority

This Policy aligns with the Board Priority – Financial Transparency.

Committee Review

This item was approved by the Board last August, and the policy stated a target ratio between 85 to 95 percent with a 5-year smoothing average. Committee members reviewed, discussed and approved this item at the Administration & Finance Committee meeting held on August 26, 2020 as amended.

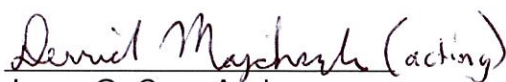
Recommendation

Staff recommends to the Board of Directors to Amend the Pension Funding Policy for the Defined Benefit Plan to comply with the language required by the Pension Review Board and change the target funding ratio from the range of 85% to 95% to a long-term target funding ratio of 100% with an annual target funding ratio above 85%. The target funding ratio will be calculated as the Actuarial Accrued Liability divided by the Actuarial Value of Assets, which uses the 5-year smoothing method.

Respectfully Submitted,

Submitted by: Sandy Roddel
Director of Finance

Reviewed by: Robert M. Saldaña
Managing Director of Administration

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

Corpus Christi Regional Transportation Authority



Resolution

RESOLUTION NO. 1

RESOLUTION OF THE CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY ADOPTING TCAP'S PROFESSIONAL SERVICES AGREEMENT AND GEXA ENERGY'S COMMERCIAL ELECTRIC SERVICE AGREEMENT FOR POWER TO BE PROVIDED ON AND AFTER JANUARY 1, 2023

WHEREAS, the Corpus Christi Regional Transportation Authority is a member of Texas Coalition For Affordable Power, Inc. ("TCAP"), a non-profit, political subdivision corporation of the State of Texas; and

WHEREAS, TCAP has previously arranged for the Housing Authority to purchase power through Gexa Energy with a contract set to expire December 31, 2022; and

WHEREAS, TCAP has designed a new procurement strategy that will involve TCAP initially committing to purchase power two years in advance of delivery on behalf of its members who desire participation in a Strategic Hedging Program ("SHP") that will involve a series of monthly competitive auctions; and

WHEREAS, TCAP has prepared a Professional Services Agreement ("PSA"), attached as Exhibit A, that, in addition to enumerating services and benefits to members of TCAP, provides TCAP with specific authority to procure power in the wholesale market on behalf of members who choose to participate in the SHP; and

WHEREAS, approval of the PSA is a necessary, but not sufficient, prerequisite to participation in the SHP; and

WHEREAS, the PSA is a relational contract that defines services provided by TCAP to members regardless of whether a member decides to commit to the SHP; and

WHEREAS, the industry-standard retail contract is a Commercial Electric Service Agreement ("CESA") offered by a Retail Electric Provider ("REP"); and

WHEREAS, TCAP has negotiated modifications to the current CESA between the City and Gexa Energy to reflect participation in the SHP; and

WHEREAS, the CESA that will facilitate participation in the SHP effective for power deliveries in and beyond 2023 (attached as Exhibit B) will need to be approved and signed prior to October 1, 2020; and

WHEREAS, the Housing Authority desires to participate in the SHP.

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

SECTION 1. That the CCRTA Chief Executive Officer is authorized to sign Exhibit A, TCAP's Professional Services Agreement, and Exhibit B, Gexa Energy's CESA, and send the agreements to TCAP, 15455 Dallas Parkway, Ste 600, Addison, TX 75001.

DULY PASSED, APPROVED AND ADOPTED this 5TH day of September, 2020.

ATTEST:

**CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY**

Jorge G. Cruz-Aedo
Chief Executive Officer

Dan Leyendecker
Board Secretary

APPROVED AS TO FORM:

John D. Bell, Legal Counsel for CCRTA

Corpus Christi Regional Transportation Authority
RETIREMENT PLAN FUNDING POLICY
Effective September 5, 2020

PURPOSE

The intent of this funding policy is to establish a formal methodology for financing the pension obligations accruing under the RTA Employees Defined Benefit Plan and Trust (the Plan). It is intended that **current assets plus future assets from employer contributions and investment earnings** should be sufficient to finance all benefits provided by Corpus Christi Regional Transportation Authority (CCRTA).

The funding policy is intended to reflect a reasonable, conservative approach to fund the cost of pension benefits being accrued. This funding policy recognizes that there will be investment market place volatility and that actual economic and demographic experience will differ from assumed experience. Accordingly, this funding policy is intended to provide flexibility to smooth such volatility and experience in a reasonable, systematic, and financially sound manner. Further, it is the intent that this funding policy comply with all applicable laws, rules, and regulations of the State of Texas and the Federal Government, specifically SB 2224:

Funding Policy (SB 2224, effective September 1, 2019): The governing body of a public retirement system shall:

- Adopt a written funding policy that details the governing body's plan for achieving a funding ratio that is equal to or greater than 100%;
- File a copy of the policy with the Pension Retirement Board no later than the 31st day after the date the policy or change, as applicable.
- Each public retirement system shall adopt a funding policy by January 1, 2020.

COMPONENTS OF THE FUNDING POLICY

- Background and Funding Objectives
- Statement of Funding Guidelines
- Actuarial Valuation Methods
- Actuarial Experience Study
- Approval and Effective Date

BACKGROUND

CCRTA provides its employees with a defined benefit pension plan and a defined contribution plan and does not participate in social security. In addition, CCRTA provides its employees the opportunity to increase personal retirement savings by offering supplemental retirement plans that allow additional contributions to be made either on a pre-tax basis or a post-tax basis. While this policy primarily focuses on the Authority's Defined Benefit Plan, it recognizes the importance of offering supplemental retirement plans in assisting employees in achieving retirement security.

The retirement benefit formula is currently set by the Board to provide a monthly benefit equal to 2% of average compensation for the last 3 years of employment times years of service divided by 12.

Corpus Christi Regional Transportation Authority
RETIREMENT PLAN FUNDING POLICY
Effective September 5, 2020

FUNDING OBJECTIVES

The fundamental financial objective of the Defined Benefit Plan is to fund the long-term cost of the benefits promised to participants. Management acknowledges that the appropriate way to attain reasonable assurance that benefits will remain sustainable is for the retirement system to accumulate resources for future benefit payments in a systematic and disciplined manner during the active service life of the benefitting employees.

The objective is to keep contributions relatively stable while equitably allocating the costs over the employees' period of active service.

The Pension Review Board states that the funding policy must target a funded ratio of 100% or better over as brief a period of time as possible. The objective of this funding policy is to have a Funding Improvement Plan in place to progressively attain and maintain a funded status of 100% over a reasonable period of time. As described in this Policy, the Actuarially Determined Contribution (ADC) will target 100% funding after 15 years which is the amortization period of the plan.

STATEMENT OF FUNDING GUIDELINES

Long-term funding is accomplished through contributions from the employer and from investment earnings which typically provide the largest component of funding.

An annual actuarial valuation to determine the "Actuarially Determined Contribution (ADC)" to finance pension obligations shall be performed each year as of January 1. As required by the Pension Review Board, the ADC shall target a funded ratio of 100% or greater over a 15-year period. With respect to the obligations of the Plan, CCRTA's budget shall include funding of at least 100% of the ADC. Pension fund contributions will have the same budget priority as other salaries and wages.

If the funded ratio (Actuarial Accrued Liability/Actuarial Value of Assets) falls below 85%, CCRTA will make additional contributions above the ADC in order to improve the funded status of the Plan.

Cost-of-living-adjustments (COLAs) may only be granted when the adjustment can be financially supported. COLAs will not be granted to retirees if the funded ratio, after the benefit change, falls below 85%.

The Defined Benefit Plan does not currently require employee contributions.

Corpus Christi Regional Transportation Authority
RETIREMENT PLAN FUNDING POLICY
Effective September 5, 2020

ACTUARIAL VALUATION METHODS

Valuation Method and Frequency. The Actuarially Determined Contribution (ADC) is defined as the contribution requirement determined by the actuary using the methods described in this section, including the cost method, Asset Smoothing Method, and amortization method. The valuation to determine the (ADC) shall utilize the entry-age normal actuarial method. The ADC shall include (1) the normal cost and (2) the amortization of the unfunded liability. The ADC shall be calculated as of January 1 and be applicable for the plan year.

Asset Smoothing Method. An asset smoothing method shall be utilized to determine the actuarial value of assets in order to help keep contributions stable and more predictable over time. The difference between the amount actually earned and the earnings assumption for a particular year shall be amortized in level amounts. The asset smoothing period shall be five (5) years beginning January 1, 2019. The actuarial value of assets shall not be less than 90% or more than 110% of the market value of assets.

Amortization policy for actuarial gains and losses. Unfunded liabilities shall be amortized utilizing the level dollar amortization method over a closed period not to exceed 15 years beginning on January 1, 2019. Actuarial gains and losses may result from (1) actual experience versus assumed experience, (2) changes in demographic and economic assumptions, and (3) changes in benefit provisions.

Demographic data. The demographic data in an actuarial valuation shall include: (1) all active employees, (2) all inactive vested participants, and (3) all annuitants (including beneficiary annuitants).

Benefit provisions. The actuarial valuation shall include all benefits being accrued by participants of the Plan including, but not limited to, retirement, disability, death benefits, and any applicable COLAs. The valuation shall be based on the benefit eligibility and benefit terms described in the plan document.

Assumptions utilized. Demographic and economic assumptions as determined by an actuarial experience study and adopted by the Board shall be utilized in the actuarial valuation.

Mortality tables may be updated on an annual basis to better recognize current and future mortality expectations.

The investment rate of return and discount rate will be reviewed by the Board with the intent to gradually reduce the expected rate of return over 5 years beginning January 1, 2019 until a rate of 7.0% is reached in order to align with future expectations.

Corpus Christi Regional Transportation Authority
RETIREMENT PLAN FUNDING POLICY
Effective September 5, 2020

ACTUARIAL EXPERIENCE STUDY

An actuarial assumption study shall be conducted at least every five years. Assumptions should be established based on past experience and future expectation as a result of the actuarial assumption review.

- Demographic assumptions to be studied include, but are not limited to, the following:
 - Turnover pattern
 - Pattern of retirement
 - Mortality
- Economic assumptions to be studied include, but are not limited to, the following:
 - Investment earnings
 - Salary increases
 - Inflation

APPROVAL AND EFFECTIVE DATE

This policy will be effective upon its adoption by the Board of the RTA Employees Defined Benefit Plan and Trust, and shall remain in effect until amended by the Board or preempted by federal or state law.

APPROVED this 5TH day of September, 2020.

