

Regular Meeting of the Board of Directors



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

September 29, 2021

Welcome and opportunity for public comment



1

Bobby Jenkins
Chairman

Audit Committee Meeting

- A. Audit Committee meeting called to order by Committee Chairman Singleton
- B. Introduction of external auditors from RSM US LLP
- C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2021 Audit Reports
- D. Adjourn Audit Committee

2A-D

David Singleton
Treasurer

Audit Committee Meeting

- A. Audit Committee meeting called to order by Committee Chairman Singleton
- B. Introduction of external auditors from RSM US LLP
- C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2021 Audit Reports
- D. Adjourn Audit Committee

2A-D

David Singleton
Treasurer

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Report to the Audit Committee
Audit for the Year Ended June 30, 2021

To the Audit Committee of the Board of Directors
Central Texas Regional Mobility Authority
Austin, Texas

Dear Members:

We are pleased to present this report related to our audit of the financial statements of Central Texas Regional Mobility Authority (the Authority) as of and for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Audit Committee, Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Central Texas Regional Mobility Authority.

Topic	
Audit Overview Scope and Results	
- Financial Statement Audit	4
- Federal Awards Audit	5
- State Awards Audit	6
Required communications	7-8
Summary of significant accounting estimates	9

» Financial Statement Audit Scope

- » Financial statements prepared by management
- » Audit scope includes the following
 - Includes examining evidence supporting amounts and disclosures on a test basis
 - Includes assessment of internal control structure for purposes of auditing the amounts and disclosures in the financial statements, but not for providing an opinion on internal control
 - Includes assessment of accounting principles, significant estimates made by management, and disclosures to the financial statements

» Financial Statement Audit Results

- » Opinion on the financial statements: **Unmodified**
- » No significant deficiencies in internal control to be reported

» Federal Awards Audit

» Federal Compliance Audit: **Not Required in 2021**

» State Award Scope

- State Compliance Audit: **Required in 2021.**

- One Major Program: Mopac South

» State Audit Results

- There are \$852,000 in expenditures of state awards in 2021.
- Threshold for audit is \$300,000.
- No audit findings required to be disclosed in accordance with the State Single Audit Circular
- No significant deficiencies in internal controls over major state programs

Required communications

Matter to report	No	Yes	Comments
Preferability of Accounting Policies and Practices	✓		In our view, in such circumstances, the Authority has selected the preferable accounting practice and follows standards set fourth by the Government Accounting Standards Board.
Internal Controls over Financial Reporting	✓		There were no identified significant deficiencies during the course of our testing.
Significant unusual transactions	✓		We noted no significant unusual transactions during the course of our testing.
Audit Adjustments	✓		There were no audit adjustments made to the final trial balance presented to us for our audit.
Uncorrected misstatements	✓		We are not aware of any uncorrected adjustments other than adjustments that are clearly trivial.

Required communications (continued)

Matter to report	No	Yes	Comments
Disagreements With Management	✓		We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	✓		We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	✓		No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	✓		We did not encounter any significant difficulties in dealing with management during the audit.
Adoption of, or Change in, Accounting Policies		✓	Except as discussed on the next slide, the Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

The adoption of GASB statement No. 84 required the Authority to report the following fiduciary fund financial statements in the following two fund categories:

- *Pension Trust Funds* are used to report fiduciary activities that are pension plans and other post employment benefit plans that are administered through trust or other employee benefit plans for which resources are held in trusts that meet the criteria outlined by GASB.
- *Custodial funds* are used to report fiduciary activities for resources that are held in trust that meet the criteria outlined by GASB and that are not required to be reported in pension trust funds, investment trust fund or private purpose trust funds.

The impact to the financial statements, as a result of the adoption of this pronouncement, is disclosed in Note 1 to the financial statements.

Summary of significant accounting estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses its knowledge and experience about past and current events, and certain assumptions about future events. Management may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Authority’s June 30, 2021, financial statements.

