

# **BOARD OF DIRECTORS MEETING**

**MONDAY, SEPTEMBER 20, 2021 IMMEDIATELY FOLLOWING THE COMMITTEE MEETINGS AT 2:15 P.M.**



TRINITY  METRO®

# **BOARD OF DIRECTORS MEETING**

## **AGENDA**

**(via VIRTUAL MEETING)**

**MONDAY SEPTEMBER 20, 2021 IMMEDIATELY FOLLOWING THE COMMITTEE INFORMATION MEETING**

### **Special Notice Regarding this Meeting:**

The September Trinity Metro Board of Directors Committee Meetings will be in person at:

Fort Worth Central Station  
2<sup>nd</sup> Floor Conference Room  
1001 Jones Street  
Fort Worth, Texas 76102

The public can attend this virtual meeting by dialing the following toll-free teleconference bridge number:

Microsoft Teams meeting

**Join on your computer or mobile app**

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 321-754-9506,45795200#](#) United States, Orlando

Phone Conference ID: 457 952 00#

The virtual meeting will be audible to all participant on the call and recorded. Public comment is only available in person at Fort Worth Central Station.

Any individual who wishes to speak must first identify themselves. All participants are urged to mute their phones and turn off their cameras unless and until speaking.



# **BOARD OF DIRECTORS MEETING**

## **AGENDA**

**MONDAY SEPTEMBER 20, 2021 3:30 P.M.**

VIRTUAL MEETING

### **A. CALL TO ORDER**

### **B. ROLL CALL**

### **C. CITIZEN COMMENTS**

### **D. COMMITTEE REPORTS**

- **Regional Transportation Council (RTC) – September 9, 2021 – Jeff Davis**
- **Commuter Rail Committee Working Session – September 20, 2021 – Charles Edmonds**
- **Planning/Operations/Marketing Committee Working Session – September 20, 2021 – Nick Genua**
- **Finance & Audit Committee Working Session – September 20, 2021 – Sylvia Alcalá**
- **Transit Oriented Development Committee Working Session – September 20, 2021 – Tito Rodríguez**

### **E. ACTION ITEMS TO BE REMOVED FROM CONSENT AGENDA**

### **F. CONSENT AGENDA**

1. **BA2021-83 Interlocal Agreement with the City of Fort Worth for the Implementation of A Better Connection**
2. **BA2021-84 Interlocal Agreement with the City of Fort Worth for Southside ZIPZONE (Mobility on Demand)**
3. **BA2021-85 Investment Policy and Resolution**
4. **BA2021-86 Approved Brokers and Dealers List**
5. **BA2021-87 Delegated Bank and Investment Authorization**
6. **BA2021-88 Approval of the FY2022 Operating and Capital Budgets**
7. **BA2021-89 Fiscal Year 2022 Authorization to Submit Grant Applications to Support Transportation initiatives of Trinity Metro**
8. **BA2021-90 National Railroad Passenger Corporation Amtrak Lease Extension**



**G. PRESIDENT'S REPORT**

**H. CHAIR'S REPORT**

**I. OTHER BUSINESS**

**J. EXECUTIVE SESSION**

The Board of Directors may convene in Executive Session under the Texas Open Meetings Act for the consultation with its Attorney pursuant to Section 551.071; deliberation regarding real property pursuant to Section 551.072; deliberation regarding prospective gift pursuant to Section 551.073; deliberation regarding personnel matters pursuant to Section 551.074; deliberation regarding security devices pursuant to Section 551.076 and/or deliberations regarding economic development negotiations pursuant to Section 551.087.

1. BA2021-91 Claim Exceeding \$50,000

**K. RECONVENE**

**L. VOTE ON ACTION TAKEN ON MATTERS DELIBERATED IN EXECUTIVE SESSION**

1. BA2021-91 Claim Exceeding \$50,000

**M. ADJOURN**

**NEXT MEETING IS SCHEDULED FOR OCTOBER 25, 2021.  
PLEASE CHECK WEBSITE FOR DETAILS.**

# CONSENT AGENDA ITEMS



TRINITY  METRO<sup>SM</sup>

# BOARD OF DIRECTORS

## ACTION ITEM

Item Number: BA2021-83

Meeting Date: September 20, 2021

Item Title: Interlocal Agreement with the City of Fort Worth for the Implementation of A Better Connection

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### **BACKGROUND**

This action item seeks Board approval of an Interlocal Agreement (ILA) between the City of Fort Worth and Trinity Metro to implement A Better Connection, bus route reorganization.

In 2020, the City of Fort Worth completed the Transit Move Fort Worth transit plan. This plan identified an outline of future investment for transit over the next 25 years. Trinity Metro is an active participant in the plan's development and recognizes the need to make improvements in the bus system. BA2020-15 initiated the effort for the system redesign and implementation project called A Better Connection.