Edward Martinez
CCRTA Board Chairman



Subject: Exercise the One (1) Year Option on the Contract to James River Petroleum for Unleaded Fuel Supply

Background

The RTA will require approximately 22,758 gallons of unleaded fuel in 2020 and 189,414 gallons of unleaded fuel in 2021 for the contracted paratransit and fixed route services fleet, security and supervisor SUVs, and support vehicles. Projected usage is based on current consumption, projected delivery of 29 gasoline powered ARBOCs, MPG (miles per gallon), and estimated service miles for FY2020 and FY2021.

On November 7, 2018, the Board of Directors awarded an Unleaded Fuel Supply agreement to James River Petroleum Company with a two-year base and one-year option following Board approval.

Identified Need

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

The current cutaway van fleet uses CNG fuel. To improve the reliability and versatility of our fleet and to diversify our fuel source requirements, future cutaway van purchases will use unleaded fuel. These future purchases include the projected delivery of 29 ARBOCs prior to 2021.

Disadvantaged Business Enterprise

Staff will monitor DBE and collaborate with James River Petroleum to pursue DBE participation, including subcontracting opportunities.

Financial Impact

Total expenditures will be determined by consumption and OPIS. Expenditures in 2019 were \$20,507 on 9,719 gallons. The projected cost in 2020 is \$48,020 on 22,758 gallons, and the projected cost in 2021 is \$399,664 on 189,414 gallons. The increase in 2021 is due to the expected delivery of the 29 ARBOCs and having them enter revenue service prior to 2021. Funds are budgeted in the annual Operating Budget.

| Year | Estimated Annual Usage in Gallons | Estimated Annual Cost |
|------|-----------------------------------|-----------------------|
| 2020 | 22,758 | \$48,020 |
| 2021 | 189,414 | \$399,664 |

Board Priority

This Board Priority aligns with Public Image & Transparency.

Committee Review

Committee members reviewed this item at the Operations & Capital Projects Committee meeting held on August 26, 2020. No action was taken as no quorum was met.

Recommendation

Staff recommends the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Exercise the One (1) Year Option on the contract with James River Petroleum for Unleaded Fuel supply.

Respectfully Submitted,

Submitted by: Bryan Garner
Director of Maintenance

Reviewed by: Derrick Majchszak
Managing Director of Operations

Final Approval by: *Jorge G. Cruz-Aedo* (acting)
Jorge G. Cruz-Aedo
Chief Executive Officer



Subject: July 2020 Financial Report

SUMMARY: Results from all Activities Compared to Budget

Operating Revenues totaled **\$3,307,688** in July, or 95.16% of the monthly baseline expectation. The baseline expectation provides an even 12-month spread to all revenue and expense categories and helps gauge the reasonableness of financial data. Revenues for July reflect the impact of the Covid-19 pandemic on various aspects of the Authority, as fare revenues demonstrated some improvement over April, but still reached only 43.36% of the baseline expectation. Meanwhile, bus and bench advertising reached 69.09% of the baseline expectation.

In July, the Authority processed the second drawdown request, in the amount of \$2,334,960, from the CARES Grant, as part of the federal response to the Covid-19 pandemic bringing YTD total to \$8,991,934. The total apportionments for the Authority are \$16,359,362, with \$15,359,362 allocated for operating assistance and \$1,000,000 allocated for capital expenditures. The CARES funding serves to cover operating expenses incurred on or after January 20, 2020.

The **Investment Portfolio** closed the month of July with a Market Value of **\$37,880,430**, an increase of **\$10,504,981** from the end of 2019 which closed at **\$27,375,449**. In comparison to the Market Value ending in June, the Market Value for July increased by **\$2,618,466**, primarily due to the receipt of CARES Grant funds. The majority of the Authority's holdings are in TexPool Prime which includes Commercial Paper Investments.

Other Revenues which is a component of Operating Revenues, included the proceeds from a **\$10,741** rebate for TML Workers Comp insurance equity. These revenues are typically sporadic and will not usually align with the baseline expectation. The revenue category includes federal and state fuel credits, income from facility rentals, proceeds from insurance claims, and other income.

Sales tax revenue is the largest source of income from **Operating Revenues**. The actual allocation payment for July 2020 will be received September 11, 2020. Because the allocations lag two months behind the sales tax for July is estimated for budget and reporting purposes.

The July allocation is estimated at **\$3,169,718** and represents the amount equal to the same period in 2019. This amount was utilized in order to maintain a conservative forecast for what might emerge in the aftermath of Covid-19 **since adjustments to sales tax payments by the Comptroller are unpredictable**. The most common adjustments come from **Audits** that can lead to sizeable adjustments that may either decrease or increase the sales tax payment. This strategy will assist in responding to revenue shortfalls by allowing ample time to adjust spending and/or evaluate changes in spending patterns. And in the opinion of the most recent S&P report "the Authority maintains exceptional financial metrics" compared with peers.

| Month Revenue was Recognized | 2020 Actual | 2019 Actual | \$ Growth | % Growth |
|------------------------------|----------------------|----------------------|---------------------|---------------|
| January (actual) | \$ 2,532,147 | \$ 2,567,060 | \$ (34,913) | -1.36% |
| February (actual) | 2,593,497 | 2,533,698 | 59,799 | 2.36% |
| March (actual) | 2,856,393 | 2,969,520 | (113,127) | -3.81% |
| April (actual) | 2,463,919 | 2,776,441 | (312,522) | -11.26% |
| May (actual) | 2,791,009 | 2,862,654 | (71,645) | -2.50% |
| June (actual) | 3,348,797 | 3,371,490 | (22,693) | -0.67% |
| July (estimate) | 3,169,718 | 3,169,718 | - | 0.00% |
| August | | | | 0.00% |
| September | | | | 0.00% |
| October | | | | 0.00% |
| November | | | | 0.00% |
| December | | | | 0.00% |
| | \$ 19,755,480 | \$ 20,250,581 | \$ (495,101) | -2.44% |

The **\$3,348,797** sales tax payment received August 14, 2020 included the allocation from internet sales of \$26,538. RTA started receiving internet sales tax revenue in December 2019, and to date have received **\$149,487**. Retailers started collecting sales tax on internet sales October 1, 2019. Revenue from internet sales from the June 2020 allocation payment showed a **38.25%** increase from the prior month. The below Month-Over-Month Growth shows increases for the first three months while decreasing in February and decreasing again in April. Using moving averages trends the average increase for the first three months at a 23% increase and the six-month at 55.25% increase in comparison to October 2019.

| | | | |
|---------------|----------|---------------|----------------------------------|
| October 2019 | \$10,059 | | |
| November 2019 | 12,664 | 25.89% | increase from prior month |
| December 2019 | 14,454 | 14.13% | increase from prior month |
| January 2020 | 17,773 | 22.96% | increase from prior month |
| February 2020 | 13,611 | 23.41% | decrease from prior month |
| March 2020 | 18,756 | 37.80% | increase from prior month |
| April 2020 | 16,441 | 12.34% | decrease from prior month |
| May 2020 | 19,191 | 16.73% | increase from prior month |
| June 2020 | 26,538 | 38.28% | increase from prior month |

Sales tax typically represents the largest component of CCRTA's total income however there are several factors that can cause fluctuations from year to year. Although sales tax revenue is related to economic conditions, other factors such as the amount of revenues from other sources and capital improvement plans do come into play.

The sales tax revenue over the last five years' averages to **76.80%** of total income. In 2019 Sales Tax Revenue represented 88% of total revenues. For the last few months, sales tax revenue collected in comparison to other revenue has been significantly lower than normal due to the CARES funding.

To stabilize the fluctuations of sales tax revenue, CCRTA has established several reserve accounts that serve as a liquidity cushion. As you can see from the fund balance breakdown below, over 50% of the unrestricted portion is assigned by the Board to fund reserves that are earmarked to meet certain unexpected demands.

The detail of all revenue and expense categories are presented in the following tables, along with the fare recovery ratio for July 2020:

Operating Revenue – July 2020 and Year-To-Date – Revenue Composition

| Revenue Source | July 2020 | % | YTD | % |
|----------------------|---------------------|----------------|----------------------|----------------|
| Passenger Service | \$ 66,511 | 1.17% | \$ 707,644 | 2.31% |
| Bus Advertising | 9,139 | 0.16% | 72,341 | 0.24% |
| Other Revenue | 10,841 | 0.19% | 41,214 | 0.13% |
| Sales Tax Revenue | 3,169,718 | 55.76% | 19,958,455 | 65.03% |
| Grants - Operating | 2,334,960 | 41.07% | 9,302,371 | 30.31% |
| Grants - Capital | 42,384 | 0.75% | 182,084 | 0.59% |
| Investment Income | 10,986 | 0.19% | 145,606 | 0.47% |
| SSC Lease Income | 40,493 | 0.71% | 282,723 | 0.92% |
| Total Revenue | \$ 5,685,032 | 100.00% | \$ 30,692,437 | 100.00% |

July 2020 Revenue – Operating and Capital Funding and Transfer-In

| | 07/2020 | | | | |
|---|----------------------|---------------------|---------------------------|--------------------|----------------------|
| | 2020 Adopted Budget | July 2020 Actual | July Baseline into Budget | % Actual to Budget | % Actual to Baseline |
| Revenues | | | | | |
| Passenger service | \$ 1,840,710 | \$ 66,511 | \$ 153,393 | 3.61% | 43.36% |
| Bus advertising | 158,731 | 9,139 | 13,228 | 5.76% | 69.09% |
| Other operating revenues | 622,779 | 10,841 | 51,898 | 1.74% | 20.89% |
| Sales Tax Revenue | 37,762,468 | 3,169,718 | 3,169,718 | 8.39% | 100.00% |
| Federal, state and local grant assistance | 874,476 | 2,334,960 | 72,873 | 267.01% | 3204.15% |
| Investment Income | 565,803 | 10,986 | 47,150 | 1.94% | 23.30% |
| Staples Street Center leases | 486,015 | 40,493 | 40,501 | 8.33% | 99.98% |
| Total Operating Revenues | 42,310,982 | 5,642,648 | 3,548,761 | 13.34% | 159.00% |
| Capital Grants & Donations | 12,631,327 | 42,384 | 42,384 | 0.34% | 100.00% |
| Transfers-In | 1,763,046 | 146,921 | 146,921 | 8.33% | 100.00% |
| Total Revenues & Capital Funding | \$ 56,705,355 | \$ 5,831,952 | \$ 3,738,065 | 10.28% | 156.02% |