Estimate	Accounting Policy	Management’s Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Investment Valuation	The money market mutual fund and local government investment pool are reported at net asset values (NAV) based on amortized cost. Investments in debt securities are reported at fair value based on pricing service models.	Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investments in debt securities are reported at fair value based upon pricing service models. The money market mutual fund and local government investment pool are reported at the NAV.	We tested the fair value of investments at year-end by using a valuation specialist to price debt securities. For investments measured using NAV, we confirmed the year-end NAV. We concluded management’s estimates are reasonable.
Depreciable Life of Property and Equipment	The depreciable life of property and equipment is set at the estimated useful life of the related asset.	The determination is made at the time the asset is placed into service and involves various judgments and assumptions, including the estimated useful life and prior experience.	We concluded the estimates used by management are reasonable.
Pension Expense and Net Pension Asset/Liability	The Authority participates in the Texas County and District Retirement System (TCDRS), a statewide agent multiple-employer retirement system. The Authority’s agent measures its Pension expense and net pension asset/liability based on approved demographic and economic assumptions approved by the Plan. The measurement is used to record the pension expense and net pension asset/liability in its financial statements and discloses the pension expense and net pension asset/liability in Note 7 to the financial statements.	The pension expense and net pension asset/liability were measured as of December 31, 2020. This calculation is prepared by an independent actuarial company engaged by TCERS, and the Authority’s management reviews and considers the appropriateness of the assumptions.	We obtained the TCERS actuarial valuation report and we confirmed the Authority’s reported balances agreed with the actuarial report. We tested the significant assumptions and conclusions for reasonableness and tested the underlying data for completeness and accuracy. We concluded the estimates used by management’s are reasonable.

THANK YOU FOR
YOUR TIME AND
ATTENTION



QUESTIONS AND ANSWERS

RSM US LLP

Joel Perez

811 Barton Springs, Fifth Floor
Austin, Texas 78704
512.476.0717

Joel.perez@rsmus.com

This document contains general information, may be based on authorities that are subject to change, and is not a substitute for professional advice or services. This document does not constitute audit, tax, consulting, business, financial, investment, legal or other professional advice, and you should consult a qualified professional advisor before taking any action based on the information herein. RSM US LLP, its affiliates and related entities are not responsible for any loss resulting from or relating to reliance on this document by any person. Internal Revenue Service rules require us to inform you that this communication may be deemed a solicitation to provide tax services. This communication is being sent to individuals who have subscribed to receive it or who we believe would have an interest in the topics discussed.

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

RSM, the RSM logo and *the power of being understood* are registered trademarks of RSM International Association.

© 2019 RSM US LLP. All Rights Reserved.

Audit Committee Meeting

- A. Audit Committee meeting called to order by Committee Chairman Singleton
- B. Introduction of external auditors from RSM US LLP
- C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2021 Audit Reports
- D. Adjourn Audit Committee

2A-D

David Singleton
Treasurer

Audit Committee Meeting

- A. Audit Committee meeting called to order by Committee Chairman Singleton
- B. Introduction of external auditors from RSM US LLP
- C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2021 Audit Reports
- D. Adjourn Audit Committee

2A-D

David Singleton
Treasurer

CONSENT AGENDA

3. Approve the minutes from the August 25, 2021 Regular Board Meeting
4. Approve the assignment of the contract for roadway maintenance on 183A Toll and 290E from Angel Brothers Enterprises, Ltd. to Texas Materials Group, Inc.
5. Approve a contract with The Levy Company, Inc. for large sign replacement on 183A Phase II (Maintenance Project, 22MAINT-01)
6. Prohibit the operation of certain vehicles on Mobility Authority toll facilities pursuant to the Habitual Violator Program



3-6

Bobby Jenkins
Chairman

Regular Items

7-9

Bobby Jenkins
Chairman



**Most recent figures
to be presented at Board
Meeting**

Accept the financial statements for August 2021

7

Mary Temple
Controller

Discuss and consider authorizing the Issuance, Sale, and Delivery of Central Texas Regional Mobility Authority Senior Lien Revenue Refunding Bonds in accordance with Specified Parameters

8

Mary Temple
Controller

Discuss and consider approving a contract with Deloitte Consulting LLP for continued development of the data platform and associated transaction routing and system interfaces to support toll transaction management

