



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

May 27, 2026
AGENDA ITEM #4

Approve the financial institutions and qualified brokers authorized to provide investment services and engage in investment transactions with the Mobility Authority and reaffirm the CTRMA investment policy

Strategic Plan Relevance: Stewardship
Department: Finance
Contact: José A. Hernández, Chief Financial Officer
Associated Costs: N/A
Funding Source: N/A
Action Requested: Consider and act on draft resolution.

Investment Policy - Texas Government Code §2256.005 (e) requires the Board to, at least annually, review and either revise or reaffirm the Mobility Authority investment policy and strategy. The investment policy and strategy is located in Article 5 of Chapter 2 of the Mobility Authority Policy Code. This code establishes that “it is the policy of the authority to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the authority conforming to all state and local statutes governing investment of public funds”. A copy of the current investment policy and strategy is included in the backup materials. There was no legislative session in 2026, therefore no amendments to the investment policy are recommended with this review. Therefore, staff recommends affirming the current CTRMA Investment policy.

Financial Institutions and Qualified Brokers - Texas Government Code §2256.025 and Mobility Authority Policy Code §201.011 require the Board to annually review and approve the financial institutions and qualified brokers authorized to provide investment services and engage in investment transactions with the Mobility Authority. The recommended list of authorized financial institutions and investment brokers is included in the backup materials. The four recommended firms are on the current approved list.

Action Requested/Staff Recommendation - Staff recommends affirming the current CTRMA investment policy and approving the list of authorized financial institutions and investment brokers included in the backup.

Backup provided: Draft Resolution
List of authorized financial institutions and investment brokers
CTRMA Investment Policy

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 26-0XX

**APPROVING THE FINANCIAL INSTITUTIONS AND QUALIFIED BROKERS
AUTHORIZED TO PROVIDE INVESTMENT SERVICES AND ENGAGE IN
INVESTMENT TRANSACTIONS WITH THE MOBILITY AUTHORITY.**

WHEREAS, pursuant to Texas Government Code §2256.005(e), the Board is required to review the Mobility Authority's investment policy and investment strategy annually and record any changes made to either the investment policy or investment strategy; and

WHEREAS, Articles 5 & 6 of Chapter 2 of the Mobility Authority Policy Code establish the Mobility Authority's investment policy and strategy in compliance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code; and

WHEREAS, the Board has reviewed the Mobility Authority's current investment policy and strategy set forth in Articles 5 & 6 of Chapter 2 of the Mobility Authority Policy Code and finds that there have been no changes to either the policy or strategy; and

WHEREAS, pursuant to Texas Government Code §2256.025, the Board is required to review and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Mobility Authority; and

WHEREAS, pursuant to Section 201.011(a) of the Mobility Authority Policy Code, Board approval of all financial institutions and qualified brokers authorized to provide investment services and engage in investment transactions with the Mobility Authority is required; and

WHEREAS, the Executive Director and Chief Financial Officer recommend that the Board approve the financial institutions and qualified brokers listed on Exhibit A to this resolution.

NOW, THEREFORE, BE IT RESOLVED that Board accepts and approves the current investment policy and strategy set forth in Articles 5 & 6 of Chapter 2 of the Mobility Authority Policy Code; and

BE IT FURTHER RESOLVED, that the firms listed on Exhibit A to this resolution are hereby authorized to provide investment services and engage in investment transactions with the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 27th day of May 2026.