Year-to-Date 2020 Revenue – Operating and Capital Funding and Transfer-In

| | 07/2020 | | | | |
|---|----------------------|----------------------|--------------------------|------------------------|----------------------|
| | 2020 Adopted Budget | YTD 2020 Actual | YTD Baseline into Budget | % YTD Actual to Budget | % Actual to Baseline |
| Revenues | | | | | |
| Passenger service | \$ 1,840,710 | \$ 707,644 | \$ 1,073,748 | 38.44% | 65.90% |
| Bus advertising | 158,731 | 72,341 | 92,593 | 45.57% | 78.13% |
| Other operating revenues | 622,779 | 41,214 | 363,288 | 6.62% | 11.34% |
| Sales Tax Revenue | 37,762,468 | 19,958,455 | 20,250,581 | 52.85% | 98.56% |
| Federal, state and local grant assistance | 874,476 | 9,302,371 | 510,111 | 1063.77% | 1823.60% |
| Investment Income | 565,803 | 145,606 | 330,052 | 25.73% | 44.12% |
| Staples Street Center leases | 486,015 | 282,723 | 283,509 | 58.17% | 99.72% |
| Total Operating Revenues | 42,310,982 | 30,510,353 | 22,903,881 | 72.11% | 133.21% |
| Capital Grants & Donations | 12,631,327 | 182,084 | 182,084 | 1.44% | 100.00% |
| Transfers-In | 1,763,046 | 1,028,444 | 1,028,444 | 58.33% | 100.00% |
| Total Revenues & Capital Funding | \$ 56,705,355 | \$ 31,720,880 | \$ 24,114,408 | 55.94% | 131.54% |

JULY 2020 EXPENSES

The results of all expenditure activities, including capital are presented below. The total activities compared well against the baseline. Timing of expenditures such as Debt Service (paid in May and November), and purchases of capital contribute to the anticipated variance between the outcome of operations and the baseline.

July 2020 Total Expenses & Capital Expenditures

| | 07/2020 | | | | |
|--|----------------------|---------------------|---------------------------|--------------------|----------------------|
| | 2020 Adopted Budget | July 2020 Actual | July Baseline into Budget | % Actual to Budget | % Actual to Baseline |
| Expenditures | | | | | |
| Departmental Operating Expenses | \$ 35,606,645 | \$ 2,642,402 | \$ 2,967,220 | 7.42% | 89.05% |
| Debt Service | 1,423,053 | - | 118,588 | 0.00% | 0.00% |
| Street Improvements | 3,021,641 | 251,803 | 251,803 | 8.33% | 100.00% |
| Subrecipient Grant Agreements | 49,694 | - | 4,141 | 0.00% | 0.00% |
| Total Operating Expenses | 40,101,033 | 2,894,206 | 3,341,753 | 7.22% | 86.61% |
| Grant Eligible Costs | 12,631,327 | 42,384 | 42,384 | 0.34% | 100.00% |
| Depreciation Expenses | 3,972,995 | 331,083 | 331,083 | 8.33% | 100.00% |
| Total Expenses & Capital Expenditures | \$ 56,705,355 | \$ 3,267,673 | \$ 3,715,220 | 5.76% | 87.95% |

Year-to-Date 2020 Total Expenses & Capital Expenditures

| | 07/2020 | | | | |
|--|----------------------|----------------------|--------------------------|------------------------|----------------------|
| | 2020 Adopted Budget | YTD 2020 Actual | YTD Baseline into Budget | % YTD Actual to Budget | % Actual to Baseline |
| Expenditures | | | | | |
| Departmental Operating Expenses | \$ 35,606,645 | \$ 19,104,062 | \$ 20,770,543 | 53.65% | 91.98% |
| Debt Service | 1,423,053 | 317,415 | 830,114 | 22.31% | 38.24% |
| Street Improvements | 3,021,641 | 1,762,624 | 1,762,624 | 58.33% | 100.00% |
| Subrecipient Grant Agreements | 49,694 | 310,437 | 28,988 | 624.70% | 1070.91% |
| Total Operating Expenses | 40,101,033 | 21,494,537 | 23,392,269 | 53.60% | 91.89% |
| Grant Eligible Costs | 12,631,327 | 182,084 | 182,084 | 1.44% | 100.00% |
| Depreciation Expenses | 3,972,995 | 2,317,579 | 2,317,580 | 58.33% | 100.00% |
| Total Expenses & Capital Expenditures | \$ 56,705,355 | \$ 23,994,201 | \$ 25,891,934 | 42.31% | 92.67% |

EXPENSES – REPORTED BY EXPENSE OBJECT CATEGORY

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

Accordingly, for the month of July 2020, total departmental operating expenses realized a favorable variance against the monthly budget as well as the baseline expectation. **We are 7 months into the budget or 58.33% and the majority of the departmental expenses closed the month at or below this benchmark.**

July 2020 Departmental Expenses

| Departmental Operating Expense Object Category | 07/2020 | | | | |
|--|----------------------|---------------------|---------------------------|--------------------|----------------------|
| | 2020 Adopted Budget | July 2020 Actual | July Baseline into Budget | % Actual to Budget | % Actual to Baseline |
| Salaries | \$ 13,257,370 | \$ 1,046,597 | \$ 1,104,781 | 7.89% | 94.73% |
| Benefits | 5,512,012 | 293,877 | 459,334 | 5.33% | 63.98% |
| Services | 4,801,717 | 313,260 | 400,143 | 6.52% | 78.29% |
| Materials & Supplies | 3,047,162 | 364,017 | 253,930 | 11.95% | 143.35% |
| Utilities | 707,280 | 55,283 | 58,940 | 7.82% | 93.79% |
| Insurance | 454,522 | 30,923 | 37,877 | 6.80% | 81.64% |
| Purchased Transportation | 7,105,315 | 528,786 | 592,110 | 7.44% | 89.31% |
| Miscellaneous | 721,266 | 9,659 | 60,106 | 1.34% | 16.07% |
| Total Departmental Operating Expenses | \$ 35,606,645 | \$ 2,642,402 | \$ 2,967,220 | 7.42% | 89.05% |

2020 Year-to-Date Departmental Expenses

| Departmental Operating Expense Object Category | 07/2020 | | | | |
|--|----------------------|----------------------|--------------------------|------------------------|----------------------|
| | 2020 Adopted Budget | YTD 2020 Actual | YTD Baseline into Budget | % YTD Actual to Budget | % Actual to Baseline |
| Salaries | \$ 13,257,370 | \$ 7,350,522 | \$ 7,733,466 | 55.44% | 95.05% |
| Benefits | 5,512,012 | 3,140,312 | 3,215,340 | 56.97% | 97.67% |
| Services | 4,801,717 | 1,954,366 | 2,801,002 | 40.70% | 69.77% |
| Materials & Supplies | 3,047,162 | 1,877,913 | 1,777,511 | 61.63% | 105.65% |
| Utilities | 707,280 | 374,968 | 412,580 | 53.02% | 90.88% |
| Insurance | 454,522 | 216,567 | 265,138 | 47.65% | 81.68% |
| Purchased Transportation | 7,105,315 | 3,936,834 | 4,144,767 | 55.41% | 94.98% |
| Miscellaneous | 721,266 | 252,580 | 420,739 | 35.02% | 60.03% |
| Total Departmental Operating Expenses | \$ 35,606,645 | \$ 19,104,062 | \$ 20,770,543 | 53.65% | 91.98% |

New for 2020 is the allocation of the full labor burden to each respective department. In the past, line items such as **Health Insurance**, **Workers Compensation**, and **Unemployment Insurance** were all charged to the **Human Resources** department. Now, the benefit line is allocated proportionately to its respective department. As such, there is a significantly lower budget amount for the expense function of **Insurance**. The reduction in Insurance has been added to **Benefits** as part of the allocation process.

For July 2020, most expense categories were within a reasonable degree of distance from the baseline expectation. The largest expense category, **Salaries**, was within 5% of the baseline expectation.

Meanwhile, the **Benefits** category was within the baseline by 2.33%. The **Materials & Supplies** category appears further from the baseline expectation; however, this category includes much of the costs incurred in response to **Covid-19**.

COVID-19 EXPENSES

Because of the accounting treatment associated with the various types of **Covid-19** purchase it is necessary to provide clarification to explain the variances between the financials and any other internal reporting sources.

The financials only report expenditures that have completed the transaction cycle. **Covid-19** expenses in the financials are either a specialized direct expenditure resulting from the pandemic or **normal operating expenses** from specific departments that have been identified by the CARES Act as reimbursable eligible expenses (this includes wages and benefits). These expenses when submitted for reimbursement have to be reduced by the amount of fare revenue received as of the reporting period. The specialized direct expenditures flow through a special inventory account for tracking and expensed to the department budgets when the items are taken out of inventory for use. The cost of the items still in inventory are reported in the Statement of Net Position (Balance Sheet) and the items used and taken out of inventory are reported in the Operating and Capital Budget Report.

As of the July financial statements a total of **\$8,991,934** has been recognized as grant revenues from the CARES Act. This represents all eligible costs less the amount of fare revenue received totaling **\$469,447**.

| Eligible Reimbursable Expense | Amount |
|-------------------------------|--------------|
| Salaries | \$ 3,866,344 |
| Benefits | \$ 1,786,245 |
| Services | \$ 222,158 |
| Materials & Supplies | \$ 843,916 |
| Utilities | \$ 65,892 |
| Insurance | \$ 27,942 |
| Purchased Transportation | \$ 2,280,355 |
| Inventory | \$ 368,529 |
| Total | \$ 9,461,381 |
| Less Fare Revenue Received | (\$ 469,447) |
| Total Grant Reimbursement | \$ 8,991,934 |

The cost of fuel used in fleet vehicles also falls under the Materials & Supplies category. The average price per gallon in **July, for compressed natural gas (CNG), diesel, and unleaded was \$0.74, \$1.16, and \$1.67**, respectively, while the average cost for 2020 for the year-to-date was \$0.66, \$1.40, and \$1.71, respectively. Total operating expenses are within eight percentage points of the baseline expectation for year-to-date budget 2020, and monthly expenses to-date are only 53.60% of the budget, compared to the baseline expectation of 58.33%.

Fare Recovery Ratio

| Description | 7/31/2020 | Year to Date |
|-------------------------|-----------|--------------|
| Fare Revenue | \$ 66,511 | \$ 707,644 |
| Operating Expenses* | 2,642,402 | 18,543,628 |
| Fare Recovery Ratio | 2.52% | 3.82% |
| *Excluding Depreciation | | |

Note: Same period last year (July) the FRR was 4.82%

NET POSITION

The Total Net Position at the end of the month was **\$88,192,291**, an increase of \$6,871,995 from December 2019, which is due to the combined effect of the CARES Grant funding offset by accruals for depreciation and street improvements. The Total Net Position is made up of three (3) components: Net Investment in Capital Assets, restricted for Debt Service (Bond Contract), and Unrestricted which represents the residual amount of the net position that is available for spending.

