

# MEETING AGENDA

**DATE:** Wednesday, November 20, 2024

**TIME:** 8:30 a.m.

**Administration & Finance Committee & Operations & Capital Projects Committee,  
Legislative Committee (No Meeting), and Rural and Small Cities Committee (No Meeting)**

**LOCATION:** Staples Street Center – 2<sup>ND</sup> Floor Boardroom (602 North Staples St., Corpus Christi, TX)

## ADMINISTRATION & FINANCE COMMITTEE

**Beatriz Charo, Committee Chair**

**David Berlanga Gabi Canales Armando Gonzalez Anna Jimenez**

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	<b>Roll Call</b>	M. Montiel	2 min.	-----
2.	<b>Safety Briefing</b>	M. Rendón	3 min.	-----
3.	<b>Confirm</b> Posting of Meeting’s Public Notice in Accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551	B. Charo	1 min.	-----
4.	<b>Receipt of Conflict of Interest Affidavits</b>	B. Charo	2 min.	-----
5.	<b>Opportunity for Public Comment 3 min. limit – no discussion</b>	B. Charo	3 min.	-----
Public Comment may be provided in writing, limited to 1,000 characters, by using the <a href="#">Public Comment Form</a> online at <a href="http://www.ccrta.org/news-opportunities/agenda">www.ccrta.org/news-opportunities/agenda</a> or by regular mail or hand-delivery to the CCRTA at 602 N. Staples St., Corpus Christi, TX 78401, and MUST be submitted no later than 5 minutes after the start of a meeting in order to be provided for consideration and review at the meeting. All Public Comments submitted shall be placed into the record of the meeting.				
6.	<b>Discussion and Possible Action</b> to Approve the Administration & Finance Committee Meeting Minutes of October 23, 2024	B. Charo	3 min.	<b>Pages 1-5</b>
7.	<b>Discussion and Possible Action</b> to Recommend the Board of Directors Adopt a Resolution for the Proposed Change to the Reserve Policy	R. Saldaña	3 min.	<b>Pages 6-14 Attachments PPT</b>
8.	<b>Discussion and Possible Action</b> to recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Execute Payment of \$766,576 to Texas Municipal League Inter-Governmental Risk Pool (TMLIRP) for the Following Lines of Coverage for FY2025: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers’ Compensation Insurance	M. Rendón	3 min.	<b>Pages 15-16 PPT</b>
9.	<b>Discussion and Possible Action</b> to recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Authorize the Lease Renewal with State of Texas for Senator Hinojosa Office Lease Space at the Staples Street Center Building	S. Montez	3 min.	<b>Pages 17-18 PPT</b>

10.	<b>Discussion and Possible Action</b> to recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Authorize the Lease Renewal with General Land Office Lease Space at the Staples Street Center Building	S. Montez	3 min.	<b>Pages 19</b> <i>PPT</i>
11.	<b>Committee Chair Report</b>	B. Charo	3 min.	-----
12.	<b>Adjournment</b>	B. Charo	1 min.	-----

**Total Estimated Time: 30 min.**

**OPERATIONS & CAPITAL PROJECTS COMMITTEE**

**Aaron Muñoz, Committee Chair**

**Lynn Allison    Jeremy Coleman    Eloy Salazar    Amanda Torres**

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	<b>Roll Call</b>	M. Montiel	2 min.	-----
2.	<b>Safety Briefing</b>	M. Rendón	3 min.	-----
3.	<b>Confirm</b> Posting of Meeting's Public Notice in Accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551	A. Muñoz	1 min.	-----
4.	<b>Receipt of Conflict of Interest Affidavits</b>	A. Muñoz	2 min.	-----
5.	<b>Opportunity for Public Comment</b> <b>3 min. limit – no discussion</b>	A. Muñoz	3 min.	-----
Public Comment may be provided in writing, limited to 1,000 characters, by using the <a href="#">Public Comment Form</a> online at <a href="http://www.ccrta.org/news-opportunities/agenda">www.ccrta.org/news-opportunities/agenda</a> or by regular mail or hand-delivery to the CCRTA at 602 N. Staples St., Corpus Christi, TX 78401, and MUST be submitted no later than 5 minutes after the start of a meeting in order to be provided for consideration and review at the meeting. All Public Comments submitted shall be placed into the record of the meeting.				
6.	<b>Discussion and Possible Action</b> to Approve the Operations & Capital Projects Committee Meeting Minutes of October 23, 2024	A. Muñoz	3 min.	<b>Pages 1-4</b>
7.	<b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Two (2) Year Contract to Safety-Kleen Systems, Inc for Lubricants and Fluid Supply	G. Robinson	3 min.	<b>Pages 5-6</b> <i>PPT</i>
8.	<b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Two (2) Year Contract to Cummins Southern Plains, LLC for the Supplying of Rebuilt Transmissions	G. Robinson	3 min.	<b>Pages 7-9</b> <i>PPT</i>
9.	<b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Authorize the Purchase of One (1) Ford F-	G. Robinson	3 min.	<b>Pages 10</b> <i>PPT</i>

	450 Utility Truck from the Interlocal Purchasing System (TIPS) Purchasing Cooperative through Silsbee Ford			
10.	<b>Discussion and Possible Action</b> to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award Multiple Contracts to Cummins Southern Plains LLC, South Texas Truck Centers, and White Associates for External and Internal Engine Parts	G. Robinson	3 min.	<b>Pages 11-12</b> <i>PPT</i>
11.	<b>Committee Chair Report</b>	A. Muñoz	3 min.	-----
12.	<b>Adjournment</b>	A. Muñoz	1 min.	-----

**Total Estimated Time: 30 min.**

**LEGISLATIVE COMMITTEE**

**Lynn Allison, Committee Chair**

**Gabi Canales   Jeremy Coleman   Aaron Muñoz   Amanda Torres**

***NO MEETING***

**RURAL AND SMALL CITIES COMMITTEE**

**Armando Gonzalez, Committee Chair**

**David Berlanga   Beatriz Charo   Anna Jimenez   Eloy Salazar**

***NO MEETING***

On **Friday, November 15, 2024** this Notice was posted by **Marisa Montiel** at the CCRTA Staples Street Center, 602 N. Staples Street, Corpus Christi, Texas; and sent to the Nueces County and the San Patricio County Clerks for posting at their locations.

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

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

**Mission Statement**

*To provide our riders with safe, accessible, convenient, and sustainable transportation solutions that unites communities and promotes local economic growth.*

**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  
ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES  
WEDNESDAY, October 23, 2024**

**Summary of Actions**

1. **Roll Call**
2. **Heard Safety Briefing**
3. **Confirmed Posting of Meeting’s Public Notice in Accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551**
4. **Receipt of Conflict of Interest Affidavits – None Received**
5. **Opportunity for Public Comment – No Public Comments**
6. **Approved the Administration & Finance Committee Meeting Minutes of May 22, 2024 and June 26, 2024**
7. **Approved to Recommend the Board of Directors Approve the Fiscal Year 2025 Board & Committee Meetings Calendar**
8. **Approved to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Five-Year Contract to Collier, Johnson & Woods PC for Financial Auditing Services**
9. **Approved to Recommend the Board of Directors Adopt the 2024 Public Transportation Agency Safety Plan (PTASP) Version 3**
10. **Approved to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Exercise the Second Option Year with Unum for Employee Long-Term Disability and Short-Term Disability Insurance**
11. **Heard Committee Chair Report**
12. **Adjournment**

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

**Call to Order & Roll Call**

Beatriz Charo; Committee Chair, called the meeting to order at 8:47 a.m. Marisa Montiel called roll and stated a quorum was present.