Submitted and reviewed by:

Approved:

James M. Bass
Executive Director

Robert W. Jenkins, Jr.
Chairman, Board of Directors

Exhibit A

Authorized Investment Broker Dealers and Financial Institutions

FHN Financial Capital Markets (John Saragusa)
206 Wild Basin Road, Suite 109
Austin, Texas 78746

Great Pacific Securities (Garrett Ng)
151 Kalmus Drive, Suite H-8
Costa Mesa, CA 92626

Oppenheimer & Co. Inc. (Chris Sullivan/Jack Fay/Lorraine Welch)
85 Broad Street, 22nd Floor
New York, NY 10004

Mischler Financial Group, Inc. (Steve Neri)
1111 Bayside Drive, Suite 100
Corona del Mar, CA 92625

MOBILITY AUTHORITY
POLICY CODE



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

CURRENT AS OF MARCH 25, 2026

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Chapter 2: FINANCES

Article 5. INVESTMENT POLICY AND STRATEGY

201.001 Overview

This article is adopted and intended to comply with the Texas Public Funds Investment Act, Chapter 2256, Government Code, as that act may be amended from time to time (the “PFIA”). It is the policy of the authority to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the authority conforming to all state and local statutes governing the investment of public funds. The authority’s Investment Policy and Strategy is approved by the board and is adopted to provide investment policy and strategy guidelines for use by authority staff and its advisors.

201.002 Scope

This article applies to all investment activities of authority funds except those subject to other investment covenants or excluded by contract. All funds covered by this article shall be invested in accordance with the PFIA. These funds are accounted for in the authority's annual financial report and include:

- (1) Revenue Fund
- (2) Rebate Fund
- (3) Operating Funds
- (4) Debt Service Funds
- (5) Debt Service Reserve Funds
- (6) Renewal and Replacement Fund
- (7) General Fund
- (8) Capital Projects Funds

201.003 Objectives

The primary objectives, in priority order, of investment activities shall be:

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- (1) Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk.
- (2) Credit Risk: Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
 - (3) Limiting investments to the safest types of securities; as listed in Section 201.014.
 - (4) Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the authority will do business; and,
 - (5) Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- (6) Interest Rate Risk: Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:
 - (7) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing projects, thereby avoiding the need to sell securities on the open market prior to maturity; and,
 - (8) By investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with Section 201.009.
- (9) Liquidity: The investment portfolio shall remain sufficiently liquid to meet all project and operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.
- (10) Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be held to maturity with the following exceptions:
 - (11) A declining credit security could be sold early to minimize loss of principal;
 - (12) A security swap would improve the quality, yield, or target duration in the portfolio; or,
 - (13) Liquidity needs of the portfolio require that the security be sold.
- (14) Public Trust: Participants in the authority's investment process shall act responsibly as public trust custodians. Investment Officers shall avoid transactions which might impair public confidence in the authority's ability to manage effectively.

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201.004 Standards Of Care

(a) Prudence: The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. An Investment Officer acting in accordance with the Investment Policy and Strategy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

(b) Investments shall be made with judgment and care, under circumstances then prevailing, which 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.

201.005 Ethics and Conflicts

(a) Investment Officers shall refrain from personal business activity that could conflict with or be perceived to conflict with the proper execution and management of the investment program, or that could impair their ability to make an impartial decision. An Investment Officer shall refrain from undertaking personal investment transactions with an individual person with whom business is conducted on behalf of the authority.

(b) For purposes of this section, an investment officer has a personal business relationship with a business organization if:

- (1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- (3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

(c) An Investment Officer shall file with the Texas Ethics Commission and with the board a statement disclosing the existence of the relationship if the Investment Officer:

- (1) has a personal business relationship with a business organization offering to engage in an investment transaction with the authority; or
- (2) is related within the second degree by affinity or consanguinity, as determined under Chapter 573, Government Code, to an individual seeking to sell an investment to the authority.

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201.006 Designation of Investment Officer

The chief financial officer, controller, and finance manager are designated and shall act as the Investment Officers of the authority and shall have responsibility for managing the authority's investment program. Additional authority personnel may also be designated as an Investment Officer with approval of the board. Written operational and investment procedures consistent with this chapter shall be established. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this chapter and the established procedures.

201.007 Investment Advisor

The board may select an Investment Advisor to advise the authority on investment of funds and other responsibilities as outlined in this article including but not limited to broker compliance, security selection, competitive bidding, reporting and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board.