Over the year, staff and consultants reached out to stakeholders and riders to get feedback on considered changes in the redesign. Numerous public meetings and surveys were held, resulting in the "Walk More, Wait Less" scenario. As of September 5, the system redesign has been implemented.

For the agency to implement the updated system effectively, bus stops and amenities like benches, shelters, and signs must be added, removed, and relocated; system and routes maps must also be updated.

The purpose of this ILA is to outline the City's funding participation for Trinity Metro's A Better Connection bus route reorganization project for system redesign and implementation and Trinity Metro's obligations to modernize the bus route network. The ILA includes funds from the City of Fort Worth in the amount of \$250,000.00 to combine with previous City funds of \$250,000.00 (M&C 20-0119) for total City participation of \$500,000.00.

### **FINANCING**

Funds for A Better Connection are included in Trinity Metro's FY2021 Operating Budget and proposed FY2022 Operating budget.

### **RECOMMENDATION**

The Planning, Operations, and Marketing Committee recommends that the Trinity Metro Board of Directors authorize the President/Chief Executive Officer to approve to negotiate and execute an Interlocal Agreement with the City of Fort Worth to implement A Better Connection, bus route reorganization for \$250,000.00.

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### **Disposition by Board of Directors**

Secretary Approval: \_\_\_\_\_

DATE \_\_\_\_\_



# BOARD OF DIRECTORS

## ACTION ITEM

**Item Number:** BA2021-84

**Meeting Date:** September 20, 2021

**Item Title:** Interlocal Agreement with the City of Fort Worth for Southside ZIPZONE (Mobility on Demand)

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### **BACKGROUND**

This action item seeks Board approval of an Interlocal Agreement (ILA) between the City of Fort Worth and Trinity Metro for continuation of the Southside ZIPZONE.

In 2016, Trinity Metro's Master Plan identified first-mile/last-mile opportunities to help grow ridership. Today, Trinity Metro implements first-mile/last-mile programs by improving convenient access to fixed-route, rail, and other services.

On December 17, 2018, Trinity Metro's Board of Directors approved BA2019-26 Pilot On-Demand Ride Share Services to address this issue. Expanding the pilot program within the City of Fort Worth will help to facilitate collaboration and common platforms that provide regional solutions to developing transit demands and improve access to the identified area by providing a lower-cost alternative to transit vehicles.

On July 19, 2020, Trinity Metro began service in the Medical District ZIPZONE. Over the next year the agency evaluated ridership and determined that an expansion was needed to address community needs. The service was first expanded in March 2021 into the 76104 zip code to encourage access to medical trips. The expansion also included access to two grocery stores along W Berry St to address access to food in the near southern part of Fort Worth. Lastly an expansion into the W 7<sup>th</sup> St area in May 2021 to access shopping and restaurants along with a name change to Southside ZIPZONE to better reflect the area served.

The purpose of this ILA is to outline the City's funding participation and role in Trinity Metro's Southside ZIPZONE service operating costs and Trinity Metro's obligations in operating the on-demand service. The ILA includes funds from the City of Fort Worth in the amount of \$250,000.00 dollars to combine with previous City funds of \$250,000.00 (M&C 20-0171) for a total City participation of \$500,000.00.

### **FINANCING**

Funds for the Southside ZIPZONE service are included in Trinity Metro's FY2021 Operating budget and Proposed FY2022 Operating budget.



**RECOMMENDATION**

The Planning, Operations, and Marketing Committee recommends that the Trinity Metro Board of Directors authorize the President/Chief Executive Officer to approve to negotiate and execute an Interlocal Agreement with the City of Fort Worth, which will approve the continued funding for the Southside ZIPZONE in the amount of \$250,000.00.

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**Disposition by Board of Directors**

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**Secretary Approval:**

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**DATE**



# BOARD OF DIRECTORS

## ACTION ITEM

Item Number: BA2021-85

Meeting Date: September 20, 2021

Item Title: Investment Policy and Resolution

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### **BACKGROUND**

The Fort Worth Transportation Authority's (Trinity Metro) investment policy provides the framework and guidelines for Trinity Metro investment activities. Legal authority regulating the investment of funds received by Trinity Metro is covered in Section 452.102 of the Texas Transportation Code and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The Act provides that "The governing body of an investing entity shall review its investment policy and investment strategies not less than annually." The Act also requires that this review be evidenced by rule, order, ordinance, or resolution.

As noted above, the primary purpose of this Committee Action Item and accompanying resolution is to provide the legal authority to manage Trinity Metro's investment activities. Beyond that, the policy specifically addresses the following:

- Policy objectives and strategies
- The responsibilities of the Board of Directors and the Investment Officers
- Authorized investments
- Qualified institutions and brokers
- Collateralization and safekeeping
- Diversification and maturity
- Standard of care
- General investment practices

The investment policy requires that the Investment Officers attend 10 hours of investment training every two years, and Trinity Metro's investment officers are currently in compliance with this provision.