**Board Members Present**

Beatriz Charo, David Berlanga, Armando Gonzalez (virtual), and Anna Jimenez.

**Board Members Absent**

Gabi Canales.

**Staff Present**

David Chapa, Angelina Gaitan, John Esparza, Derrick Majchszak, Sharon Montez, Marisa Montiel, Rita Patrick, Gordon Robinson, Miguel Rendón, Robert Saldaña and JoAnna Serna.

**Public Present**

Caitlin Chupe, Collier, Johnson & Woods. Ralph Perez & Chris Bandel, A. Ortiz Construction. Philip Ramirez & Kira Bonestead, Turner Ramirez Associates.

**Safety Briefing**

Mr. Miguel Rendon, Deputy CEO, gave a safety briefing to the Board and audience. He provided exit instructions in the event of an emergency. Ms. Montiel would account for all Board Members and he would be the last out to ensure everyone exits safely.

**Confirmed Posting of Meeting's Public Notice in Accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551**

Ms. Montiel confirmed proper posting of the meeting.

**Receipt of Conflict of Interest Affidavits**

None received

**Opportunity for Public Comment**

None received

**Public Comment may be provided in writing, limited to 1,000 characters, by using the [Public Comment Form](http://www.ccrta.org/news-opportunities/agenda) online at [www.ccrta.org/news-opportunities/agenda](http://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.**

**Discussion and Possible Action to Approve the Administration & Finance Committee Meeting Minutes of May 22, 2024 and June 26, 2024**

**VICE-CHAIR ANNA JIMENEZ MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS APPROVE THE ADMINISTRATION & FINANCE COMMITTEE MEETING MINUTES OF MAY 22, 2024 AND JUNE 26, 2024. DIRECTOR DAVID BERLANGA SECONDED THE MOTION. CHARO, BERLANGA, GONZALEZ, AND JIMENEZ. VOTING IN FAVOR. ABSENT CANALES.**

**Discussion and Possible Action to recommend the Board of Directors Approve the Fiscal Year 2025 Board & Committee Meetings Calendar**

Mr. Derrick Majchszak, Chief Executive Officer, presented the item noting each Board Member has a copy of the Draft 2025 Board and Committee Meetings Calendar for reference. Each year, the Board adopts a meeting calendar for the upcoming year. The CCRTA Board Meetings are typically scheduled on the first Wednesday of each month. The Administration & Finance and the Operations & Capital Projects Committees are typically held on the fourth Wednesday of each month. The Rural & Small Cities and

Legislative Committees will meet quarterly or as required. Director Berlanga requested clarification if there would be a December Committee Meeting and Mr. Majchszak replied that was correct, there are no December Committee Meetings.

**DIRECTOR DAVID BERLANGA MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS APPROVE THE FISCAL YEAR 2025 BOARD AND COMMITTEE MEETINGS CALENDAR. VICE-CHAIR JIMENEZ SECONDED THE MOTION. CHARO, BERLANGA, GONZALEZ, AND JIMENEZ. VOTING IN FAVOR. ABSENT CANALES.**

**Discussion and Possible Action to recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Five-Year Contract to Collier, Johnson & Woods PC for Financial Auditing Services**

Mr. Robert Saldaña, Managing Director of Administration, presented the item and introduced Caitlyn Chupe with Collier, Johnson & Woods PC to the Board. He provided background noting in accordance with Texas and Federal Statutes including Section 451.451 of the Texas Transportation Code, an annual audit is required of CCRTA's financial statements for regulatory compliance. In addition, a single audit is required when a non-federal entity expends \$750,000 or more in federal awards during its fiscal year. Mr. Saldaña noted the Federal Transit Administration (FTA) requires an auditor to review the annual data reported by CCRTA to the Federal Funding Allocation Statistics through the National Transit Database (NTD) reporting system for compliance and accuracy. He discussed the annual audit requirements for the five-year contract. He noted the current contract with Carr, Riggs, & Ingram, LLC expires at the end upon completion of the 2023 audit. There is no DBE requirement for this procurement. Mr. Saldaña noted a total of five proposals were received and displayed a table displaying the ratings after Best and Final Offer (BAFO). Collier, Johnson & Woods PC had the highest score among all the proposers. The cost to perform the financial auditing services under a five-year contract equates to \$95,500 per year and sufficient funds are allocated in the proposed 2025 Operating Budget.

**VICE CHAIR ANNA JIMENEZ MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO AWARD A FIVE-YEAR CONTRACT TO COLLIER, JOHNSON, AND WOODS PC FOR FINANCIAL AUDITING SERVICES. DIRECTOR DAVID BERLANGA SECONDED THE MOTION. CHARO, BERLANGA, GONZALEZ, AND JIMENEZ. VOTING IN FAVOR. ABSENT CANALES.**

**Discussion and Possible Action to recommend the Board of Directors Adopt the 2024 Public Transportation Agency Safety Plan (PTASP) Version 3**

Mr. Miguel Rendón presented the item noting the Board Priority is Safety & Security. He provided background stating that on July 19, 2019, the Federal Transit Administration (FTA) implemented a requirement that public transit agencies receiving federal funding

create, approve and implement a Public Transportation Agency Safety Plan (PTASP) to control risk better, detect and correct safety problems earlier, share and analyze safety data more effectively, and measure safety performance more precisely. The compliance date was set for July 20, 2020. He adds that on July 1, 2020, the CCRTA Board of Directors approved CCRTA's PTASP, Version 1. On December 8, 2023, the Safety Committee approved CCRTA's PTASP, version 2 to include the new Bipartisan Infrastructure Law change updates. On July 19, 2023, the CCRTA Board of Directors approved the amended version 2. Mr. Rendón presented an image displaying the four pillars of the Public Transportation Agency Safety Plan which include: Safety Promotion, Safety Risk Management, Safety Assurance and Safety Management Policy. He displayed a chart of common types of changes including agency information. Key staff has been added to the agency information to include: Derrick Majchszak, CEO, and Mike Rendón, Deputy CEO/Chief Safety Officer. The CCRTA updated organizational chart was also displayed.