The Debt Service restriction of \$1.6 Million was removed as a result of the November 2019 bond refunding due. The purchase of an insurance policy allowed the Authority to release the existing cash reserve of \$1.6 Million which had been restricted for debt service in 2019. Of the unrestricted portion, 45% has been designated by the Board.

Of the Total Net Position of **\$88,192,291**, the portion of the fund balance that is not restricted in accordance to GASB Concepts Statement No 4 is **\$38,484,586**, but only **\$21,331,081** is available for spending as a result of the internal restrictions placed by the Board for specific reserves which total **\$17,153,505**.

FUND BALANCE AS OF JULY 31, 2020:

| | |
|---|-----------------------------|
| <u>FUND BALANCE</u> | |
| Net Invested in Capital Assets | \$ 49,707,705 |
| Restricted for Debt Service | - |
| Unrestricted | 38,484,586 |
| TOTAL FUND BALANCE | <u>88,192,291</u> |
| <u>RESERVES</u> | |
| Net Invested in Capital Assets | 49,707,705 |
| Restricted for Debt Service | - |
| Restricted for Operating Reserve | 9,310,463 |
| Restricted for Capital Reserve | 3,157,831 |
| Restricted for Local Share of CIP | 3,972,993 |
| Restricted for Employee Benefits Reserve | 712,218 |
| Unrestricted | 21,331,081 |
| TOTAL INVESTED IN CAPITAL & RESERVES | <u>\$ 88,192,291</u> |

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

Respectfully Submitted,

Submitted by: Marie Sandra Roddel
Director of Finance

Reviewed by: Robert M. Saldaña
Managing Director of Administration

Final Approval by: *Jorge G. Cruz-Aedo* (acting)
Jorge G. Cruz-Aedo
Chief Executive Officer

Corpus Christi Regional Transportation Authority
 Operating and Capital Budget Report
 For the month ended July 2020

| OPERATING BUDGET | 07/2020 | | | | |
|---|---------------------|------------------|---------------------------|--------------------|----------------------|
| | 2020 Adopted Budget | July 2020 Actual | July Baseline into Budget | % Actual to Budget | % Actual to Baseline |
| | A | B | C = A / 12 | B / A | C vs B |
| Revenues | | | | | |
| Passenger service | \$ 1,840,710 | \$ 66,511 | \$ 153,393 | 3.61% | 43.36% |
| Bus advertising | 158,731 | 9,139 | 13,228 | 5.76% | 69.09% |
| Other operating revenues | 622,779 | 10,841 | 51,898 | 1.74% | 20.89% |
| Sales Tax Revenue | 37,762,468 | 3,169,718 | 3,169,718 | 8.39% | 100.00% |
| Federal, state and local grant assistance | 874,476 | 2,334,960 | 72,873 | 267.01% | 3204.15% |
| Investment Income | 565,803 | 10,986 | 47,150 | 1.94% | 23.30% |
| Staples Street Center leases | 486,015 | 40,493 | 40,501 | 8.33% | 99.98% |
| Total Revenues | 42,310,982 | 5,642,648 | 3,548,761 | 13.34% | 159.00% |
| Expenses | | | | | |
| Transportation | 10,158,674 | 716,496 | 846,556 | 7.05% | 84.64% |
| Customer Programs | 564,293 | 65,983 | 47,024 | 11.69% | 140.32% |
| Purchased Transportation | 7,105,315 | 590,253 | 592,110 | 8.31% | 99.69% |
| Service Development | 608,237 | 39,904 | 50,686 | 6.56% | 78.73% |
| MIS | 1,349,557 | 103,690 | 112,463 | 7.68% | 92.20% |
| Vehicle Maintenance | 5,738,762 | 383,328 | 478,230 | 6.68% | 80.16% |
| Facilities Maintenance | 2,834,107 | 254,029 | 236,176 | 8.96% | 107.56% |
| Contracts and Procurements | 323,102 | 24,728 | 26,925 | 7.65% | 91.84% |
| CEO's Office | 1,006,761 | 61,146 | 83,897 | 6.07% | 72.88% |
| Finance and Accounting | 771,199 | 60,153 | 64,267 | 7.80% | 93.60% |
| Materials Management | 188,618 | 14,559 | 15,718 | 7.72% | 92.63% |
| Human Resources | 701,471 | 77,336 | 58,456 | 11.02% | 132.30% |
| General Administration | 595,856 | 30,560 | 49,655 | 5.13% | 61.55% |
| Capital Project Management | 329,103 | 16,722 | 27,425 | 5.08% | 60.97% |
| Marketing & Communications | 685,721 | 20,247 | 57,143 | 2.95% | 35.43% |
| Safety & Security | 1,449,103 | 102,406 | 120,759 | 7.07% | 84.80% |
| Staples Street Center | 996,766 | 79,439 | 83,064 | 7.97% | 95.64% |
| Port Ayers Cost Center | - | 1,424 | - | 0.00% | 0.00% |
| Debt Service | 1,423,053 | - | 118,588 | 0.00% | 0.00% |
| Special Projects | 200,000 | - | 16,667 | 0.00% | 0.00% |
| Subrecipient Grant Agreements | 49,694 | - | 4,141 | 0.00% | 0.00% |
| Street Improvements Program for CCRTA Region Entities | 3,021,641 | 251,803 | 251,803 | 8.33% | 100.00% |
| Total Expenses | 40,101,033 | 2,894,206 | 3,341,753 | 7.22% | 86.61% |
| Revenues Over Expenses - Operating Budget | 2,209,949 | 2,748,442 | 207,008 | | |
| CIP BUDGET | | | | | |
| | A | B | C = A / 12 | B / A | |
| Funding Sources | | | | | |
| Transfer In | \$ 1,763,046 | 146,921 | 146,921 | 8.33% | 100.00% |
| Grant Revenue | 12,631,327 | 42,384 | 42,384 | 0.34% | 0.00% |
| Total Funding Sources | 14,394,373 | 189,305 | 189,305 | 1.32% | 100.00% |
| Capital Expenditures | | | | | |
| Grant Eligible Costs | \$ 12,631,327 | 42,384 | 42,384 | 0.34% | 0.00% |
| Depreciation Expenses | 3,972,995 | 331,083 | 331,083 | 8.33% | 100.00% |
| Total Expenditures | 16,604,322 | 373,467 | 373,467 | 2.25% | 100.00% |
| Funding Sources Over Expenditures | (2,209,949) | (184,162) | (184,162) | 8.33% | 100.00% |
| Revenues Over Expenses - Operating Budget | 2,209,949 | 2,748,442 | 207,008 | | |
| Revenues Over Expenses - CIP Budget | (2,209,949) | (184,162) | (184,162) | | |
| Revenues Over Expenses (including rounding) | (0) | 2,564,280 | 22,846 | | |

Corpus Christi Regional Transportation Authority
 Operating and Capital Budget Report
 For the month ended July 2020

| OPERATING BUDGET | 07/2020 | | | | |
|---|---------------------|--------------------|--------------------------|------------------------|----------------------|
| | 2020 Adopted Budget | YTD 2020 Actual | YTD Baseline into Budget | % YTD Actual to Budget | % Actual to Baseline |
| | A | B | C = A / 12 * 7 | B / A | C vs B |
| Revenues | | | | | |
| Passenger service | \$ 1,840,710 | \$ 707,644 | \$ 1,073,748 | 38.44% | 65.90% |
| Bus advertising | 158,731 | 72,341 | 92,593 | 45.57% | 78.13% |
| Other operating revenues | 622,779 | 41,214 | 363,288 | 6.62% | 11.34% |
| Sales Tax Revenue | 37,762,468 | 19,958,455 | 20,250,581 | 52.85% | 98.56% |
| Federal, state and local grant assistance | 874,476 | 9,302,371 | 510,111 | 1063.77% | 1823.60% |
| Investment Income | 565,803 | 145,606 | 330,052 | 25.73% | 44.12% |
| Staples Street Center leases | 486,015 | 282,723 | 283,509 | 58.17% | 99.72% |
| Total Revenues | 42,310,982 | 30,510,353 | 22,903,881 | 72.11% | 133.21% |
| Expenses | | | | | |
| Transportation | 10,158,674 | 5,706,558 | 5,925,893 | 56.17% | 96.30% |
| Customer Programs | 564,293 | 309,139 | 329,171 | 54.78% | 93.91% |
| Purchased Transportation | 7,105,315 | 4,109,303 | 4,144,767 | 57.83% | 99.14% |
| Service Development | 608,237 | 291,053 | 354,805 | 47.85% | 82.03% |
| MIS | 1,349,557 | 704,166 | 787,242 | 52.18% | 89.45% |
| Vehicle Maintenance | 5,738,762 | 2,837,810 | 3,347,611 | 49.45% | 84.77% |
| Facilities Maintenance | 2,834,107 | 1,505,909 | 1,653,229 | 53.14% | 91.09% |
| Contracts and Procurements | 323,102 | 185,917 | 188,476 | 57.54% | 98.64% |
| CEO's Office | 1,006,761 | 584,242 | 587,277 | 58.03% | 99.48% |
| Finance and Accounting | 771,199 | 421,163 | 449,866 | 54.61% | 93.62% |
| Materials Management | 188,618 | 116,778 | 110,027 | 61.91% | 106.14% |
| Human Resources | 701,471 | 446,978 | 409,192 | 63.72% | 109.23% |
| General Administration | 595,856 | 237,802 | 347,583 | 39.91% | 68.42% |
| Capital Project Management | 329,103 | 124,207 | 191,977 | 37.74% | 64.70% |
| Marketing & Communications | 685,721 | 317,240 | 400,004 | 46.26% | 79.31% |
| Safety & Security | 1,449,103 | 645,364 | 845,310 | 44.54% | 76.35% |
| Staples Street Center | 996,766 | 549,127 | 581,447 | 55.09% | 94.44% |
| Port Ayers Cost Center | - | 11,307 | - | 0.00% | 0.00% |
| Debt Service | 1,423,053 | 317,415 | 830,114 | 22.31% | 38.24% |
| Special Projects | 200,000 | - | 116,667 | 0.00% | 0.00% |
| Subrecipient Grant Agreements | 49,694 | 310,437 | 28,988 | 624.70% | 1070.91% |
| Street Improvements Program for CCRTA Region Entities | 3,021,641 | 1,762,624 | 1,762,624 | 58.33% | 100.00% |
| Total Expenses | 40,101,033 | 21,494,537 | 23,392,269 | 53.60% | 91.89% |
| Revenues Over Expenses - Operating Budget | 2,209,949 | 9,015,815 | (488,389) | | |
| CIP BUDGET | | | | | |
| | 2020 Adopted Budget | YTD 2020 Actual | YTD Baseline into Budget | % YTD Actual to Budget | % Actual to Baseline |
| | A | B | C = A / 12 * 7 | B / A | |
| Funding Sources | | | | | |
| Transfer In | \$ 1,763,046 | 1,028,444 | 1,028,444 | 58.33% | 100.00% |
| Grant Revenue | 12,631,327 | 182,084 | 182,084 | 1.44% | 0.00% |
| Total Funding Sources | 14,394,373 | 1,210,528 | 1,210,528 | 8.41% | 100.00% |
| Capital Expenditures | | | | | |
| Grant Eligible Costs | \$ 12,631,327 | 182,084 | 182,084 | 1.44% | 0.00% |
| Depreciation Expenses | 3,972,995 | 2,317,579 | 2,317,579 | 58.33% | 100.00% |
| Total Expenditures | 16,604,322 | 2,499,663 | 2,499,663 | 15.05% | 100.00% |
| Funding Sources Over Expenditures | (2,209,949) | (1,289,136) | (1,289,136) | 58.33% | 100.00% |
| Revenues Over Expenses - Operating Budget | 2,209,949 | 9,015,815 | (488,389) | | |
| Revenues Over Expenses - CIP Budget | (2,209,949) | (1,289,136) | (1,289,136) | | |
| Revenues Over Expenses (including rounding) | (0) | 7,726,680 | (1,777,524) | | |