### **RECOMMENDATION**

The Finance and Audit Committee recommends that the Trinity Metro Board of Directors adopt the attached resolution and investment policy.

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Disposition by Board of Directors

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Secretary Approval:

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DATE



# A Resolution

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE  
FORT WORTH TRANSPORTATION AUTHORITY  
ADOPTION OF INVESTMENT POLICY**

*(R2021-12)*

**WHEREAS**, the Texas Public Funds Investment Act requires the governing body of an investing entity to adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control; and

**WHEREAS**, the Texas Public Funds Investment Act requires the governing body of an investing entity to review its investment policy and investment strategies not less than annually, and to adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies; and

**WHEREAS**, the Board of Directors of Fort Worth Transportation Authority considers it necessary and prudent to comply with the above provisions of the Texas Public Funds Investment Act.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FORT WORTH TRANSPORTATION AUTHORITY**

**THAT:**

The Investment Policy and investment strategies of Fort Worth Transportation Authority have been reviewed by the Board of Directors of the Fort Worth Transportation Authority.

1. The attached Investment Policy is hereby adopted as the Investment Policy of Fort Worth Transportation Authority.

**ADOPTED by Trinity Metro Board of Directors on this, the 20<sup>th</sup> day of September 2021.**

\_\_\_\_\_  
Jeff Davis  
Chair

\_\_\_\_\_  
Ray Taylor  
Secretary

FORT WORTH TRANSPORTATION AUTHORITY

(DBA “Trinity Metro”)

INVESTMENT POLICY

Section 1. GENERAL STATEMENT OF PURPOSE.

This Investment Policy is intended to provide guidelines for the Board of Directors and the staff regarding the investment of public funds entrusted to Trinity Metro and to set reasonable standards and limitations concerning Trinity Metro’s investment activities. This Policy is intended to satisfy statutory requirements of Chapter 452 of The Texas Transportation Code, and The Texas Public Funds Investment Act (the “Act”).

Section 2. CASH MANAGEMENT PROGRAM.

Trinity Metro shall maintain a comprehensive cash management program to include the effective administration and collection of accounts receivable, the prompt deposit of receipts to Trinity Metro bank accounts, the timely payment of obligations, and the prudent investment of available cash in accordance with this Investment (“Policy”).

Procedures shall be developed and maintained to ensure that this Policy is observed and that timely and accurate information is available to assist in making investment decisions.

Section 3. SCOPE OF POLICY.

This Investment Policy applies to activities of Trinity Metro with regard to the investing of all operating and capital funds, including sales tax revenues. Funds will be primarily pooled for investment purposes to allow of consolidated strategy development and implementation.

This Policy does not apply to the investment of assets accrued for the purpose of funding employee retirement benefits or programs, except for those funds representing a liability for the employer's contribution to the 401(k) and 457 (b) Retirement Plans which are held temporarily in Trinity Metro’s operating account before being transferred to the plan accounts. Furthermore, this Policy does not apply to entrusted or escrowed funds, which are invested in accordance with instructions provided in contractual or escrow agreements.

Section 4. POLICY OBJECTIVES AND INVESTMENT STRATEGY.

Trinity Metro's investment strategy shall be conducted so as to accomplish the following objectives, listed in priority order:

- A. **Understanding** of the suitability of the investment to the financial requirements of Trinity Metro. Any investment authorized by this Policy is suitable for all funds,
- B. **Safety.** Preservation and safety of the invested principal shall be achieved by limiting issuer credit risk and maturity-related market risk.
- C. **Liquidity.** Trinity Metro's investment portfolio will remain sufficiently liquid to meet all operating requirements and pay obligations of Trinity Metro on or before the due date by maintaining minimum cash equivalent balances and matching investment maturities to projected cash flows.
- D. **Marketability** of the investment will be considered in the risk/return analysis; in case the need arises to liquidate the investment before maturity.
- E. **Diversification** of the investment portfolio, as to issuer credit and investment maturity, shall be implemented as appropriate; and
- F. **Yield.** Trinity Metro's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with Trinity Metro's investment risk constraints and the cash flow characteristics of the portfolio. Weighted average yield to maturity shall be the performance measurement standard.

The following investment strategy has been designed to accomplish these objectives:

- 1. Trinity Metro will invest only in those securities listed as **AUTHORIZED INVESTMENTS** in Section 7 of this Policy. Any securities not listed will not be eligible investments.
- 2. At all times, Trinity Metro will maintain a cash position sufficient to meet daily liquidity requirements. This will be accomplished by maintaining at least 10 percent of the total portfolio in cash equivalent options, including but not limited to: financial institution deposits, local government investment pools, money market funds, and/or overnight repurchase agreements.