**VICE-CHAIR ANNA JIMENEZ MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS ADOPT THE 2024 PUBLIC TRANSPORTATION AGENCY SAFETY PLAN (PTASP) VERSION 3. DIRECTOR DAVID BERLANGA SECONDED THE MOTION. CHARO, BERLANGA, GONZALEZ, AND JIMENEZ. VOTING IN FAVOR. ABSENT CANALES.**

**Discussion and Possible Action to recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Exercise the Second Option Year with Unum for Employee Long-Term Disability and Short-Term Disability Insurance**

Ms. Angelina Gaitan, Director of Human Resources, presented the item noting representative Stephanie Cadwallader with Unum is present via Zoom. She provided background information stating the original contract began January 1, 2022 through December 31, 2023, with two one-year options. She stated that CCRTA provides LTD coverage to full-time employees with the completion of one-year employment at no cost to the employees. LTD pays out the employee 66.67% of an employee's base wages after a 90-day elimination period. CCRTA provides STD to employees who work 32 hours per week and employees are responsible for premium payment. STD pays out 60% of an employee's base wages after a 14-day elimination period. She noted that services have been satisfactory and annual projected cost is \$196,046.29, split cost of LTD \$148,482.07 paid by CCRTA and STD \$47,564.22 reimbursable by employee. There is no DBE requirement and UMUM is holding the same pricing from the original contract with no additional increases for the 2<sup>nd</sup> option year.

**DIRECTOR DAVID BERLANGA MADE A MOTION RECOMMEND THE BOARD OF DIRECTORS AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO EXERCISE THE SECOND OPTION YEAR WITH UNUM FOR EMPLOYEE LONG-TERM DISABILITY AND SHORT-TERM DISABILITY INSURANCE. VICE-CHAIR ANNA JIMENEZ SECONDED THE MOTION. CHARO, BERLANGA, GONZALEZ, AND JIMENEZ. VOTING IN FAVOR. ABSENT CANALES.**

**Heard Committee Chair Report**

Director Charo thanked the staff for the information in the reports.

**Adjournment**

There being no further review of items, the meeting adjourned at 9:14 a.m.

Submitted by:        Marisa Montiel

**Subject:** Adopt a Resolution for the Proposed Change to the Calculation Methodology Description for the Operating Reserve Contained in the Reserve Policy.

**Background:**

The CCRTA Reserve Policy was last updated March 6, 2024. The Authority currently maintains four (4) reserve accounts: Operating Reserve, Capital Reserve, Employee Benefits Reserve, and the Catastrophic/Emergency Management Reserve.

The reserves have been designated by the Board to ensure that sufficient resources are available to fulfill our mission and avoid disruption of services to our community. The Reserve Policy is intended to document the appropriate Reserve level and provide adequate cash flow based upon CCRTA's operating cycle, ensuring stable service delivery, meet future needs, financial stability, and provide a contingency plan to cover revenue shortfalls.

**Identified Need:**

The description used in applying the formula to determine the annual funding of the **Operating Reserve** needs to **exclude the Employee Benefits Reserve amount** from the 25% calculations as it does not meet the definition of an expense.

The definition of an expense is "**a cost incurred through its day-to-day operations to produce a product or deliver a service.**"

The method currently in place **overstates the Operating Reserve** and **understates the amount available for spending by \$1,334,515.**

The following information is provided to illustrate the two outcomes:

**Current Methodology**

Total Annual Operating and Non-Operating Expenses	\$ 51,022,267
Less Non-Operating Expenses	
Debt Service	-1,607,353
Street Improvement Allocations	-3,625,032
Subrecipient Grant Reimbursement Expenses	- 74,256
Less Employee Benefit Reserve	-1,779,353
<b>Equals the amount subject to the 25% calculation</b>	<b>\$ 43,936,273</b>
Percentage Applied	<u>.25</u>
<b>Equals Operating Reserve Requirement</b>	<b>\$ 10,984,068</b>

### Proposed Methodology

Total Annual Operating and Non-Operating Expenses	\$ 51,022,267
Less Non-Operating Expenses	
Debt Service	-1,607,353
Street Improvement Allocations	-3,625,032
Subrecipient Grant Reimbursement Expenses	<u>- 74,256</u>
Equals the amount subject to the 25% Requirement	\$ 45,715,626
Percentage Applied	<u>.25</u>
Equals 25% Equivalent	\$11,428,906
Less Employee Benefit Reserve	<u>-1,779,353</u>
<b>Equals Operating Reserve Requirement</b>	<b>\$ 9,649,553</b>

Furthermore, the calculations used by CCRTA exceeds the legal compliance required by the Texas Transportation Code, Section 451.134 by **\$2,030,283**.

### Operating Reserve Calculations Per Texas Transportation Code

Total Annual Operating Expenses	\$ 45,715,616
Divide Sum by Number of months in a year	<u>12</u>
Equals Monthly Operating Expenses	\$ 3,809,635
Multiply By Two (2) Months Requirement	<u>2</u>
<b>Equals Operating Reserve Requirement Per Code</b>	<b>\$ 7,619,270</b>
Proposed Operating Reserve Requirement	\$ 9,649,553
Operating Reserve Requirement Per Code	<u>7,619,270</u>
<b>Amount Exceeding Code Requirement</b>	<b>\$ 2,030,283</b>

The methodology should read:

“Maintain at year end a minimum reserve equal to 25% of Operating expenses net of depreciation from the next Year’s board adopted budget, less the amount earmarked for the designated Employee Benefits Reserve.”

The remaining reserves remain as previously adopted:

Capital Reserve	No Changes
Employee Benefits Reserve	No Changes
Catastrophic/Emergency Management Reserve	No Changes

**Relevance to Board’s Priorities:**

The item corresponds with the Agency’s Public Image and Transparency effort.

**Recommendation:**

Staff requests that the Administration & Finance Committee recommend the Board of Directors to authorize the Chief Executive Officer (CEO) or designee to adopt a

Resolution for the proposed change to the calculation methodology description for the Operating Reserve contained in the Reserve Policy.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel  
Director of Finance

Reviewed by: Robert M. Saldaña  
Managing Director of Administration

Approval:   
Derrick Majchszak  
Chief Executive Officer

**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY  
BOARD POLICY**

**RESERVE FUND POLICY**

**1.0 POLICY STATEMENT**

The Authority will maintain adequate levels of reserve accounts from the ***unrestricted portion of the fund balance*** to mitigate current and future risks in order to ensure that adequate resources are available to fulfill our mission and avoid disruption of services to our community.

This Reserve Fund Policy establishes fiscal reserve guidelines that will ensure:

- Prudent financial planning and strong fiscal management
- Guidance for making sound future decisions
- Continuity for long-term economic stability
- Responsiveness to fiscal challenges and risks
- Ability to identify and support vital public services during revenue declines
- A contingency plan to cover revenue shortfalls

CCRTA management will measure its compliance with this policy on an annual basis during the Authority's budgeting process. At a minimum, a Periodic Review of the Reserve Targets will be conducted quarterly and any excess reserves due to interest earned and or transfers in an out resulting from balancing financial resources to meet budgeted obligations will be returned to the General Fund.

**2.0 PURPOSE**

The purpose of this policy is to define and set goals for reserve funds, clearly describe authorization for use of reserves, and outline requirements for replenishing levels to their authorized target levels in the event of their use.

**3.0 AUTHORIZE USE OF RESERVE FUNDS**

Reserves are to be used for their specifically intended use and for solving temporary shortfalls. They allow management time to implement new strategies to restore the financial deficiencies.