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Net Position
Month ended July 31, 2020, and year ended December 31, 2019

| | Unaudited July 31 2020 | Unaudited December 31 2019 |
|--|------------------------------|----------------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 37,713,820 | \$ 27,157,466 |
| Receivables: | | |
| Sales and Use Taxes | 6,698,797 | 6,183,019 |
| Accrued Interest | - | - |
| Federal Government | 42,384 | 410,980 |
| Other | 179,507 | 1,263,308 |
| Inventories | 978,102 | 675,774 |
| Prepaid Expenses | 1,411,688 | 509,201 |
| Total Current Assets | 47,024,298 | 36,199,748 |
| Non-Current Assets: | | |
| Capital Assets: | | |
| Land | 5,381,969 | 5,381,969 |
| Buildings | 53,734,210 | 53,734,210 |
| Transit Stations, Stops and Pads | 24,409,826 | 24,409,826 |
| Other Improvements | 5,525,123 | 5,525,123 |
| Vehicles and Equipment | 61,516,982 | 61,516,982 |
| Construction in Progress | 234,089 | 167,718 |
| Current Year Additions | 374,807 | - |
| Total Capital Assets | 151,177,006 | 150,735,827 |
| Less: Accumulated Depreciation | (81,204,301) | (78,886,721) |
| Net Capital Assets | 69,972,705 | 71,849,106 |
| Total Non-Current Assets | 69,972,705 | 71,849,106 |
| TOTAL ASSETS | 116,997,003 | 108,048,854 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflow related to pensions | 4,131,381 | 4,131,381 |
| Deferred outflow on extinguishment of debt | 3,487,864 | 3,487,864 |
| Total Deferred Outflows | 7,619,245 | 7,619,245 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | 124,616,248 | 115,668,099 |
| LIABILITIES AND NET POSITION | | |
| Current Liabilities: | | |
| Accounts Payable | 916,557 | 736,501 |
| Current Portion of Long-Term Liabilities: | | |
| Long-Term Debt | 815,000 | 815,000 |
| Compensated Absences | 273,355 | 273,355 |
| Sales Tax Audit Funds Due | 109,496 | 246,366 |
| Distributions to Regional Entities Payable | 5,287,946 | 3,525,322 |
| Other Accrued Liabilities | 851,771 | 718,297 |
| Total Current Liabilities | 8,254,125 | 6,314,841 |
| Non-Current Liabilities: | | |
| Long-Term Liabilities, Net of Current Portion: | | |
| Long-Term Debt | 19,450,000 | 19,450,000 |
| Compensated Absences | 269,885 | 269,885 |
| Sales Tax Audit Funds Due | 1,067,600 | 930,730 |
| Net Pension Liability | 2,455,449 | 2,455,449 |
| Net OPEB Obligation | 970,134 | 970,134 |
| Total Non-Current Liabilities | 24,213,068 | 24,076,198 |
| TOTAL LIABILITIES | 32,467,193 | 30,391,039 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflow related to pensions | 3,956,764 | 3,956,764 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS | 36,423,957 | 34,347,803 |
| Net Position: | | |
| Net Invested in Capital Assets | 49,707,705 | 51,584,106 |
| Unrestricted | 38,484,586 | 29,736,190 |
| TOTAL NET POSITION | \$ 88,192,291 | \$ 81,320,296 |

**Corpus Christi Regional Transportation Authority
Statement of Cash Flows (Unaudited)
For the month ended July 31, 2020**

| | <u>7/31/2020</u> |
|---|------------------------------------|
| Cash Flows From Operating Activities: | |
| Cash Received from Customers | \$ 54,059 |
| Cash Received from Bus Advertising and Other Ancillary | 58,712 |
| Cash Payments to Suppliers for Goods and Services | (1,674,337) |
| Cash Payments to Employees for Services | (731,200) |
| Cash Payments for Employee Benefits | (15,937) |
| Net Cash Used for Operating Activities | <u>(2,308,703)</u> |
| Cash Flows from Non-Capital Financing Activities: | |
| Sales and Use Taxes Received | 2,791,009 |
| Grants and Other Reimbursements | 2,345,969 |
| Distributions to Subrecipient Programs | - |
| Distributions to Region Entities | - |
| Net Cash Provided by Non-Capital Financing Activities | <u>5,136,978</u> |
| Cash Flows from Capital and Related Financing Activities: | |
| Federal and Other Grant Assistance | 15,622 |
| Proceeds/Loss from Sale of Capital Assets | - |
| Proceeds from Bonds | - |
| Repayment of Long-Term Debt | - |
| Interest and Fiscal Charges | - |
| Purchase and Construction of Capital Assets | (19,528) |
| Net Cash Used by Capital and Related Financing Activities | <u>(3,906)</u> |
| Cash Flows from Investing Activities: | |
| Investment Income | 10,986 |
| Purchases of Investments | - |
| Maturities and Redemptions of Investments | - |
| Premiums/Discounts on Investments | - |
| Net Cash Provided by Investing Activities | <u>10,986</u> |
| Net Increase in Cash and Cash Equivalents | 2,835,355 |
| Cash and Cash Equivalents (Including Restricted Accounts), July 1, 2020 | 34,878,465 |
| Cash and Cash Equivalents (Including Restricted Accounts), July 31, 2020 | <u><u>\$ 37,713,820</u></u> |



Subject: July 2020 Operations Report

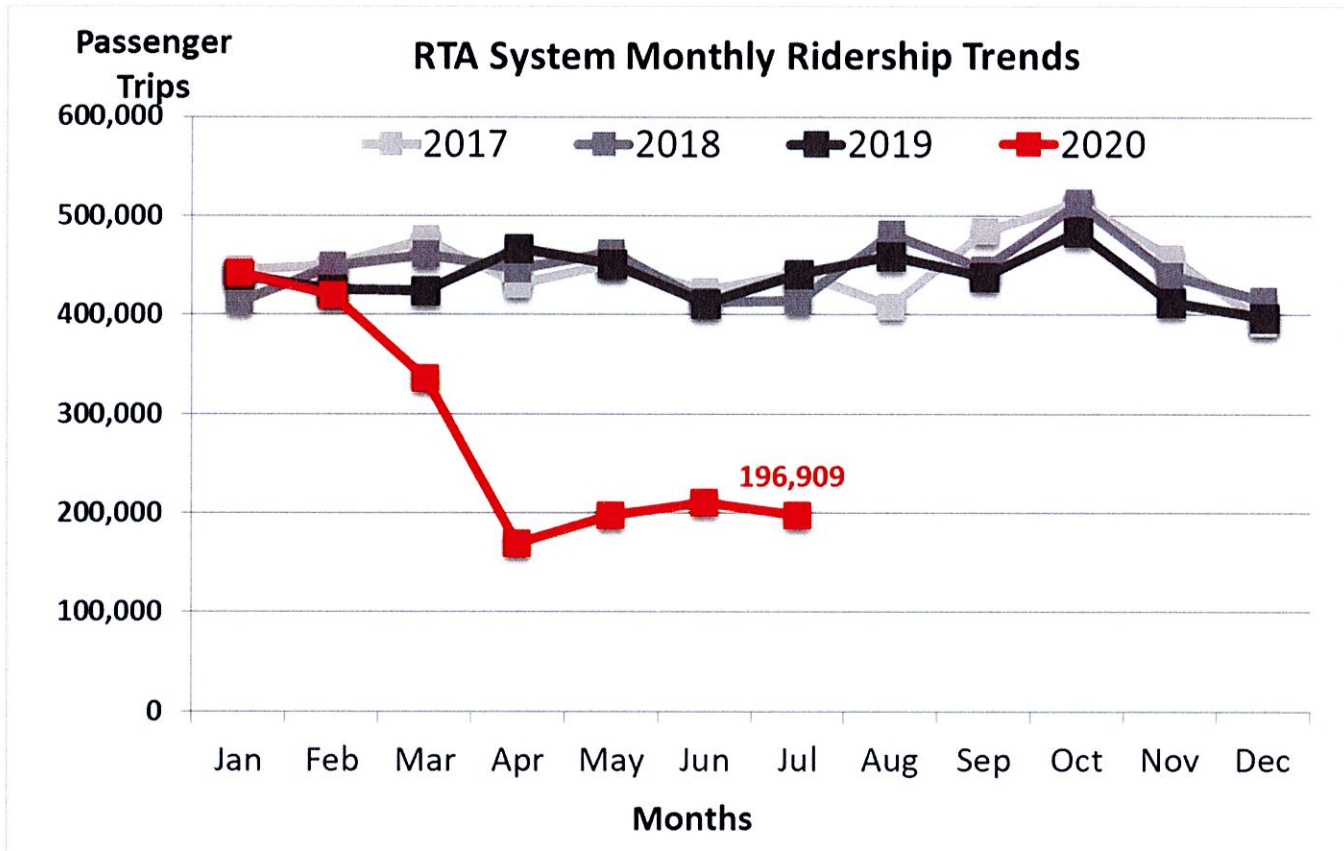
The system-wide monthly operations performance report is included below for your information and review. This report contains monthly and Year-to-Date (YTD) operating statistics and performance measurement summaries containing ridership, performance metrics by service type, miles between road calls and customer service feedback.