Section 5. RESPONSIBILITIES.

- A. Board of Directors.

The Board of Directors is responsible for:

1. Adopting a Policy, which will be followed by the Investment Officers;
2. Reviewing the Policy and investment strategies not less than annually, and adopting a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the Policy and incorporated investment strategies and that the written instrument so adopted shall record any changes made to either the Policy or investment strategies;
3. Designating one or more banks to serve as the primary depository for the funds of Trinity Metro;
4. Approving the selection of banks and/or firms for the purpose of providing investment management services to Trinity Metro;
5. Reviewing investment performance on at least a quarterly basis;
6. Approving independent sources for providing investment training to Trinity Metro's Investment Officers, as required by the Public Funds Investment Act; and
7. Reviewing and adopting at least annually a list of qualified broker/dealers that are authorized to engage in investment transactions with Trinity Metro or on behalf of Trinity Metro.

#### B. Investment Officers.

The Chief Financial Officer/Vice President of Finance (“CFO”), Controller/Special Projects, Assistant Treasurer, and Finance/Accounting Administrator, acting under the general supervision of the President/Chief Executive Officer (CEO), are responsible for administration of Trinity Metro's comprehensive cash management and investment program, and are designated as Trinity Metro's Investment Officers. The CFO may delegate day-to-day administrative duties as outlined below to other employees authorized to perform investment activities for Trinity Metro, or to banks and/or firms approved by the Board of Directors to provide Trinity Metro with investment management services.

The CFO is responsible for establishing and maintaining an internal control structure. The controls shall be designed to ensure that the funds are protected from loss due to employee error, fraud, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

1. Avoidance of collusion
2. Separation of duties
3. Custodial safekeeping
4. Avoidance of physical delivery of securities
5. Clear delegation of authority, and
6. Written confirmation procedures for investment transactions and wire transfers.

In order to ensure qualified and capable investment management, the Investment Officers and other Trinity Metro employees with investment responsibilities shall be knowledgeable of laws concerning the investment of public funds, current investment practices and investment opportunities available to Trinity Metro. The Investment Officers shall attend investment training: first, within 10 months after taking office or assuming duties, and second, on an ongoing basis, not less than once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date, and accumulate not less than 10 hours of instruction relating to investment responsibilities for each of those requirements. The following organizations are approved as providers of this training:

The Government Finance Officers Association;  
The Government Finance Officers Association of Texas;  
The Government Treasurers Organization of Texas;  
The North Central Texas Council of Governments;  
The Texas Municipal League; and  
The Treasury Management Association.

#### C. Ethics and Conflicts of Interest

Investment Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Investment Officers and employees shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers and employees shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of Trinity Metro.

An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to Trinity Metro shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or

consanguinity to an individual seeking to sell an investment to Trinity Metro shall file a statement disclosing that relationship. A statement required under this subsection must be filed with The Texas Ethics Commission and the Board of Directors.

#### Section 6. DUTIES OF THE INVESTMENT OFFICERS.

Duties of the Investment Officers shall include the following:

1. Maintain current information as to available cash balances in Trinity Metro bank accounts, and as to the amount of idle cash available for investment;
2. Develop and maintain cash flow projections to allow for the prudent investment of idle funds;
3. Make investments in accordance with this Policy, including investing and reinvesting funds of Trinity Metro and providing for money to be withdrawn from appropriate accounts for the purpose of making investments;
4. Maintain current information as to investment transactions;
5. Ensure that all investments are adequately secured, that safekeeping receipts are held by Trinity Metro in accordance with this Policy, and ensure that other requirements placed on financial institutions and broker/dealers by this Policy are observed;
6. Not less than quarterly, prepare and submit to the Board of Directors and the President / Chief Executive Officer a written report of investment transactions for all funds covered by this Policy for the preceding reporting period;
7. Not less than annually, submit the Investment Policy to the Board of Directors for review, along with recommended amendments to ensure that all legal requirements are satisfied and that the Policy reflects current investment practices;
8. Not less than annually, submit to the Board of Directors for review and approval a list of qualified broker/ dealers authorized to engage in investment transactions with Trinity Metro; and
9. Supervise and approve the substitution of securities pledged to secure Trinity Metro's deposits.

Section 7. AUTHORIZED INVESTMENTS.

The following investments are authorized under this section:

- A. Obligations of, or guaranteed by governmental entities.
  - 1. Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
  - 2. Obligations of the State of Texas or its agencies and instrumentalities;
  - 3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
  - 4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
  - 5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- B. Certificates of deposit, and other forms of deposit, placed in compliance with the Act
- C. Fully collateralized repurchase agreements if the repurchase agreement:
  - 1. has a defined termination date;
  - 2. is secured by cash and/or obligations described in Section 7(A) above;
  - 3. requires the securities being purchased to be pledged to Trinity Metro, held in Trinity Metro's account, and deposited at the time the investment is made with Trinity Metro or with a third party selected and approved by Trinity Metro;
  - 4. is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas, and
  - 5. complies with other provisions of this Investment Policy regarding repurchase agreements (see Section 9-C).