9

Greg Mack

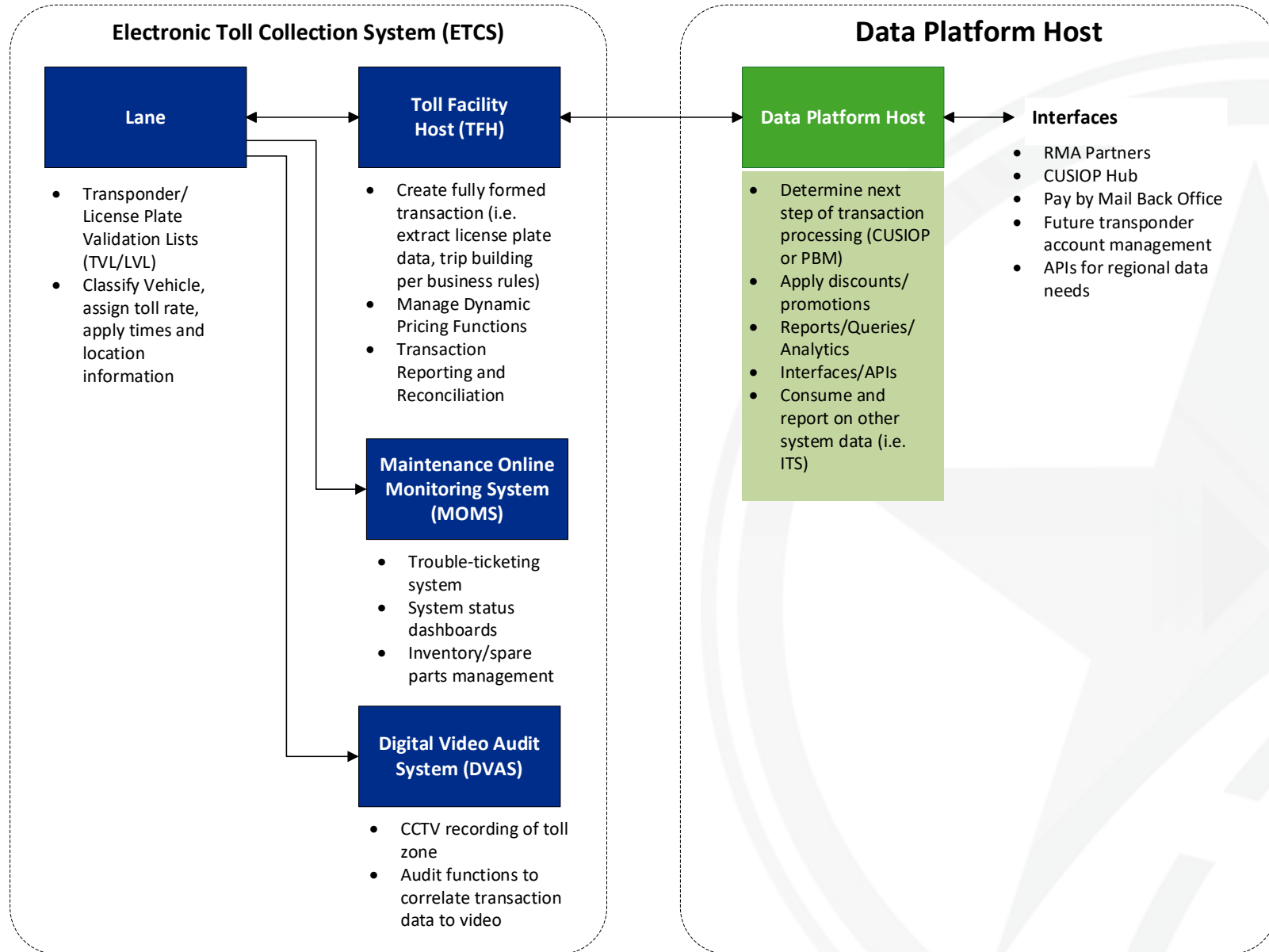
Assistant Director of Toll Systems & IT



- » **Description:** The objective of the data platform project is to transition all toll transaction data processing and data management capabilities after the point of transaction creation to a Mobility Authority-managed solution. The solution will be developed through a four-release modular approach.
- » **Total Project Cost:** Estimated at \$4-6M not including ongoing maintenance and software license costs for Releases 1 - 4. Today's action relates to Release 3 only.