**4.0 UNAUTHORIZED USE OF RESERVE FUNDS**

Reserves are not to be used to cover a long-term or permanent income shortfall. Reserves are to be used to solve temporary shortfalls, allowing management time to implement new strategies.

If there is a need to use reserves for allowable expense, a replenishment plan needs to be developed and presented for Board approval as soon as practicable to at least the amount that was held in the account at the beginning of the fiscal year in which the spending occurred.

## 5.0 BOARD APPROVED RESERVE ACCOUNTS AND CALCULATION METHODOLOGY

The unrestricted portion of the fund balance represents the amount that is available for spending or board designations. The board has previously adopted the designation of the following reserves that are maintained in separate bank accounts.

Reserve	Purpose	Policy Calculations
Operating Reserve*	Provide contingencies for revenue volatility	Maintain at year end a minimum reserve equal to 25% of operating expenses net of depreciation from the next year's board approved budget, less the amount earmarked for the designated Employee Benefits Reserve.
Capital Reserve**	Provide cash reserves necessary to cover local match of approved CIP projects	Maintain at year end the greater of 25% of the total project costs of the following year's board approved CIP budget, plus the rolling forward projects, OR 25% of budgeted depreciation whichever is greater.
Employee Benefits Reserve	Shield the Authority from the impacts of economic uncertainties that may affect employee benefits costs.	Maintain minimum reserve equal to the expected annual amortized cost of the unfunded accrued liability (UAAL) of the Defined Benefit Plan for the next plan year. This is the amortized cost of the UAAL from the most recent actuarial report PLUS, an amount equal to 20% of the average self-funded health insurance costs as determined by the five most recent audited financial statements
Catastrophic/Emergency Management Reserve	Provide cash reserves for funding response and recovery efforts until government assistance and insurance proceeds become available.	Maintain the reserve at \$1.9M.

### 5.1 *The calculations used by CCRTA exceeds the legal compliance required by the Texas Transportation Code, Section 451.134 by \$2,030,283:*

#### Operating Reserve Calculations Per CCRTA

Annual Budgeted Operating Expenses	\$ 45,715,626
Percentage Applied	<u>0.25</u>
Equals 25% Equivalent	\$ 11,428,906
Less Employee Reserve	<u>( 1,779,353)</u>
Equals <b>Operating Reserve Requirement</b>	<b>\$ 9,649,553</b>

#### Operating Reserve Calculations Per "CODE"

Annual Operating Expenses	\$ 45,715,616
Divided by Number of months in a year	<u>12</u>
Equals Monthly Operating Expense	\$ 3,809,635
Multiply by 2 months requirement	<u>2</u>
Equals <b>Operating Reserve Requirement</b>	<b>\$ 7,619,270</b>

## 6.0 APPLICABILITY OF POLICY

This Policy is in compliance with the Texas Transportation Code 451 which requires

- An operating reserve account shall be established in a separate account from other funds in an amount that is not less than an amount equal to actual operating expenses for two months.
- Operating reserve levels shall be reviewed at least annually based on the Authority's actual operating reserves for the 12 months immediately preceding the adjustment.
  
- If reserve funds are spent, the Board shall, as soon as practicable, restore the balance of the reserve account to at least the amount in the account at the beginning of the fiscal year in which the spending occurred.

This Policy is also in compliance with generally accepted accounting principles (GAAP). Because the Authority utilizes an enterprise fund to report all the business activities of its transit operations, equity is reported as Net Position. The Authority also maintains and reports proper fund balance classifications in compliance with state statutes and (GAAP).

## 7.0 GASB DEFINITIONS OF COMPONENTS TO FUND BALANCE

Fund balance is an important measure that represents the difference between a fund's assets and liabilities. The overall objective of fund balance reporting is to isolate that portion of fund balance that is **unavailable** to support the period's budget. Under current practice, fund balances are either classified as reserved or unreserved and further designate part of unreserved (unrestricted) to mitigate current and future risks.

The Authority's **Total Net Position** consists of a fund balance with three components:

- **Investment in Capital Assets** – Represents the total amount of money spent on capital assets, less the cost of depreciation for those assets.
- **Restricted** – Represents assets that have been placed aside by external parties, constitutional provision, or enabling legislation.
- **Unrestricted** – Represents the assets that are available for spending for operations. This is the available unrestricted net position which is available for designation by the board for various purposes and can be further classified as below:
  - **Committed** includes amounts that can be used only for the specific purposes determined by a formal action of the Authority's Board of Directors. These amounts can only be removed by a formal action of the Board of Directors.

- **Assigned** includes amounts that can be used only for the specific purposes determined informally by management to use for a particular purpose and can be removed by the same method.
- **Unassigned** includes amounts that represent the residual amount for all spendable amounts not contained in the other classifications.

Annual audited financial statements will reflect the fund balance classifications in accordance with GASB standards. Monthly interim financial statements will use the budgetary classifications which will break down the unrestricted portion of the fund balance by designations adopted by the Board.

**8.0 Provision for Changes to Reserve Levels** - If during a budget cycle or periodic updating of the Authority's long-range financial projections it becomes clear that funding in these reserves shall be needed for other purposes, the Chief Executive Officer may present a plan for board approval for such proposed changes but shall be limited to reserve accounts **other than the Operating Reserve account**.

The **Operating Reserve Account balance** shall not be reduced below the minimum balance required by the Texas Transportation Code and as described in section 5.1 of this Policy in order to stay in compliance with the Code.

The Plan shall include justification, effective dates of implementation, whether the change is temporary or permanent, and current and long-term financial impact.

Adopted September 5, 2001

Amended to add Health Insurance Reserve April 5, 2006

Amended June 5, 2013

Approved by Resolution – November 4, 2020

Approved by Resolution – August 13, 2021

Approved by Resolution – February 1, 2022

Approved by Resolution – February 1, 2023

**Approved by Resolution – March 6, 2024**

# Corpus Christi Regional Transportation Authority



## Resolution

### **ADOPT A RESOLUTION TO RECERTIFY DESIGNATION OF THE RESERVES FROM THE UNRESTRICTED PORTION OF THE FUND BALANCE AND THE METHODOLOGIES USED IN DETERMINING THE FUNDING LEVELS**

**WHEREAS** the Corpus Christi Regional Transportation Authority most recently adopted a Reserve Policy on December 4, 2024 and re-certified in accordance with Board of Directors, the Texas Transportation Code 451 and best practices prescribed in the industry and GFOA.

**WHEREAS**, the Board of Directors have established four (4) designated reserves funded by the unrestricted portion of the fund balance with prescribed methodologies to ensure stable service delivery, meet future needs, financial stability and provide a contingency plan to cover revenue shortfalls.

**WHEREAS** the Reserve Calculation Methodology Matrix table is revised to change the description used in applying the formula to determine the annual funding of the Operating Reserve to exclude the Employee Benefits Reserve amount from the 25% calculations as it does not meet the definition of an expense. The new calculation methodology will subtract the amount designated in the Employee Benefits Reserve after the 25% equivalent is determined.