D. Mutual funds.

1. A no-load money market mutual fund is an authorized investment if the mutual fund:
  - (A) is registered with and regulated by the Securities and Exchange Commission;
  - (B) provides a prospectus and other information required by the Securities Exchange Act of 1934;
  - (C) has a dollar-weighted average stated maturity in compliance with Securities and Exchange Commission regulation;
  - (D) includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and
  - (E) is rated no lower than AAAM or an equivalent rating by at least one nationally recognized rating service.

- E. Local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) seek to maintain a \$1.00 net asset value.

Section 8. QUALIFYING INSTITUTIONS.

Investments may be made with or through the following institutions:

- A. Federally insured depository institutions that have a main office or a branch office in Texas;
- B. Brokers or security dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York, also known as the "primary government securities dealers;" or
- C. Firms approved by the Board of Directors.

Trinity Metro shall evaluate the soundness of a financial institution, broker/dealer to the extent considered necessary by the Investment Officers, before entering into an investment transaction. Such an evaluation may include review of rating agency reports, and analysis of management, profitability, capitalization, and asset quality. Financial institutions, broker/dealers wishing to do business with Trinity Metro shall provide requested financial and performance information.

A written copy of Trinity Metro's Investment Policy shall be provided to any person offering to engage in an investment transaction with Trinity Metro.

A qualified representative of the local government investment pool or discretionary investment management firm (i.e. business organization), if any, shall execute a written instrument in a form acceptable to Trinity Metro's Investment Officers and the business organization substantially to the effect that the business organization has:

- (1) received and reviewed the Investment Policy; and
- (2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between Trinity Metro and the organization that are not authorized by Trinity Metro's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of Trinity Metro's entire portfolio, requires an interpretation of subjective investment standards, or relates to investment transactions that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The Investment Officers of Trinity Metro may not acquire or otherwise obtain any authorized investment described in Trinity Metro's Investment Policy from a business organization who has not delivered to Trinity Metro the instrument required.

At least annually, the Board of Directors shall review and adopt a list of qualified broker/dealers that are authorized to engage in investment transactions with Trinity Metro.

#### Section 9. COLLATERALIZATION AND SAFEKEEPING.

##### A. Certificates of Deposit and Other Evidences of Deposit.

Trinity Metro will accept as collateral for its certificates of deposit and other evidences of deposit, not insured by the Federal Deposit Insurance Corporation, eligible obligations as defined by the Public Funds Collateral Act including marketable securities and letters of credit. Trinity Metro reserves the right to accept or reject any obligation proposed for collateral. Collateral securities must be owned outright by the pledging financial institution.

Uninsured deposits, including accrued interest, collateralized by marketable securities shall have a minimum collateral market value of: 102% for U.S. Treasury bills, notes or bonds with a remaining maturity of three (3) years or less, and 105% for the other eligible securities.

All financial institutions pledging collateral shall be required to sign a collateralization agreement. The agreement shall define Trinity Metro's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;

- The agreement has to be executed by the financial institution and Trinity Metro contemporaneously with the deposit;
- The agreement must be approved by the Board of Directors or designated committee of the financial institution and a copy of the meeting minutes must be delivered to Trinity Metro; and
- The agreement must be part of the financial institution's "official record" continuously since its execution.

Securities pledged as collateral must be retained by a custodial bank eligible as per the Public Funds Collateral Act. Trinity Metro shall be provided the original pledge receipt on each pledged security and a monthly collateral report directly from the custodian. Trinity Metro, the pledging financial institution and the custodial bank(s) shall operate in accordance with a custodial agreement acceptable to Trinity Metro.

Trinity Metro must have confirmation from its custodial bank that collateral pledged from a financial institution is in Trinity Metro's account before investing in certificates of deposit or other evidences of deposit at the financial institution. This confirmation may be oral, but must be followed in writing with the original safekeeping receipt provided to Trinity Metro.

An Investment Officer must approve release of collateral in writing prior to its removal from the custodial account, however substitution of similar security-type and market value will be allowed without prior approval.

Collateral shall be reviewed on at least a monthly basis by an Investment Officer and may be audited by Trinity Metro at any time during normal business hours of the custodial bank. In addition, collateral shall be audited at least annually by Trinity Metro's independent external auditors.