ETCS and Data Platform System Integration





Data Platform System (DPS) Project

Project Financial Status	
Release 1 & 2 Approved Amount	\$ 1,694,946
Earned to Date (<i>through 8/30/2021</i>)	\$ 1,139,393
Change Orders (<i>under negotiation / potential</i>)	\$0
Amount Remaining	\$ 526,467
Financial Percent Complete	70%

Work for Releases 1 & 2 is on target to complete on time and on budget

Activity	Contractual Dates	Current Status
Release 1 & 2	8/3/2021 – 10/1/2021	<i>In Progress</i>
Release 3	10/4/2021 – 4/22/2022	NA
Toll Operations Management System (TOMS)	10/4/2021 – 4/22/2022	NA
Release 4	TBD	NA



» Data Platform

- Design and deployment of all internally managed data sources (master record)
- Send and receive data exchanges
- Data Governance (Use, Retention, Recovery)

» Routing and Exchanges

- Automated Payer identification and transaction payment request routing

» Reporting and Analytics

- Public, Internal and External tools, and files

» Invoicing and Pricing

- Adjusted and Discount rate design and automation



» Pricing & Invoicing

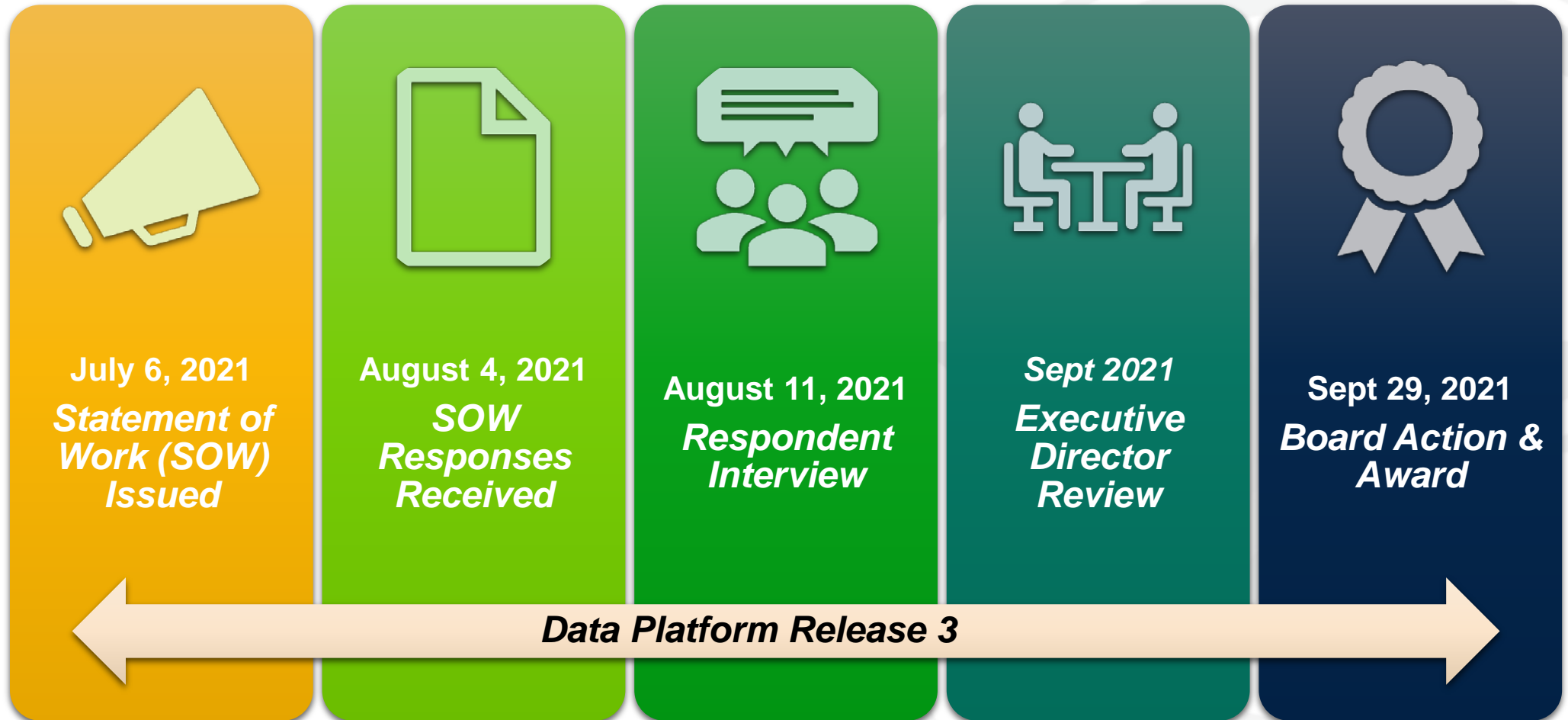
- » **Work Streams:** Product Management, Discount Program, Pricing and Invoicing
- » **Outcomes:** Internal pricing controls, Transaction Operations Management Solution (TOMS), discount programs, consistent invoicing, transaction processing independence

» Data Governance

- » **Work Streams:** Reporting Data Cache, Data Governance, DMV
- » **Outcomes:** Fixed & Dynamic Reporting, Data Governance, SOC 2 Compliance



Procurement Timeline





*The recommended firm is
Deloitte Consulting LLP*

Deloitte.