**WHEREAS** all other calculation methodologies for the remaining reserves shall remain without any changes including all other aspects of the Reserve Policy including restrictions and conditions.

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

**RESOLVED**, that the Reserve Policy be approved with the one recommended change to the method of calculating the Operating Reserve at year end.

**RESOLVED**, that the four (4) established reserves be funded from the unrestricted portion of the fund balance and their respective methodologies.

**RESOLVED**, that the Reserve Calculation Matrix be revised to include the calculation methodology change for the Operating Reserve only.

**RESOLVED**, that all other aspects, restrictions, and conditions remain unchanged.

The foregoing Resolution was adopted by the Board of Directors of the Regional Transportation Authority at a duly held meeting on December 4, 2024.

**DULY PASSED, APPROVED AND ADOPTED** this 4th day of December 2024.

**ATTEST:**

**CORPUS CHRISTI REGIONAL  
TRANSPORTATION AUTHORITY**

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Lynn Allison  
Board Secretary

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Arthur Granado, Chair  
Board Chairman

**Subject:** Action to Execute Payment of \$766,576 to Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for the Following Lines of Coverage for FY2025: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers' Compensation Insurance

### **Background**

The Corpus Christi RTA is insured through The Texas Municipal League Intergovernmental Risk Pool (TML-IRP). The Authority has been a member of the Liability Property Fund since 1990 and joined the Worker's Compensation Fund in 2009. Participation in the funds was initiated by entering into Interlocal Agreements with the participating pool member local governments.

### **Identified Need**

The assets and personnel of the Corpus Christi RTA need to be adequately protected through insurance coverage.

### **Analysis**

Total contribution costs for FY2025 have increased by 17.3% or \$113,489 over 2024.

Of the ten lines of coverage, three coverages had significant contribution increases.

The main increases are explained as follows:

Increases:

- Automobile Liability/Medical Payments – experience modifier increased from 1.34 for 2024 to 1.5 for 2025; includes a 7% rate increase/ and CCRTA had a 100% loss ratio;
- Real & Personal Property including Flood and Earthquake – the surcharge of 10% for 2024 increased to 15% for 2025; and an inflation factor was added to building values;
- Workers' Compensation – experience modifier remains at .3 for 2025; projected budget payroll for 2025.

### **Disadvantaged Business Enterprise**

There is no DBE goal.

### **Financial Impact**

A finalized cost schedule table which compares fund contributions is presented below:

Types of Coverage	Limit	Deductible	2023 Contribution	2024 Contribution	2025 Contribution	Inc./Dec 2024 & 2025
General Liability/Cyber Liability	\$9,000,000	\$0	3,610	4,645	6,458	1,813
Errors & Omissions Liability	\$2,000,000	\$10,000	12,572	14,627	16,192	1,565
Automobile Liability/Medical Payments	\$500,000	\$0	207,758	267,399	310,985	43,586
Automobile Catastrophe	\$10,000,000	\$10,000	98,407	98,302	100,077	1,775
<b>Sub Total:</b>			<b>322,347</b>	<b>384,973</b>	<b>433,712</b>	<b>48,739</b>
Law Enforcement Liability	\$5,000,000	\$1,000	1,560	1,870	2,058	188
Real & Personal Property (Includes Flood and Earthquake with a \$25,000 deductible)	\$62,762,689	\$10,000	53,116	70,821	93,556	22,735
Loss of Income, Extra Expense, Rents	\$1,000,000	\$10,000				--
Boiler & Machinery	\$100,000	\$10,000				--
Public Employee Dishonesty	\$500,000	\$2,500	837	837	837	0
<b>Sub Total:</b>			<b>55,513</b>	<b>73,528</b>	<b>96,451</b>	<b>22,923</b>
<b>TOTAL: LIABILITY, PROPERTY &amp; CRIME</b>			<b>377,860</b>	<b>458,501</b>	<b>530,163</b>	
Workers' Compensation	Statutory		167,769	194,586	236,413	41,827
<b>GRAND TOTAL</b>			<b>545,629</b>	<b>653,087</b>	<b>766,576</b>	<b>113,489</b>

**Board Priority**

This item aligns with the Board Priority – Safety and Security and Transparency.

**Recommendation**

Staff requests the Administration & Finance Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to execute payment of \$766,576 to Texas Municipal League Inter-Governmental Risk Pool for the following lines of coverage for FY2025: Auto Liability Insurance, Auto Catastrophe Insurance, Property Insurance, General Liability Insurance, Errors & Omissions Insurance, Law Enforcement Liability and Workers' Compensation Insurance.

Reviewed by: Miguel Rendon  
Deputy CEO

Approval:   
Derrick Majchszak  
Chief Executive Officer

**Subject:** Authorize the Lease Renewal with State of Texas for Senator Hinojosa’s Office Lease Space at the Staples Street Center Building

**Background**

Senator Hinojosa’s office is located on the second floor at the Staples Street Center and have occupied that space since 2016, when the building opened. Their office space is approximately 1,710 net usable square feet. Senator Hinojosa’s lease agreement also allows for up to 3 unreserved parking spaces for their employees. The Senator’s lease also provides access to any community room facilities for meetings or conferences, upon coordination with CCRTA staff.

**Identified Need**

The initial term of the lease was a little over 4 years, commencing on December 1, 2016. The term of the initial lease expired on January 10, 2021. The second lease term covered a little over two-years. The lease period was from January 11, 2021 through January 10, 2023. The last lease term was for 2 years, with an option period of two years, which expires January 10, 2025.

Senator Hinojosa would like to renew the lease again, for another four years. The lease period will begin January 11, 2025 and end January 10, 2029

**Lease Information**

Months	Annual Gross Rental Rate (PSF)	Net Usable Square Feet	Monthly Rent	Estimated Annual Lease Amount
1-12	\$ 19.05	1,710	\$ 2,714.63	\$ 32,575.56
13-24	\$ 19.62	1,710	\$ 2,795.85	\$ 33,550.20
25-36	\$ 20.21	1,710	\$ 2,795.85	\$ 34,552.56
37-48	\$ 20.81	1,710	\$ 2,795.85	\$ 35,589.12
<b>Estimated Total for 4-Year Lease Term</b>				<b>\$ 136,267.44</b>

**Board Priority**

The Board Priority for this item is Facilities and Public Image.

**Financial Impact**

The amount of the monthly rent is adjusted each year to reflect a 3% annual increase. The future lease revenue to be generated for the four-year term is estimated at \$136,267.44.



**Recommendation**

Staff requests that the Administration & Finance Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to authorize the lease renewal with the State of Texas for Senator Hinojosa's office lease space at Staples Street Center building, for a four-year term.

Respectfully Submitted,

Submitted and  
Reviewed by:

Sharon Montez  
Managing Director of Capital Programs and Customer Services

Final Approval by:

  
\_\_\_\_\_  
Derrick Majchszak  
Chief Executive Officer

**Subject:** Authorize the Lease Renewal with State of Texas for General Land Office Lease Space at the Staples Street Center Building

**Background**

General Land Office (GLO) is located on the second floor at the Staples Street Center and they have occupied that space since March of 2018. Their office space is approximately 7,125 net usable square feet. GLO's lease also provides access to any community room facilities for meetings or conferences, upon coordination with CCRTA staff.