The financial institutions with which Trinity Metro invests and/or maintains other deposits shall provide monthly, and as requested by Trinity Metro, a listing of Trinity Metro's certificates of deposit and other deposits at the institution, and a listing of the collateral pledged to Trinity Metro marked to current market values. The listing shall include total pledged securities itemized by:

- Name, type and description of the security;
- Pledge receipt number;
- Par value;
- Current market value;
- Maturity date; and
- Moody's, Fitch or Standard & Poor's rating (if available).

Trinity Metro and the financial institution shall assume joint responsibility for ensuring that the pledged collateral is sufficient.

B. Securities.

All securities purchased by Trinity Metro shall be purchased on a "delivery versus payment" basis. That is, Trinity Metro shall authorize release of its funds only after it has received notification from the safekeeping bank that a purchased security has been received in Trinity Metro's safekeeping account. This notification may be oral, but must be followed in writing with the original safekeeping receipt provided to Trinity Metro.

C. Repurchase Agreements.

Whenever a repurchase agreement is used by Trinity Metro as an investment, the following rules shall be observed:

1. The securities underlying the repurchase agreement shall be those described under Section 7 ("Authorized Investments") of this Policy;
2. The market value of the securities shall equal or exceed the amount of money committed by Trinity Metro, and shall be "marked to market" at least weekly by the broker/dealer or financial institution with whom the repurchase agreement is executed;
3. Trinity Metro shall take delivery of the securities underlying the agreement before the release of Trinity Metro funds shall be authorized;
4. Trinity Metro shall execute a repurchase agreement, similar to the prototype agreement developed by the Public Securities Association and with supplemental provisions as recommended by the Government Finance Officers Association; and
5. Repurchase agreements shall be executed only with financial institutions doing business in Texas, any national banking association, or any government bond dealer reporting to and recognized as a primary dealer by the Federal Reserve Bank of New York.

Section 10. DIVERSIFICATION AND MATURITY.

Investments of Trinity Metro shall be diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific type of security, as appropriate. To the extent possible, the Investment Officers will attempt to match investment maturities with anticipated cash flow requirements, thereby reducing the need to sell or redeem investments prior to maturity and reducing market risk. Investments will not mature more than

five (5) years from the date of purchase, and the average weighted maturity of the total investment portfolio will not exceed eighteen (18) months.

#### Section 11. STANDARD OF CARE.

Investments shall be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Employees of Trinity Metro who are involved in investment decisions, when acting in accordance with this Investment Policy and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided deviation from expectations is reported in a timely manner and that appropriate action is taken to control adverse developments.

#### Section 12. GENERAL INVESTMENT PRACTICES.

All investment decisions made by the Investment Officers shall be documented. The Investment Officers may make investments orally, but a written confirmation of each transaction shall follow promptly with a copy of such confirmation retained in the files.

On all investment transactions which do not fall under terms of Trinity Metro's current primary depository agreement, or which are not executed pursuant to a contractual agreement for investment management services as approved by the Board of Directors, the Investment Officers shall contact at least two (2) "qualifying institutions" as described in Section 8 of this Policy, for the purpose of receiving competitive offers.

As of the end of each month, the market value of each investment security held by Trinity Metro shall be reported to Trinity Metro by the financial institution responsible for safekeeping the securities. By this method, Trinity Metro will monitor the market price of its investments.

At least quarterly, the Investment Officers shall verify the credit rating of any investment required by the Act to maintain a minimum rating. An investment does not qualify as an authorized investment during the period the investment does not have the minimum rating. Trinity Metro shall take all prudent measures that are consistent with this Investment Policy to liquidate an investment that does not have the minimum rating.

Trinity Metro is not required to liquidate investments that were authorized investments at the time of purchase.

# BOARD OF DIRECTORS

## ACTION ITEM

Item Number: BA2021-86

Meeting Date: September 20, 2021

Item Title: Approved Brokers and Dealers List

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### **BACKGROUND**

The Texas Public Funds Investment Act and the Fort Worth Transportations Authority's (Trinity Metro) Investment Policy require the Board of Directors to review and adopt, at least annually, a list of qualified security broker/dealers that are authorized to engage in investment transactions with Trinity Metro.

A copy of Trinity Metro's Investment Policy will be distributed to the selected security broker/dealers. The following firms are proposed as the authorized security broker/dealers:

- FTN Financial
- Mutual Securities
- Multi-Bank Securities
- Ramirez & Company
- Raymond James
- Rice Financial
- Wells Fargo Securities

### **RECOMMENDATION**

The Finance and Audit Committee recommends that the Trinity Metro Board of Directors adopt the above list of broker/dealers as authorized security dealers or brokers authorized to engage in investment transactions with Trinity Metro.