201.008 Required Training

The chief financial officer and controller and any other person designated by resolution of the board as an Investment Officer shall attend at least one or more training sessions totaling ten hours relating to the responsibilities of maintaining the investment portfolio within 12 months after taking office or assuming duties; and shall attend a training session not less than once every two years and receive not less than eight hours of training. Such training, from an independent source, shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the PFIA. Training required by this section shall be from an independent source certified to provide training required by the PFIA and approved or endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments.

201.009 Investment Strategies

- (a) The authority's investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.
- (b) Market Yield Benchmark: The authority's investment strategy is conservative. Given this strategy, the basis used by the chief financial officer to determine whether minimum market yields are being achieved shall be the average six month T-bill yield during the quarter. Investment Officers

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and Investment Advisors shall strive to safely exceed minimum market yield within policy and market constraints.

(c) **Maximum Maturities:** To the extent possible, the authority will attempt to match its individual investments with anticipated cash flow requirements of each fund. However, in no instance shall the maximum stated maturity of an individual investment exceed five years, unless approved by the board.

201.010 Diversification

The authority will seek to diversify investments, by security types and maturity dates in order to avoid incurring unreasonable risks.

201.011 Authorized Financial Institutions and Qualified Brokers

(a) The board shall approve by separate resolution the financial institutions and qualified brokers authorized to provide investment services and engage in investment transactions with the authority. These may include “primary” brokers or regional brokers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

(b) Each security broker who desires to become qualified and authorized under this section to engage in investment transactions with the authority must supply the chief financial officer with the following:

- (1) Audited financial statements;
- (2) Proof of Financial Industry Regulatory Authority (FINRA) certification;
- (3) Proof of state registration;
- (4) The completed security broker/dealer questionnaire in the form approved by the board in a separate resolution; and,
- (5) A written certification relating to this Investment Policy and Strategy signed by a qualified representative of the firm in the form approved by the board in a separate resolution. The

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authority will not enter into an investment transaction with a security broker/dealer prior to receiving this written certification and acknowledgement.

- (6) If an Investment Advisor is used, the advisor shall provide its list of broker/dealers no less than annually for approval and shall be responsible for signing the certification above.

- (c) A current audited financial statement is required to be on file for each financial institution and broker in which the authority invests. An annual review of the financial condition and registrations of qualified brokers will be conducted by the executive director or chief financial officer.

- (d) In accordance with state law, the authority requires all funds held by financial institutions above the Federal Deposit Insurance Corporation (FDIC) insurance limit to be collateralized with securities whose market value is pledged at 102% of principal and accrued interest by that institution with the authority's custodial bank. Private insurance coverage is not an acceptable collateralization form. Securities which are acceptable for collateralization purposes are as follows:

- (1) FDIC insurance coverage.
 - (2) A bond bill, certificate of indebtedness, or Treasury note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States (i.e. Treasury Agency issues).
 - (3) Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
 - (4) A bond of the State of Texas or a country, city or other political subdivision of the State of Texas having been rated as investment grade by a nationally recognized rating agency with a remaining maturity of ten years or less.

201.012 Custody - Delivery vs. Payment

All security transactions entered into by the authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by the authority's custodial bank and evidenced by safekeeping receipts.

201.013 Safekeeping of Securities

- (a) Securities purchased for the authority's portfolios will be delivered in book entry form and will be held in third party safekeeping by a Federal Reserve member financial institution designated as the authority's safekeeping and custodian bank.

- (b) The authority will execute Safekeeping Agreements prior to utilizing the custodian's safekeeping services. The safekeeping agreement must provide that the safekeeping agent will immediately record and promptly issue and deliver a safekeeping receipt showing the receipt and the identification of the security, as well as the authority's interest. All securities owned by the

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authority will be held in a Customer Account naming the authority as the customer.

(c) The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards no. 70 or SAS 70).