**Identified Need**

The initial term of the lease is 88 months, commencing on March 1, 2018. The term of the initial lease expires on June 30, 2025. GLO would like to renew the lease for another 60 months (five years). The renewed lease will start July 1, 2025 and run through June 30, 2030. The lease may be renewed one more time for another 60 months (five years), after this renewal.

Lease Information

Months	Annual Gross Rental Rate (PSF)	Net Usable Square Feet	Monthly Rent	Estimated Annual Lease Amount
1-12	17.51	7,125	\$ 10,395.80	\$ 124,749.60
<b>Annually the State will send their new Annual Gross Rental Rate, based on an annual CPI formula</b>				

**Board Priority**

The Board Priority for this item is Facilities and Public Image.

**Financial Impact**

The amount of the monthly rent is adjusted each year to reflect the State's annual CPI formula increase. The estimated annual rent for the first year is \$124,749.60.

**Recommendation**

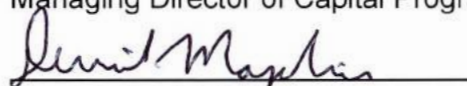
Staff requests that the Administration & Finance Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to authorize the lease renewal with the State of Texas for the General Land Office lease space at Staples Street Center building, for a five-year term.

Respectfully Submitted,

Submitted and  
Reviewed by:

Sharon Montez  
Managing Director of Capital Programs and Customer Services

Final Approval by:



Derrick Majchszak  
Chief Executive Officer

**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY  
OPERATIONS & CAPITAL PROJECTS COMMITTEE MEETING MINUTES  
WEDNESDAY, October 23, 2024**

**Summary of Actions**

- 1. Roll Call**
- 2. Heard Safety Briefing**
- 3. Confirmed Posting of Meeting's Public Notice in Accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551**
- 4. Receipt of Conflict of Interest Affidavits – None Received**
- 5. Provided Opportunity for Public Comment – None Received**
- 6. Approved the Operations & Capital Projects Committee Meeting Minutes of September 25, 2024**
- 7. Approved to Recommend the Board of Directors Approve the Fiscal Year 2025 Holidays and Service Levels**
- 8. Approved to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Contract to A. Ortiz Construction and Paving, Inc., for the VA Clinic Bus Stop Pull-In**
- 9. Approved to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award Task Order #5 for Architectural Design Services to Turner/Ramirez Architects for a New CCRTA Maintenance Facility and Amend the 2024 Capital Budget for Maintenance Shop – A/E Design**
- 10. Heard Committee Chair Report**
- 11. Adjournment**

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

**Call to Order & Roll Call**

Committee Chair Aaron Muñoz, called the meeting to order at 9:15 a.m. Ms. Marisa Montiel called roll and stated a quorum was present.

**Board Members Present**

Lynn Allison, Jeremy Coleman, Aaron Muñoz, Eloy Salazar and Amanda Torres.

**Board Members Absent**

None.

**Staff Present**

David Chapa, Angelina Gaitan, John Esparza, Derrick Majchszak, Sharon Montez, Marisa Montiel, Rita Patrick, Miguel Rendon, Robert Saldaña and JoAnna Serna.

### **Public Present**

Caitlin Chupe, Collier, Johnson & Woods. Ralph Perez & Chris Bandel, A. Ortiz Construction. Philip Ramirez & Kira Bonestead, Turner Ramirez Associates.

### **Safety Briefing**

Mr. Miguel Rendon, Deputy CEO, gave a safety briefing to the Board and audience. He provided exit instructions in the event of an emergency. Ms. Montiel would account for all Board Members and he would be the last out to ensure everyone exits safely.

### **Confirmed Posting of Meeting's Public Notice in Accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551**

Ms. Montiel confirmed proper posting of the meeting.

### **Receive Conflict of Interest Affidavits**

None Received.

### **Opportunity for Public Comment**

None Received.

### **Discussion and Possible Action to Approve the Operations & Capital Projects Committee Meeting Minutes of September 25, 2024**

**DIRECTOR JEREMY COLEMAN MADE A MOTION TO APPROVE THE OPERATIONS & CAPITAL PROJECTS COMMITTEE MEETING MINUTES OF SEPTEMBER 25, 2024. DIRECTOR ELOY SALAZAR SECONDED THE MOTION. MUNOZ, ALLISON, COLEMAN, SALAZAR, AND TORRES VOTING IN FAVOR. ABSENT NONE.**

### **Discussion and Possible Action to Recommend the Board of Directors Approve the Fiscal Year 2025 Holidays and Service Levels**

Mr. Gordon Robinson, Managing Director of Operations, presented the item noting the Board Priority is Public Image and Transparency. He provided background information noting that each year, Service Standards require Board of Directors approval of holiday and service levels on or near holiday dates. For FY2025, proposed holidays and service levels are determined by executive management, historic ridership date and public input. Mr. Robinson displayed the FY2025 Proposed Holidays and Service Levels for review.

**SECRETARY LYNN ALLISON MADE A MOTION TO RECOMMEND THE BOARD OF DIRECTORS APPROVE THE FISCAL YEAR 2025 HOLIDAYS AND SERVICE LEVELS. DIRECTOR AMANDA TORRES SECONDED THE MOTION. MUNOZ, ALLISON, COLEMAN, SALAZAR, AND TORRES VOTING IN FAVOR. ABSENT NONE.**

**Discussion and Possible Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award a Contract to A. Ortiz Construction and Paving, Inc., for the VA Clinic Bus Stop Pull-In**

Ms. Sharon Montez, Managing Director of Capital Programs and Customer Services, presented the item stating the Board Priorities are Facilities and Safety. Ms. Montez introduced representatives Chris Bandel and Ralph Perez with A. Ortiz Construction. She provided background summarizing a new VA Clinic was built in Corpus Christi and has requested a bus stop at Old Brownsville Road and the South Padre Island Drive (S.P.I.D.) Access Road. An Invitation for Bids (IFB) was issued on August 30<sup>th</sup> and two proposals were received. The lowest bid is from A. Ortiz Construction and Paving, Inc. for \$63,889.50. The CCRTA notified 21 companies. She provided background on A. Ortiz Construction. The DBE contract goal set for this procurement is 14% and the contractor has committed to meeting the goal with a 16.31% commitment. The project is federally funded.