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Disposition by Board of Directors

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Secretary Approval:

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DATE



# BOARD OF DIRECTORS

## ACTION ITEM

Item Number: BA2021-87  
Item Title: Delegated Bank and Investment Authorization

Meeting Date: September 20, 2021

### BACKGROUND

Trinity Metro's Investment Policy, adopted by the Board of Directors, states the Vice President of Finance / Chief Financial Officer (CFO), Controller, Assistant Treasurer, and Finance/Accounting Administrator, acting under the general supervision of the President / Chief Executive Officer (CEO), are responsible for the administration of Trinity Metro's comprehensive cash management and investment program, and are designated as Trinity Metro's Investment Officers. As a function of those responsibilities, the following persons are hereby authorized to execute all contract and other agreements necessary to establish bank and investment accounts, to enter into treasury with the express powers granted management services agreements as necessary for account transactions, including but not limited to wire and ACH transfers:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Robert Baulsir	President/Chief Executive Officer	_____
Fred Crosley	Vice President of Finance / CFO	_____
Christopher Grenier	Controller/Special Projects	_____
Greg Dickey	Assistant Treasurer	_____
Renata Snipes	Finance/Accounting Administrator	_____

Additionally, the Investment Policy allows the Vice President/Chief Financial Officer to delegate day-to-day administrative duties to other employees.

### RECOMMENDATION

The Finance and Audit Committee recommends that the Trinity Metro Board of Directors adopt the above Delegated Bank and Investment Authorization.

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### Disposition by Board of Directors

Secretary Approval: \_\_\_\_\_

DATE \_\_\_\_\_



# BOARD OF DIRECTORS

## ACTION ITEM

Item Number: BA2021-88

Meeting Date: September 20, 2021

Item Title: Approval of the FY2022 Operating and Capital Budgets

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### BACKGROUND

The preliminary FY2022 Operating and Capital budgets were presented at the Finance & Audit Committee meeting held on August 23, 2021. During the meeting, the budgets were discussed in detail and reviewed. Preliminary approval was given at the August 23, 2021 Board meeting, and the budgets were made available to member city mayors and city council members as is our policy. As of September 7, 2021, we have not received any requested changes from our member cities.

### RECOMMENDATION

The Finance and Audit Committee recommends that the Trinity Metro Board of Directors adopt the FY2022 Operating and Capital Budgets attached.

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Disposition by Board of Directors

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Secretary Approval:

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DATE



**Trinity Metro**  
**Fiscal 2022 Operating Budget**

(All Amounts in \$000's)

	<b>FY2022 Budget</b>
<b>Fare Revenue</b>	\$ 4,885
<b>Other Revenue</b>	
Sales Tax	88,614
Investment	46
Advertising	535
Operating Grants	46,882
ARP Act	1,156
Capital Grants	71,597
Contributions from Grapevine	10,458
Contributions from Partners	2,678
Miscellaneous	1,558
Rental Income	716
Fort Worth Bike Share Revenue	426
<b>Total Other Revenue</b>	<u>224,664</u>
<b>Total Revenue</b>	<u>229,549</u>
<b>Operating Expense</b>	
Salary and Benefits	48,517
Services	61,923
Fuels and Lubricants	1,798
Tires and Tubes	418
Maintenance Materials	3,326
Supplies and Materials	907
Utilities	1,515
Insurance	9,795
Taxes and Fees	44
Interest Expense	-
Miscellaneous	815
<b>Total Operating Expense</b>	<u>129,058</u>
<b>Net Available for Capital Expenditures and Reserves</b>	<u>\$ 100,491</u>
 Non-Cash Depreciation	 49,980



**Trinity Metro**  
**Fiscal 2022 Capital Expenditures**

(All Amounts in \$000's)

<b>Project Name</b>	<b>FY2022 Budget</b>
Grove Street Design and Renovations	\$ 2,896
Electric Bus Expansion and Charger	3,361
HRP Fire System Upgrade	1,950
Underground Fuel Tanks Replacement	190
TEXRail FFGA	459
Trinity Lakes Station	22,244
TRE Capital Maintenance FY21 - FY26	15,351
TEXRail Capital Maintenance	474
TEXRail Segment 1 Environmental/Engineering	1,736
TRE Grade Crossings	494
TEXRail Station Art	320
Automated Fare Collection System	909
Intelligent Transportation System	520
DriverMate CAD/AVL	620
Transit Signage Improvements	470
Electric MCI Bus Expansion with Charging Infrastructure	16,383
Generator Upgrade	4,972
Concrete Replacement	220
T&P Tunnel Improvements	518
Paint Booth Renovations	392
TRE Ticket Vending Machines Replacements	584
Train Platform Validators	200
Security System and Camera Upgrades	4,194
Facilities Capital Maintenance	731
E. Lancaster BRT and TOD Planning	654
Trinity Metro Mobile App	512
Fixed Route Bus Replacements	16,888
ACCESS Van Replacements	2,350
Non-Revenue Vehicle Replacements	900
HVAC Replacements	190
Server Equipment Upgrades (IT)	1,010
Other Capital Equipment	394
<b>Total Expenditures</b>	<b>\$ 103,085</b>