Due to the COVID-19 pandemic, customer comments continued to be collected by the Marketing Department through social media outlets and the web site.



1. System-wide Ridership and Service Performance Results

In July 2020, system-wide ridership levels continued to be adversely impacted by the COVID-19 pandemic. Boardings totaled 196,909 which represents a decrease of -55.4% as compared to 441,048 boardings in July 2019 or 244,139 fewer boardings this month.

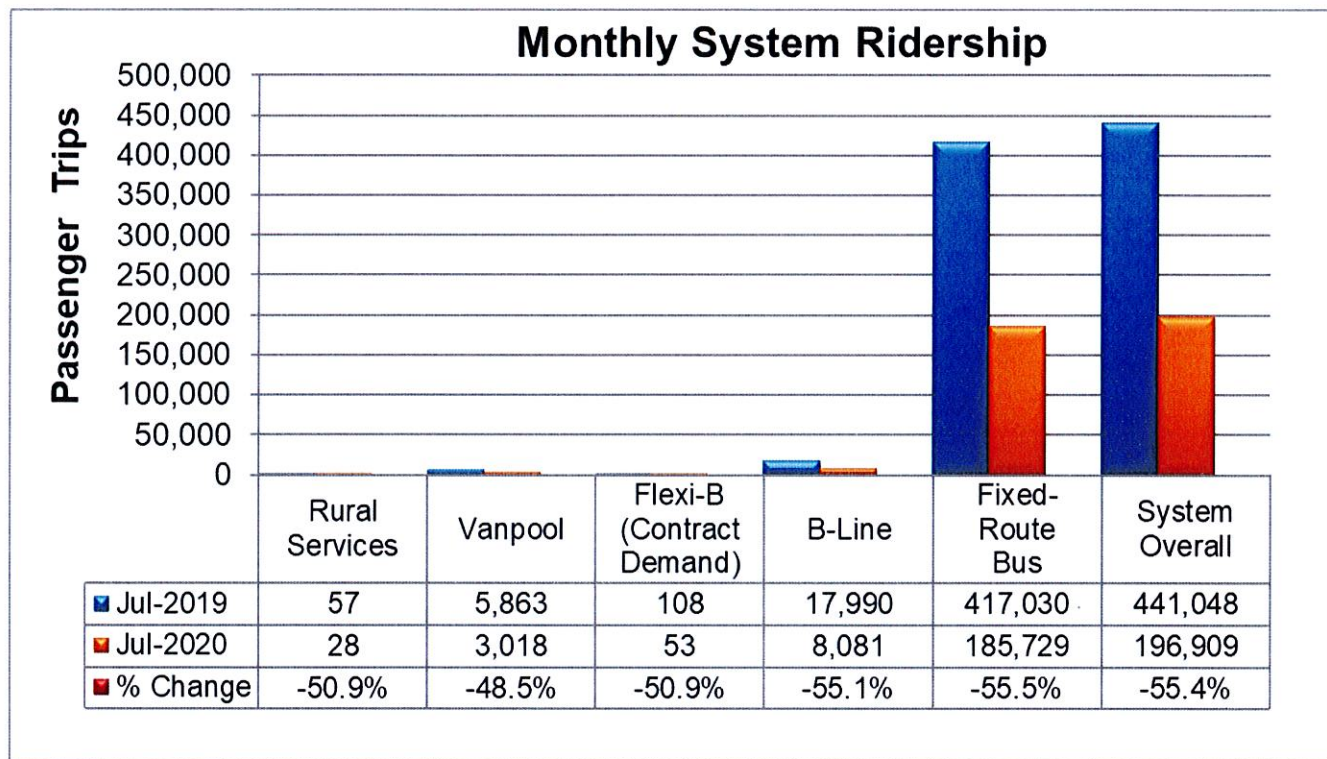


| July 2019 | July 2020 | Variance |
|------------------------------|------------------------------|----------|
| 22 Weekdays | 23 Weekdays | +1 |
| 4 Saturdays | 3 Saturdays | -1 |
| 4 Sundays | 4 Sundays | - |
| 1 Holiday (Thursday, July 4) | 1 Holiday (Saturday, July 4) | - |
| 31 Days | 31 Days | - |

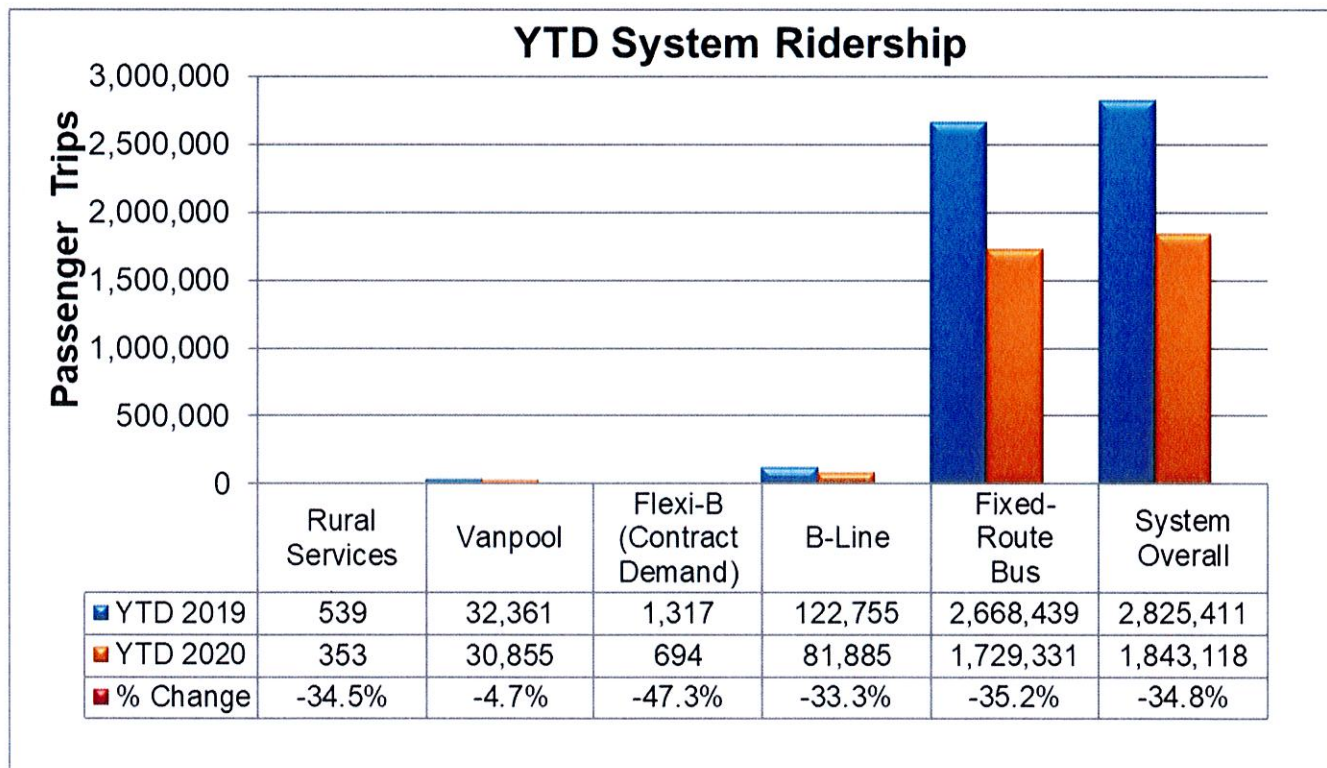
In July 2020, the average retail price for unleaded gas in Corpus Christi was approximately \$2.20 per gallon compared to approximately \$2.45 per gallon in July 2019¹. This month's rainfall was above normal at 3.91 inches unlike last year with only 0.58 inches in July 2019. Historically, the average rainfall in July is 2.79 inches.² The average high temperature was normal at 93 degrees.

1. GasBuddy.com historical data at <http://www.gasbuddy.com>.
 2. <https://www.usclimatedata.com/climate/corpus-christi/texas/united-states>