**DIRECTOR ELOY SALAZAR MADE A MOTION TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO AWARD A CONTRACT TO A. ORTIZ CONSTRUCTION AND PAVING, INC., FOR THE VA CLINIC BUS STOP PULL-IN. DIRECTOR JEREMY COLEMAN SECONDED THE MOTION. MUNOZ, ALLISON, COLEMAN, AND SALAZAR VOTING IN FAVOR. DIRECTOR AMANDA TORRES ABSTAINED. ABSENT NONE.**

**Discussion and Possible Action to Recommend the Board of Directors Authorize the Chief Executive Officer (CEO) or Designee to Award Task Order #5 for Architectural Design Services to Turner/Ramirez Architects for a New CCRTA Maintenance Facility and Amend the 2024 Capital Budget for Maintenance Shop – A/E Design**

Ms. Sharon Montez presented the item stating the Board Priorities are Facilities and Safety. She introduced representatives Phillip Ramirez and Kira Bonesteed with Turner/Ramirez Architects. Ms. Montez provided background noting CCRTA currently has an “Architectural General Services” contract, which was approved at the September 1, 2021 Board Meeting. The firms included are Able City, LLC, Gignac Architects, Turner/Ramirez, and Bill Wilson, FAIA. She noted the base three-year contract expires January 31, 2025 and the option years will not be awarded. She described the selection process based on highest technical score. At the April 3, 2024 Board Meeting, Turner/Ramirez presented a windstorm risk assessment with two options. The first option was to explore the cost of hardening the maintenance facility and the estimated cost was roughly \$24,331,405. The second option includes the construction of a new maintenance structure, rated to withstand a category IV hurricane. CCRTA provides hurricane evacuation services before/during/after a storm. A new facility would safeguard essential employees and assets while ensuring operational services are not disrupted by damage caused by extreme weather events. Next, she discussed the scope of work for a new Maintenance Shop. CCRTA owns 4.4 acres of land adjacent to the current Bear Lane

property and the new facility will be roughly 65,000 square feet. She listed several scope items to be included, and the estimated cost of construction is \$45,111,161.56. Task order proposal #5 was issued on August 28, 2024, to all four firms on the Master Agreement List and two were received. She discussed the written criteria for selection and displayed the technical score analysis. Turner/Ramirez had the highest technical score of 91 points, and she provided the company background along with prior projects. The design team and their references were discussed. The DBE goal of 6% will be met by Turner/Ramirez. The estimated cost for total design services, with supplemental services is \$4,855,404.55, and is approximately 10% of the construction costs. Ms. Montez displayed the cost of the design phases. The Notice to Proceed, for Phase 1 Schematic Design and Phase 2 Design Development phases, for a total cost of \$1,699,291.59. 2024 Capital Budget has \$1,000,000 in local funds designated for Maintenance Shop – A/E Design Project. Balance needed of \$699,391.59, will require a Capital Budget amendment of \$699,391.59. The amendment will be posted after the Committee Meeting, if approved. Turner/Ramirez has indicated they will be able to hold their pricing through the end of 2025. Once the 35% design has been completed and the competitive grant is submitted in the Spring of 2025, Staff will return to the Board with more information regarding the next steps.

Ms. Montez answered any questions from the Board at this time. Director Charo suggested in the future setting a limit on project costs, so that if a project is over the limit, the RFQ could be opened to all contractors instead of limiting to the pool. A discussion was held on the architectural pool and the process moving forward. Director Torres noted a typo and confirmed an amount on the presentation. Director Munoz said he is not in support of pulling from the reserves. Secretary Allison mentioned this plan has been discussed with Congress and it was noted having phase one and phase two could help build traction moving forward. Vice-Chair Jimenez said she was concerned about the budget and Turner/Ramirez confirmed no price escalation for 2025.

**SECRETARY LYNN ALLISON MADE A MOTION TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) OR DESIGNEE TO AWARD TASK ORDER #5 FOR ARCHITECTURAL DESIGN SERVICES TO TURNER/RAMIREZ ARCHITECTS FOR THE DESIGN OF A NEW CCRTA MAINTENANCE FACILITY AND RECOMMEND AN AMENDMENT TO INCREASE THE 2024 CAPITAL BUDGET, FOR THE MAINTENANCE SHOP – A/E DESIGN . DIRECTOR ELOY SALAZAR SECONDED THE MOTION. MUNOZ, ALLISON, COLEMAN, SALAZAR, AND TORRES VOTING IN FAVOR. ABSENT NONE.**

#### **Heard Committee Chair Report**

Committee Chair Munoz thanked staff for all of their reports.

#### **Adjournment**

Adjourned at 10:20 a.m.

Submitted by: Marisa Montiel

**Subject:** Award a Two (2) Year Contract to Safety-Kleen Systems, Inc. for Lubricants and Fluid Supply

**Background**

The CCRTA requires heavy duty motor oils, lubricants, and fluids to maintain the fleet within Original Equipment Manufacturers (OEM) specifications. Lubricants and fluids must meet operational cycle demands for Diesel and Compressed Natural Gas (CNG) fueled fleets as outlined by OEM specifications. OEM specified lubricant and fluid supplies ensure the fleet remains compliant with manufacturer warranties and Federal Transit Administration State of Good Repair requirements.

**Identified Need**

With the expiration of the current contract, a new contract is required to maintain a supply of heavy duty motor oils, lubricants, and fluids to maintain the fleet within OEM specifications. This will be structured as a two (2) year firm-fixed-price supply contract following Board approval. The proposals must meet or exceed manufacturer specified OEM criteria as follows:

- Allison TES 295
- ASTM (American Society for Test 7 Materials)
- SAE-J (Society of Automotive Engineers)
- API (American Petroleum Institute)
- API-CK-4 (new standard for units built after 2016 and 2018)
- CES-20092 (CNG Requirement)

On October 31, 2024, the CCRTA received three responsive bids from the following companies:

- Safety-Kleen Systems, Inc.
- Arguindegui Oil Companies
- Texas Enterprises, Inc. – Golden West Oil Co.

Bids Received:

Vendor	Delivery Time (Business Days)	Cost
Safety-Kleen Systems, Inc.	2	\$ 148,083.00
Arguindegui Oil Companies	2	\$ 196,590.30
Texas Enterprises, Inc. – Golden West Oil Co.	Blank	\$ 206,910.30

**Disadvantaged Business Enterprise**

The Disadvantaged Business Enterprise (DBE) participation is zero (0%) percent.

**Financial Impact**

The projected cost of the two (2) year contract with Safety-Kleen System, Inc. is \$148,083.00, but expenditures will be determined by actual usage. Funds are accounted for in the Board approved annual operating budgets.

**Board Priority**

This item aligns with the Board Priority – Public Image.

**Recommendation**

Staff requests that the Operations & Capital Projects Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to award a two (2) year contract to Safety-Kleen Systems, Inc. for Lubricants and Fluid Supply.

Respectfully Submitted,

Submitted by: Bryan J. Garner  
Director of Maintenance

Reviewed by: Gordon Robinson  
Managing Director of Operations

Final Approval by:   
Derrick Majchszak  
Chief Executive Officer

**Subject:** Award a Two (2) Year Contract to Cummins Southern Plains, LLC for Rebuilt Transmission Supply

### **Background**

The CCRTA requires a contractor to provide refurbished transmissions to meet the Federal Transit Administration's State of Good Repair requirements. Replacement transmissions are needed due to the life cycle of the fleet. As the fleet average age is over 10 years old, the Vehicle Maintenance Department is proactively working to have parts readily available to properly maintain the fleet.

This contract will be specified to meet or exceed "Original Equipment Manufacturer" (OEM) specifications to ensure a quality product to meet our duty cycle demands for the fleet. The Vehicle Maintenance Department will only purchase transmissions that are under this contract. It's advantageous for the CCRTA to lock-in this supply contract price as the alternative of paying out-of-contract prices results in higher annual parts expenses in a volatile market.