- » **Total Cost:** not to exceed \$2,069,364 (*includes a 10% project contingency*)
- » **Agreement Period:** Completion of the work related to Release 3 is estimated to occur within 40 weeks of Notice to Proceed (*includes three holiday break weeks*)
- » **Anticipated Notice to Proceed:** October 2021
- » **Expected Completion Date:** July 1, 2022



- » **Staff recommends approval of a Statement of Work with Deloitte Consulting LLP for the continued development of a data platform and associated transaction routing and system interfaces to support toll transaction management**
- » **Next steps:**
 - » Finalize schedule and milestones
 - » Assess cost of development of Release 4
 - » Assess need and cost of additional procurement for maintenance and operations
 - » Seek Board approval on additional contracts / IT purchases

Briefings and Reports

Potential options for aesthetic improvements
to the Montopolis Bridge

10

Mike Sexton, P.E.

Acting Director of Engineering



Montopolis Truss Bridge History



- » Constructed 1938
- » Replaced the original 1880s bridge
- » Added to National Register of Historic Places 1996
- » Decommissioned from vehicular traffic 2018
- » Preserved as part of 183 South Project for bike/ped use



183 South Improvements to Truss Bridge

37



- » New paint/lead paint encapsulation
- » New bridge rail (east side)
- » Structural and deck rehabilitation
- » Other various repairs