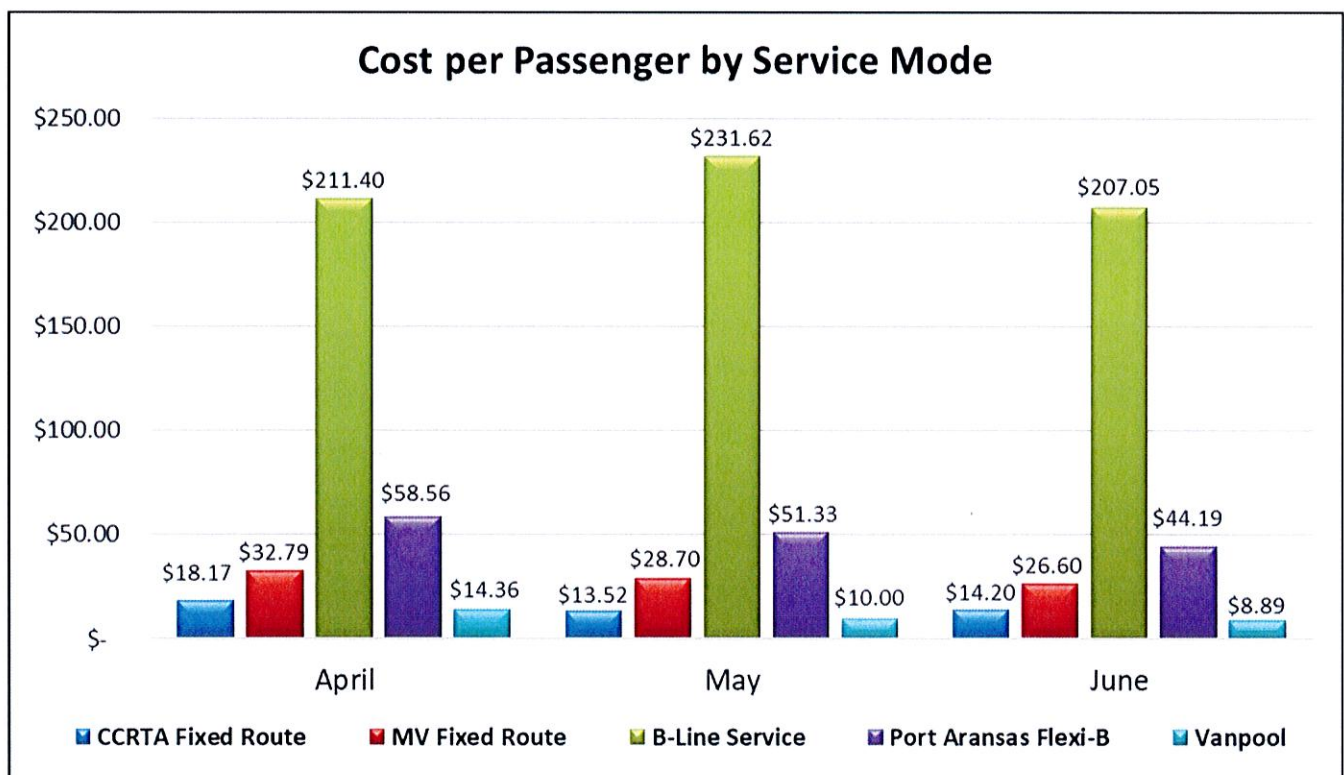
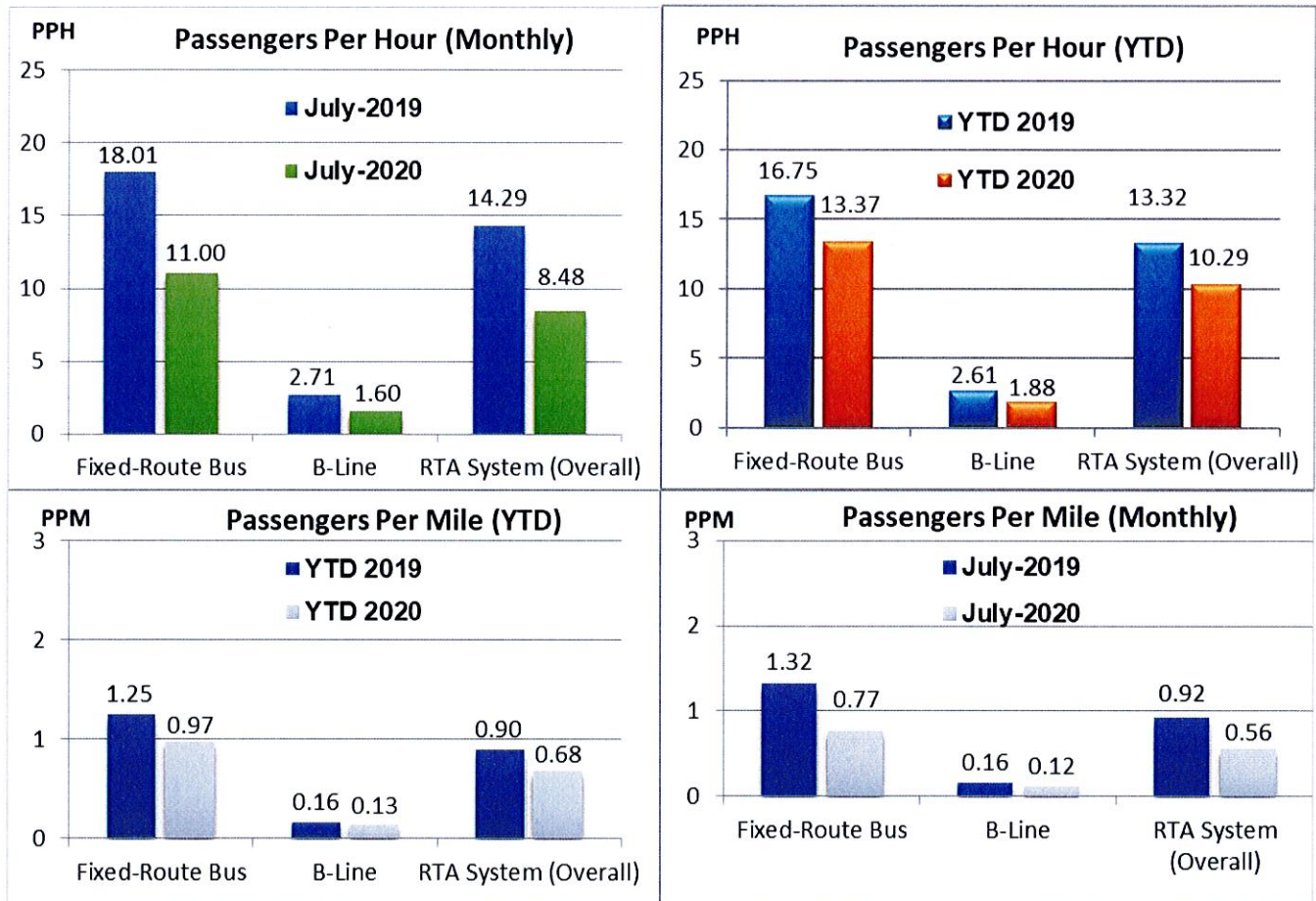
The chart below shows monthly ridership results for all services. CCRTA recorded 244,139 fewer boardings for a decrease of -55.4% as compared to July 2019.



The chart below shows YTD ridership results for all services. CCRTA has recorded 982,293 fewer boardings for a YTD decrease of -34.8% in 2020 as compared to the same period in 2019.



The following charts report system-wide productivity for the month of July 2020 vs. July 2019 and YTD figures.



The following table includes Cost per Passenger totals by service mode for the second quarter of 2020.

| Month | CCRTA Fixed | MV Fixed | Port Aransas Flexi-B | B Line | Vanpool |
|-------|-------------|----------|----------------------|----------|----------|
| April | \$ 18.17 | \$ 32.79 | \$ 211.40 | \$ 58.56 | \$ 14.36 |
| May | \$ 13.52 | \$ 28.70 | \$ 231.62 | \$ 51.33 | \$ 10.00 |
| June | \$ 14.20 | \$ 26.60 | \$ 207.05 | \$ 44.19 | \$ 8.89 |
| YTD* | \$ 9.84 | \$ 18.48 | \$ 96.85 | \$ 35.13 | \$ 6.84 |

*YTD figures include cost per passenger averages between January and June 2020.

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

| Schedule Adherence | Standard | Apr-20 | May-20 | Jun-20 | Jul-20 | 4-Month Average |
|-------------------------------|-------------|--------|--------|--------|--------|-----------------|
| Early Departure | <1% | 0.0% | 0.5% | 0.0% | 0.0% | 0.1% |
| Departures within 0-5 minutes | >85% | 96.7% | 93.1% | 97.3% | 94.1% | 95.3% |
| Monthly Wheelchair Boardings | No standard | 1,807 | 2,451 | 2,551 | 2,954 | 2,441 |
| Monthly Bicycle Boardings | No standard | 3,990 | 4,623 | 4,641 | 4,636 | 4,473 |

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

| | |
|---------------|--|
| On Detour | <ul style="list-style-type: none"> • North Beach-U.S.181 realignment (Harbor Bridge reconstruction) <ul style="list-style-type: none"> ➤ Routes 76 & 78 |
| Future Detour | <ul style="list-style-type: none"> • Winnebago & Lake St.-(Harbor Bridge reconstruction): To begin in Aug-2020 <ul style="list-style-type: none"> ➤ Route 12 |
| On Detour | <ul style="list-style-type: none"> • Carroll Ln. (Houston-Gollihar) (27) month project: <u>95% complete</u> <ul style="list-style-type: none"> ➤ Route 17 |
| On Detour | <ul style="list-style-type: none"> • Morgan Ave. (Crosstown-Ocean) 15-month project: To be complete July 2021 <ul style="list-style-type: none"> ➤ Route 23 |
| Future Detour | <ul style="list-style-type: none"> • Leopard Street TxDOT Project (Mexico to Doss St.) (24) month project: To be complete late 2021 <ul style="list-style-type: none"> ➤ Routes 27 & 28 |
| On Detour | <ul style="list-style-type: none"> • Everhart Rd. (Holly Rd-SPID) (22) month project: Began Sept. 2019 <ul style="list-style-type: none"> ➤ Routes 17 & 32 |
| On Detour | <ul style="list-style-type: none"> • Everhart Rd. (SPID-McArdle): Project to begin mid-June 2021. <ul style="list-style-type: none"> ➤ Route 32 |
| On Detour | <ul style="list-style-type: none"> • Ayers St. (SPID-Gollihar) (28) month project: Began Jan. 2020 <ul style="list-style-type: none"> ➤ Route 19 |
| No Detour | <ul style="list-style-type: none"> • Sea Town Improvements (5) month project: Began Jan. 2020 <ul style="list-style-type: none"> ➤ Routes 76 & 78 |
| No Detour | <ul style="list-style-type: none"> • S. Staples St. (Kostoryz- Baldwin) (29) month project: To begin Dec. 2020 <ul style="list-style-type: none"> ➤ Route 29 |
| Future Detour | <ul style="list-style-type: none"> • Leopard St. (Nueces Bay to Palm) (14) month project: To begin October 2020 with anticipated completion in late 2021 <ul style="list-style-type: none"> ➤ Routes 27 & 28 |
| Future Detour | <ul style="list-style-type: none"> • Leopard St. (Crosstown to Palm) (14) month project: To begin January 2021 with anticipated completion in mid-2022 <ul style="list-style-type: none"> ➤ Routes 27 & 28 |
| Future Detour | <ul style="list-style-type: none"> • Airline Rd. (SPID–McArdle) (7) month project: To begin January 2021 <ul style="list-style-type: none"> ➤ Routes 26 & 65 |
| Future Detour | <ul style="list-style-type: none"> • Laguna Shores Rd. (SPID–Wyndale) (14) month, (3) Phase project: To begin late August 2020 with anticipated completion in October 2022 <ul style="list-style-type: none"> ➤ Routes 3 & 4 |
| No Detour | <ul style="list-style-type: none"> • McArdle Rd. (Carroll-Kostoryz) (6) month project: To begin early-2021 <ul style="list-style-type: none"> ➤ Route 19 |
| No Detour | <ul style="list-style-type: none"> • Gollihar Rd. (Greenwood-Crosstown) In design. To begin mid-2021 <ul style="list-style-type: none"> ➤ Routes 23 & 25 |
| No Detour | <ul style="list-style-type: none"> • S. Alameda St. (Louisiana-Chamberlain) (12) month project: To begin late 2021 <ul style="list-style-type: none"> ➤ Routes 5 & 17 |

In July 2020, there were seven detoured routes out of 32 fixed route services or 22% travelling on the local street network. Detoured services include Routes 17, 19, 23, 27, 32, 76 & 78.