### **Identified Need**

With the expiration of the current contract, a new contract is required for a transmission rebuilder to continue to maintain the fleet in State of Good Repair. This contract will allow for a faster repair time for the fleet to keep the operation in ready status to meet daily service demands. This will be a two (2) year firm-fixed-price supply contract.

On October 23, 2024, the Procurement Department received two (2) bids for Rebuilt Transmission Supply from the following vendors:

1. Cummins Southern Plains, LLC
2. Reliable Transmission Service – Texas, LLC

Cummins Southern Plains, LLC's bid was deemed responsive. In addition, the company is able to meet the five (5) business days delivery requirement. Reliable Transmission Services – Texas, LLC was deemed non-responsive. The company failed to submit the required documents for this solicitation.

Bids Received:

Bid	Bidder Name	Received by	Price Schedule Attachment A	Certification Form Attachment B	Conflict of Interest Acknowledgement and Certification Attachment C	Acknowledgement of Addendum/Addenda Attachment D
1	Cummins Southern Plains, LLC	Email	X	X	X	X
2	Reliable Transmission Service - Texas, LLC	Email	No	No	No	No

Bid	Bidder Name	References Attachment E	Bidder Information Sheet Attachment F	Two-Year Term Total	Responsive	Delivery Days
1	Cummins Southern Plains, LLC	X	X	\$181,218.61	Yes	5 Business Days
2	Reliable Transmission Service - Texas, LLC	No	No	No	Did not submit the required documents for this solicitation. The documents received were for a previous solicitation that has already been closed.	No

**Disadvantaged Business Enterprise**

The Disadvantaged Business Enterprise (DBE) participation is zero percent (0%).

**Financial Impact**

The total not to exceed amount is \$181,218.61 for the two (2) year supply contract with Cummins Southern Plains, Inc. Total amount of usage will determine actual expenditures. Funds are accounted for in the Board approved annual operating budgets.

Allison Model No./Serial No.	Quantity	Price per Unit	Total	Delivery Timeline (Business Days)
B400R-5 SN#6510861760	10	\$ 7,879.07	\$ 78,790.70	5
B400R-5 SN#6511297981	13	\$ 7,879.07	\$ 102,427.91	5

Total Bid \$ 181,218.61

**Board Priority**

The Board Priority is Public Image.

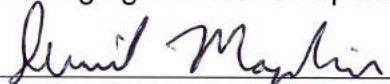
**Recommendation**

Staff requests that the Operations & Capital Projects Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to award a Two (2) Year Contract to Cummins Southern Plains, LLC for Rebuilt Transmission Supply.

Respectfully Submitted,

Submitted by: Bryan Garner  
Director of Maintenance

Reviewed by: Gordon Robinson  
Managing Director of Operations

Final Approval By:   
Derrick Majchszak  
Chief Executive Officer

**Subject:** Authorize the Purchase of One (1) Ford F-450 Utility Truck from the Interlocal Purchasing System (TIPS) Purchasing Cooperative through Silsbee Ford, Inc.

**Background**

The Facility Maintenance Department operates non-revenue utility vehicles to provide preventive maintenance inspections and repairs to CCRTA facilities, respond to service needs, and support special events throughout the 846 square mile service area.

**Identified Need**

The Facility Maintenance Department currently utilizes heavy duty trailers that are unable to be loaded to full capacity do to current under rated vehicles. This limitation creates extra trips and manpower to get needed equipment to job sites. This new heavy-duty Ford F-450 vehicle will aid in the maintenance of approximately 1,375 bus stops, transfer stations, and other CCRTA facilities. Utility vehicles are needed to readily carry out daily duties and assigned tasks.

**Disadvantaged Business Enterprise**

The Disadvantaged Business Enterprise (DBE) participation is zero percent (0%).

**Financial Impact**

The Ford F-450 utility truck is budgeted for \$80,000.00 and is a FY2024 Capital Improvement Program project funded by local funds. Silsbee Ford, Inc. is providing this vehicle through the TIPS Purchasing Cooperative. Total expenditures for one (1) F-450 utility truck is estimated to be \$79,953.00. Funds are accounted for in the Board approved annual operating budgets.

**Board Priority**

This item aligns with the Board Priority – Public Image.

**Recommendation**

Staff requests the Operations & Capital Projects Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or Designee to purchase one (1) Ford F-450 Utility Truck from the Interlocal Purchasing System (TIPS) Purchasing Cooperative through Silsbee Ford, Inc. for \$79,953.00.

Respectfully Submitted,

Submitted by: Bryan Garner  
Director of Maintenance

Reviewed by: Gordon Robinson  
Managing Director of Operations

Final Approval by:   
Derrick Majchszak  
Chief Executive Officer

**Subject:** Award Multiple Contracts to Cummins Southern Plains LLC, South Texas Truck Centers, and White Associates for External and Internal Engine Parts

**Background**

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

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

**Identified Need**

With the expiration of the current contract, a new contract is required to ensure product availability meets parts demands while maintaining competitive pricing. The contract will include parts for all specialized external and internal engine parts to keep the fleet in State of Good Repair and maintain any warranty coverages. The new supply Contract will be issued as a one (1) year contract.

**Disadvantaged Business Enterprise**

There is no DBE requirement for this procurement.

**Financial Impact**

The estimated one (1) year contract cost is \$511,467.91 and funds are allocated in the Board approved annual operating budgets. Total expenditures will be determined by the actual parts usage. Funding historically includes combined resources from Federal Transit Administration Preventative Maintenance formula funds and local funds.

Recommended contract award amounts by bidder is included in table below.

PRICE SCHEDULE SUMMARY for IFB NO. 2024-FP-21 INTERNAL AND EXTERNAL ENGINE PARTS		
Bidder: <u>Cummins Southern Plains LLC</u>		
Description	Total Estimated # of Parts	One Year Total Cost Estimate
Internal and External Engine Parts	3,559	\$ 511,467.91
ONE YEAR TOTAL COST		\$ 511,467.91
Bidder: <u>SOUTH TEXAS TRUCK CENTERS</u>		
Description	Total Estimated # of Parts	One Year Total Cost Estimate
Internal and External Engine Parts	3,559	\$ 675,898.31
ONE YEAR TOTAL COST		\$ 675,898.31
Bidder: <u>J. David White Associates, Inc. dba White Associates</u>		
Description	Total Estimated # of Parts	One Year Total Cost Estimate
Internal and External Engine Parts	3,559	\$ 864,850.00
ONE YEAR TOTAL COST		\$ 864,850.00

**Recommendation**

Staff requests that the Operations & Capital Projects Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or designee to award multiple external and internal engine parts contracts to Cummins Southern Plains LLC, South Texas Truck Centers, and White Associates.

Respectfully Submitted,

Submitted by: Bryan Garner  
Director of Maintenance

Reviewed by: Gordon Robinson  
Managing Director of Operations

Final Approval by:   
Derrick Majchszak  
Chief Executive Officer