Future Trail System Improvements



Kiosks



Pop Outs

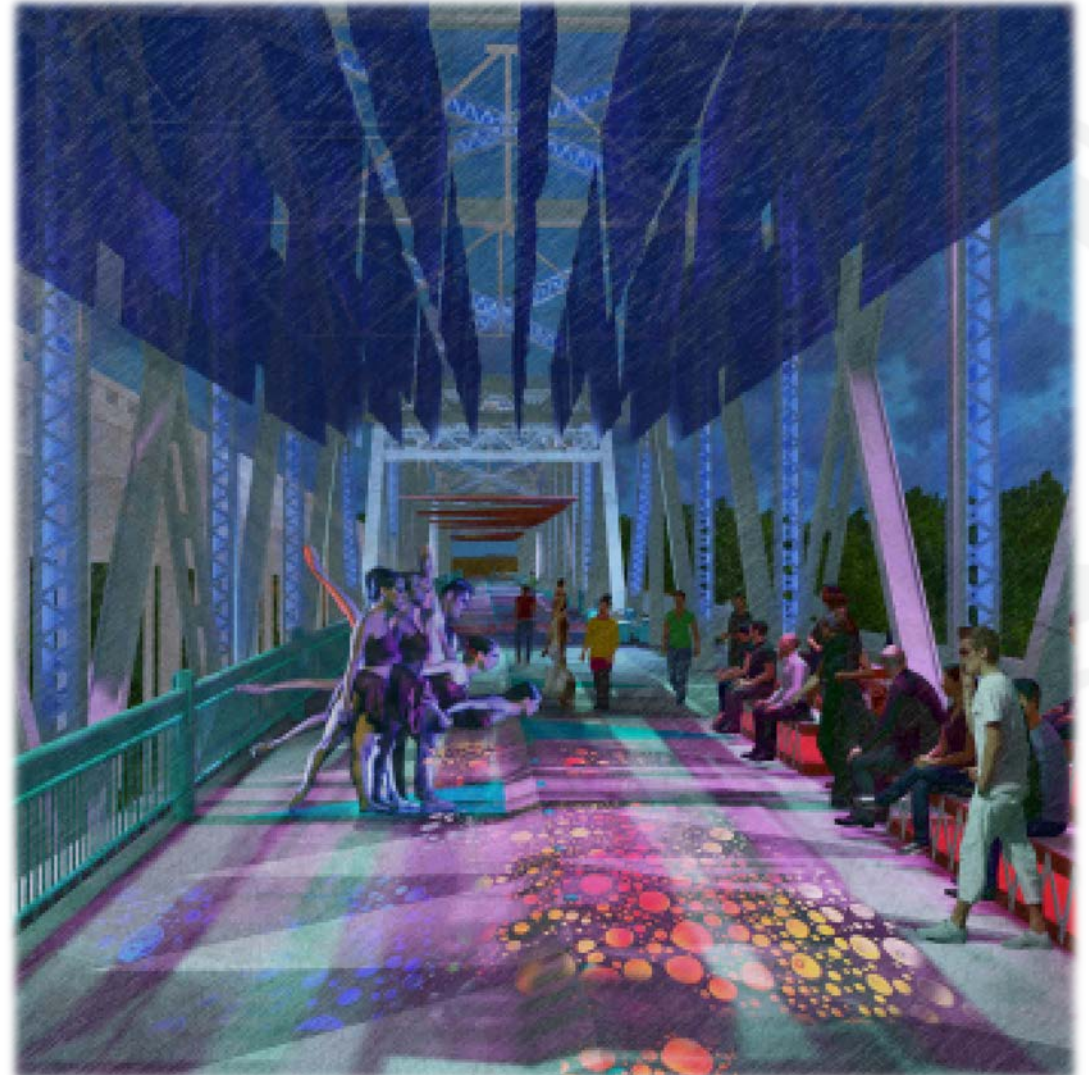


Potential Enhancements





Potential Enhancements





Potential Enhancements



North approach to Bridge



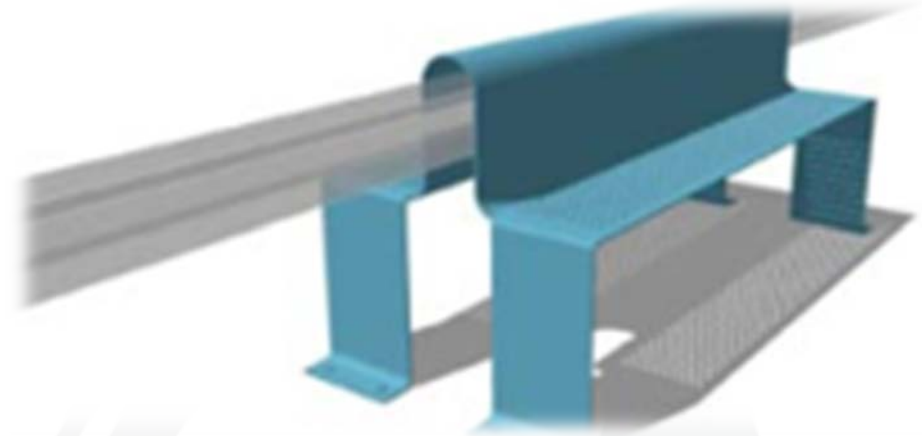
Downtown view



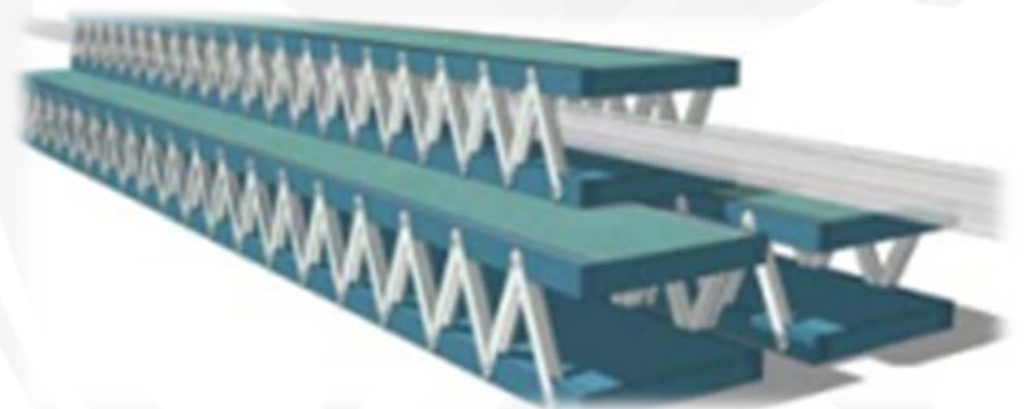
Potential Enhancements



Shade Structures



Seating Structures





- » **Capital Expenditures:**
 - » \$7.1 Million
- » **Aesthetic Maintenance Expenditures:**
 - » \$94,000/year
- » **Routine Truss Structural Inspections:**
 - » \$20,000/year
- » **In-depth Truss Structural Inspections:**
 - » \$60,000/5-years
- » **Bridge Maintenance Expenditures:**
 - » TBD

Executive Director Board Report

A. Resumption of Pay by Mail invoicing related to TxTag processing

11

James Bass
Executive Director

Executive Session

Please remain seated and quiet while the Executive Session agenda is read into the record.