**Trinity Metro**  
**Annual Surplus, Capital, Debt and Cash & Investments Projections**

(\$ millions, roundings not corrected)

	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
<b>Net Surplus for Year - Cash Basis</b>	110.6	106.7	99.0
<b>Capital Expenditures</b>	(71.2)	(45.2)	(103.1)
<b>Debt &amp; Loan Repayments:</b>			
\$325MM Loan - TEXRail	(265.0)	(60.0)	-
State of Texas (Sales Tax)	-	(9.5)	-
State of Texas (CNG) & SSA (1)	-	(1.9)	-
City of Grapevine (Contribution)	(15.0)	-	-
<b>Increase (Decrease) in Cash</b>	<u>(240.6)</u>	<u>(9.9)</u>	<u>(4.1)</u>
<b>Cash &amp; Investments</b>			
Beginning Balance	273.7	33.1	23.2
Ending Balance	<u>\$ 33.1</u>	<u>\$ 23.2</u>	<u>\$ 19.1</u>
Reserve Requirement (2)		\$ 8.1	\$ 8.3
Reserve Difference		\$ 15.0	\$ 10.8

(1) Repayment of Social Security deferral of remittances as allowed under the CARES Act.

(2) Cash reserve requirement established by the Board of Directors for unanticipated financial events.

**Pay-as-you-go**

Under Trinity Metro's pay-as-you-go financial governance goal, current year operating expenses are paid for from current year operating revenues within each fiscal year.

# BOARD OF DIRECTORS

## ACTION ITEM

Item Number: BA2021-89

Meeting Date: September 20, 2021

Item Title: Fiscal Year 2022 Authorization to Submit  
Grant Applications to Support Transportation  
Initiatives of Trinity Metro

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### **BACKGROUND**

Trinity Metro routinely applies for and receives Federal and/or State grants to support its transit initiatives. These grants are generally used for funding capital projects, although certain operating activities are occasionally partially funded with grants. This Action Item provides Board approval to pursue all grants and submit applications for grants intended to fund any capital project or operating activity of Trinity Metro. It also authorizes the Board Chair and Board Secretary to execute any resolution required by a grant application that Trinity Metro is submitting.

This item is reviewed and approved annually by the Board of Directors.

### **FINANCING**

Grant applications are submitted based on the Financial Plan and consideration of financial constraints and financial policies.

### **RECOMMENDATION**

The Finance and Audit Committee recommends that the Trinity Metro Board of Directors authorize the President/Chief Executive Officer to submit grant applications that could provide federal, state, and local funding for any budgeted capital project or operating activity. It is also recommended that the Board of Directors authorize the Board Chair and Secretary to execute any resolution required by a grant application that Trinity Metro is submitting.

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Disposition by Board of Directors

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Secretary Approval:

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DATE



# **BOARD OF DIRECTORS**

## **ACTION ITEM**

**Item Number:** BA2021-90

**Meeting Date:** September 20, 2021

**Item Title:** National Railroad Passenger Corporation  
(Amtrak) Operating Lease Extension

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### **BACKGROUND**

The Fort Worth Central Station is Trinity Metro's main transfer center. This location provides a convenient, centralized hub for multiple forms of public transit and other modes of transportation.

On October 1, 2000, Trinity Metro and the National Railroad Passenger Corporation (Amtrak) entered into an Operating Lease Agreement for a 10-year term with an option to renew for an additional ten (10) years.

On November 1, 2010, Amtrak expressed to Trinity Metro its intent to exercise the renewal option to extend the Operating Lease Agreement for an additional ten (10) years. Under the same terms and conditions, the renewal period commenced on October 1, 2011 through September 30, 2021.

The purpose of this Board Action is to seek permission to extend the current Operating Lease Agreement between Amtrak and Trinity Metro by one year, under the same terms and conditions, effective October 1, 2021, through September 30, 2022. During this one-year timeframe, Trinity Metro will conduct an Operating and Common Area Maintenance (CAM) cost analysis of all spaces at Fort Worth Central Station and provide each tenant with their updated Operating and CAM cost as their leases are due for renewal.

### **PROCUREMENT**

There is no purchasing requirement for this recommendation.

### **FINANCING**

There is no additional cost added to the agency. The rental revenue is accounted for in the proposed FY2022 Operating Budget.

### **RECOMMENDATION**

The Finance and Audit committee recommends that the Trinity Metro Board of Directors authorize the President/Chief Executive Officer to extend the Operating Lease Agreement with the National Railroad Passenger Corporation (Amtrak) for an additional one (1) year term under the same terms and conditions for the period October 1, 2021 through September 30, 2022.

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### **Disposition by Board of Directors**

Secretary Approval: \_\_\_\_\_

DATE \_\_\_\_\_