In the future, five additional routes will be detoured due to construction projects: 3, 4, 12, 26, & 65.

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

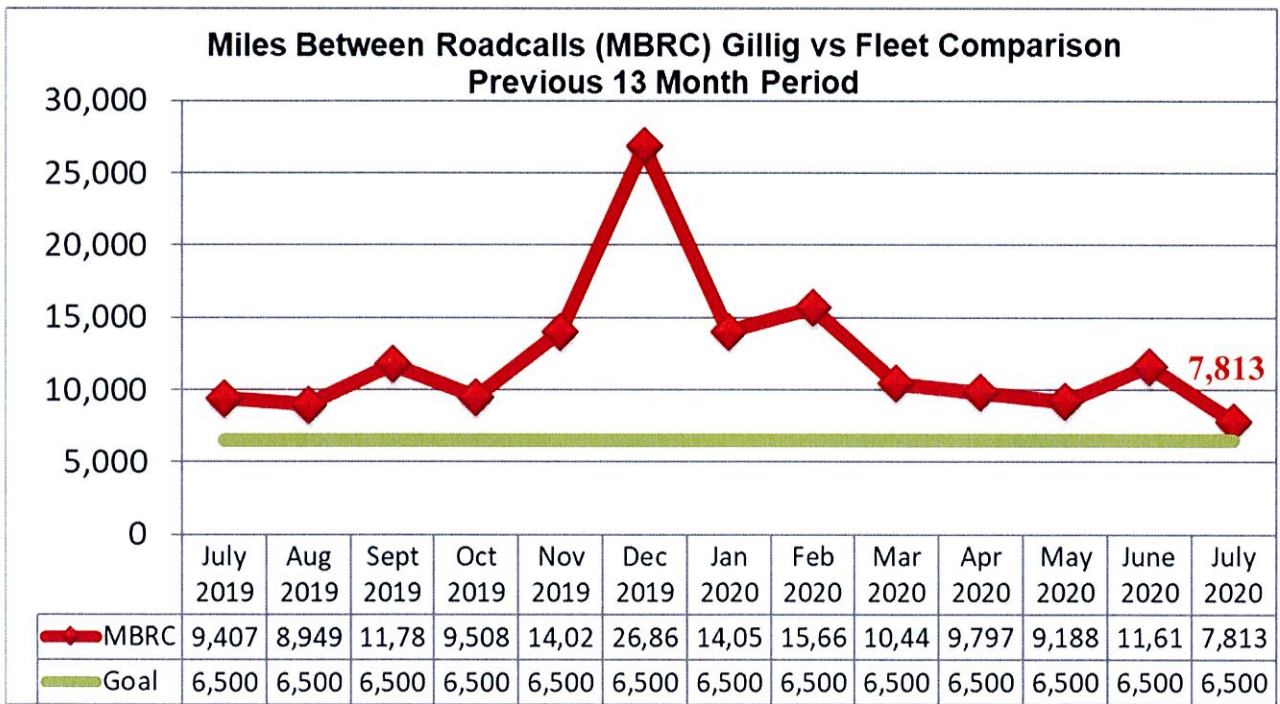
In July 2020, B-Line service metrics were impacted by the COVID-19 pandemic.

- Productivity: **1.60** PPH did not meet the contract standard of 2.50 PPH.
- Denials: 0 denials or **0.0%** did meet contract standard of 0.0%.
- Miles between Road Calls (MBRC): **6,877** did not meet the contract standard of 12,250 miles.
- Ridership Statistics: **5,436** ambulatory boardings; **2,203** wheelchair boardings

| Metric | Standard | Apr-20 | May-20 | Jun-20 | Jul-20 | (4) Month-Average |
|------------------------------|-------------|--------|--------|--------|--------|-------------------|
| Passengers per Hour | 2.50 | 1.29 | 1.41 | 1.67 | 1.60 | 1.49 |
| Denials | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.0% |
| Miles Between Road Calls | 12,250 | 9,176 | 6,522 | 6,195 | 6,877 | 7,193 |
| Monthly Wheelchair Boardings | No standard | 1,741 | 1,953 | 2,551 | 2,203 | 2,112 |

Vehicle Maintenance Department Monthly Miles Between Road Calls Report

For July 2020, there were 7,813 miles between road calls (MBRC) recorded as compared to 9,407 MBRC in July 2019. A standard of 6,500 miles between road calls is used based on the fleet size, age, and condition of CCRTA vehicles. In addition, seasonal high weather temperatures impact the number of road calls.



Board Priority

The Board Priority is Public Image and Transparency.

Respectfully Submitted,

Submitted by: Gordon Robinson
Director of Planning

Reviewed by: Derrick Majchszak
Managing Director of Operations

Final Approval by: *Derrick Majchszak (acting)*
Jorge G. Cruz-Aedo
Chief Executive Officer

Administration Finance Committee Member Inquiry

| Meeting Date | Agenda Item # | Member Name | Inquiry | Response | Response Date |
|--------------|---------------|-------------|---------------------------|----------|---------------|
| 7/22/2020 | | | ****Meeting Cancelled**** | | |
| | | | | | |
| | | | | | |

Operations Capital Projects Committee Member Inquiry

| Meeting Date | Agenda Item # | Member Name | Inquiry | Response | Response Date |
|--------------|---------------|----------------|---|--|---------------|
| 7/22/2020 | 7. | D. Leyendecker | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue a Request for Proposals (RFP) for Bus Stop Amenities, Mr. Leyendecker asked, who is going to install these? | Ms. Montez responded that we will install them, we have a program focused strictly on this. | 7/22/2020 |
| 7/22/2020 | 7. | D. Leyendecker | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue a Request for Proposals (RFP) for Bus Stop Amenities, Mr. Leyendecker asked, will we coordinate with the City on their street program if we have a future bus stop identified to make sure we get the concrete pavement in front of it? | Ms. Montez answered in the affirmative. | 7/22/2020 |
| 7/22/2020 | 8. | M. Woolbright | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue an Invitation for Bids (IFB) for Power Washing at all Bus Transfer Stations, Mr. Woolbright asked, How many transfer stations are we talking about? | Ms. Montez answered four. | 7/22/2020 |
| 7/22/2020 | 8. | M. Woolbright | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue an Invitation for Bids (IFB) for Power Washing at all Bus Transfer Stations, Mr. Woolbright asked, so they are charging us \$487,000 per year? | Ms. Montez answered in the affirmative. | 7/22/2020 |
| 7/22/2020 | 8. | M. Woolbright | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue an Invitation for Bids (IFB) for Power Washing at all Bus Transfer Stations, Mr. Woolbright asked, How is the cost that high? How long does it take to clean one of these stations? | Ms. Montez answered that it takes them all night to clean the station. It's a very labor intensive expensive process | 7/22/2020 |

Operations Capital Projects Committee Member Inquiry

| Meeting Date | Agenda Item # | Member Name | Inquiry | Response | Response Date |
|--------------|---------------|----------------|--|--|---------------|
| 7/22/2020 | 8. | M. Woolbright | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue an Invitation for Bids (IFB) for Power Washing at all Bus Transfer Stations, Mr. Woolbright asked, In light of what the CDC has said about COVID 19, there's not much evidence that they're transferred on common surfaces, is that correct? | Ms. Montez answered from what I've read, it appears that they're still going back and forth with research. I do believe that there is some existence of germs on the hard surfaces, and depending on the type, the time frame varies for the germs. We're just trying to do everything that we can on our end to minimize those risks with whatever residuals are left on our amenities. | 7/22/2020 |
| 7/22/2020 | 8. | D. Leyendecker | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue an Invitation for Bids (IFB) for Power Washing at all Bus Transfer Stations, Mr. Leyendecker asked, is this reimbursable from the federal government? | Ms. Montez answered in the affirmative. | 7/22/2020 |
| 7/22/2020 | 9. | D. Leyendecker | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue an Invitation for Bids (IFB) for Bear Lane Bus Parking Lot Reconstruction, Mr. Leyendecker asked, How does this align with our grant application budget, cost estimate? | Ms. Montez answered the 80% is we've got the full amount for bear lane. We got the full amount for all three of them, but it aligns completely with the grant | 7/22/2020 |
| 7/22/2020 | 9. | D. Leyendecker | In reference to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Issue an Invitation for Bids (IFB) for Bear Lane Bus Parking Lot Reconstruction, Mr. Leyendecker asked, Are we under budget, over budget or right on the money? | Ms. Montez answered we're right on the money. | 7/22/2020 |

Board Member Inquiry

| Meeting Date | Agenda Item # | Member Name | Inquiry | Response | Response Date |
|--------------|---------------|---------------|--|--|---------------|
| 8/5/2020 | 8. | M. Woolbright | In reference to the Update on CCRTA's Response to COVID-19, Mr. Woolbright asked, anyone not wearing a mask for any reason, the drivers know if they state there's a medical reason, they're exempt from that rule, correct? | Mr. Cruz-Aedo answered in the affirmative. | 8/5/2020 |
| 8/5/2020 | 8. | M. Woolbright | In reference to the Update on CCRTA's Response to COVID-19, Mr. Woolbright asked, what are the purchase transportation services related to COVID? | Mr. Cruz-Aedo answered we have implemented a \$2 bump in compensation for all of our workers, whether they be law enforcement, security, MV, or RTA employees. They include other costs as well, for example, like the masks and the hand sanitizers, things that are attributable to MV, from a PPE perspective, they get charged back to that. | 8/5/2020 |
| 8/5/2020 | 8. | M. Woolbright | In reference to the Update on CCRTA's Response to COVID-19, Mr. Woolbright asked, the purchase transportation number is PPE and hourly wages, that's not additional hours or routes or frequencies? | Mr. Cruz-Aedo answered in the affirmative. | 8/5/2020 |
| 8/5/2020 | 10b. | L. Allison | In reference to Issue a Request for Proposals (RFP) for Bus Stop Amenities, Ms. Allison asked, are the shelters turning out a little bit silver gray color? | Ms. Montez answered it's sparkling silver, that's the color that was selected. | 8/5/2020 |
| 8/5/2020 | 10b. | E. Martinez | In reference to Issue a Request for Proposals (RFP) for Bus Stop Amenities, Mr. Martinez asked, do the new benches will have the capability for advertising? | Ms. Montez answered in the affirmative. | 8/5/2020 |