12. Discuss legal issues related to claims by or against the Mobility Authority; pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation with Attorney)
13. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation with Attorney)
14. Discuss personnel matters as authorized by §551.074 (Personnel Matters)



12-14

Bobby Jenkins
Chairman

Adjourn Meeting

15

Bobby Jenkins
Chairman

Regular Meeting of the Board of Directors



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

September 29, 2021

CONSENT AGENDA BACKUP MATERIALS



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

Prohibit the operation of certain vehicles on Mobility Authority toll facilities pursuant to the Habitual Violator Program



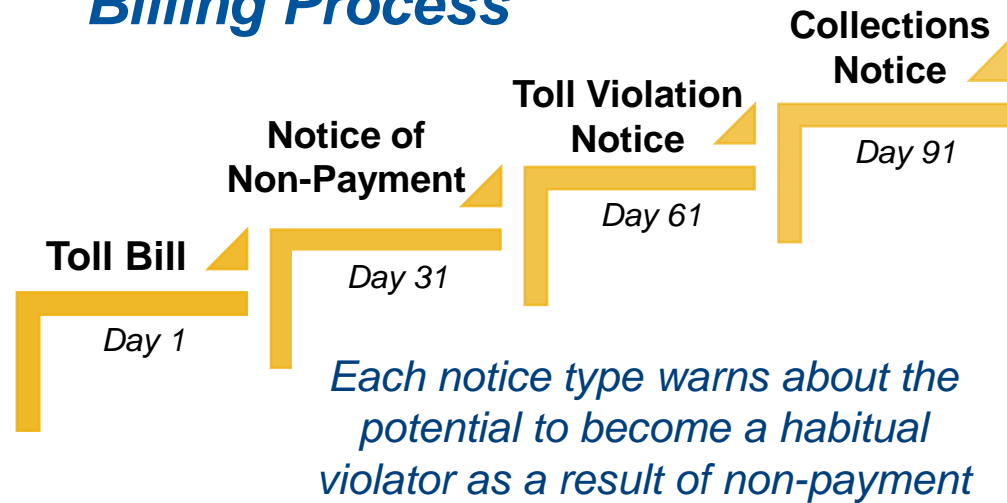
CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

Tracie Brown

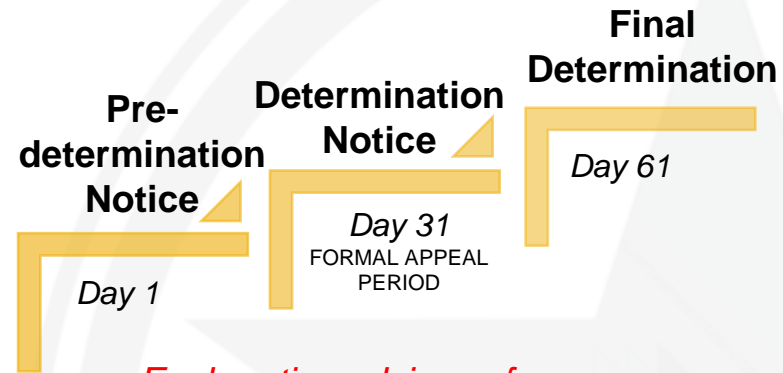
Director of Operations



Pay By Mail Billing Process



Habitual Violator Process



Each notice advises of outstanding balance, penalties for continued non-payment and resolution information

OUTCOMES

1. Vehicle Registration Renewal Block
2. Notice of Vehicle Prohibition
3. On-road Enforcement





» Approve a *Vehicle Prohibition Order* for the identified habitual violator customers

» Number of prohibited vehicles: 605

» Total number of unpaid tolls: 344,941

- Average number of outstanding tolls per vehicle: 570
- Average unpaid balance: \$1,620.47

» Next Steps

» Customers will receive *Prohibition Order* by mail

» Customers found to be in violation of prohibition are subject to warning, citation with up to \$500 fine and / or vehicle impoundment