201.014 Authorized And Suitable Investments

(a) The investment of authority funds will be made using only those investment types approved by the board and which are in accordance with the PFIA. The approved investment types will be limited to the following:

- (1) U.S. Treasury and Federal Agency Issues as authorized under Section 2256.009 of the PFIA.
- (2) Certificates of Deposit as authorized under Section 2256.010 of the PFIA.
- (3) Repurchase Agreements, including flexible Repurchase Agreements, collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the authority's investment and are pledged and held with the authority's custodial bank or a third-party safekeeping agent approved by the authority. Repurchase agreements must also be secured in accordance with State law. Each counter party to a repurchase transaction is required to sign a copy of an Investment Repurchase Agreement under the guidelines of Section 2256.011 of the PFIA, using the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement as a general guide and with such changes thereto as are deemed in the best interest of the authority. Such an Agreement must be executed prior to entering into any transaction with a repo counter-party.
- (4) Guaranteed Investment Contracts (GIC's) collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the authority's investment and are pledged and held with the authority's custodial bank or a third-party safekeeping agent approved by the authority. Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested for a term which exceeds five years from the date of bond issuance.
- (5) Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "AA" or its equivalent, with fixed interest rates and fixed maturities.
- (6) SEC registered no-load money market mutual funds with a dollar weighted average portfolio maturity of 60 days or less; that fully invest dollar for dollar all authority funds without sales

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commissions or loads; and whose investment objectives include the maintenance of a stable net asset value of \$1 per share

- (7) Local government investment pools, which are “AAA” rated by a nationally recognized bond rating company (e.g., Moody’s, S&P, Fitch), and which participation in any particular investment pool(s) has been authorized by resolution of the board, not to exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100%.
 - (b) The authority is prohibited from purchasing any security that is not authorized by Texas law, or any direct investment in asset-backed or mortgage-backed securities. The authority expressly prohibits the purchase of inverse floaters, interest-only (IO) and principal-only (PO) collateralized mortgage obligations (CMO’s).
 - (c) An Investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Investment Officers shall monitor the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. The authority shall take all prudent measures that are consistent with its Investment Policy and Strategy to liquidate an investment that does not have the minimum rating.

201.015 Reporting and Review

- (a) Quarterly Report Requirements: The Investment Officers shall jointly prepare, no less than on a quarterly basis, an investment report, including a summary that provides a clear picture of the status of the current investment portfolio and transactions made after the ending period of the most

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recent investment report. The report shall be provided to the board and the executive director. The report shall comply with requirements of the PFIA and shall include the following:

- (1) The investment position of the authority on the date of the report.
- (2) The signature of each Investment Officer.
- (3) Summary for each fund stating:
 - (A) Beginning market value;
 - (B) Ending market value.
- (4) Ending book value and market value for each investment along with fully accrued interest for the reporting period.
- (5) Maturity date of each investment.
- (6) Description of the account or fund for which the investments were made.
- (7) Statement that the investment portfolio is in compliance with the authority's Investment Policy and Strategy.
 - (b) Security Pricing: Current market value of securities may be obtained by independent market pricing sources including, but not limited to, the Wall Street Journal, broker dealers and banks other than those who originally sold the security to the authority as well as the authority's safekeeping agent.
 - (c) Annual Audit: If the authority places funds in any investment other than registered investment pools or accounts offered by its depository bank, the above reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Executive Committee. In addition, the authority's external auditors shall conduct a compliance audit of management controls on investments and adherence to the Investment Policy and Strategy.

201.016 Current Investments Exempted from Policy

Any investment currently held that does not meet the guidelines of this article or subsequent amended versions shall be exempted from the requirements of this article. At maturity or liquidation, such monies shall be reinvested only as provided by this article.

201.017 Annual Review

The authority shall review and approve the Investment Policy and Strategy annually. This review shall be conducted by the board with recommendations from the executive director and/or chief financial officer. Any approved amendments shall be promptly incorporated into written policy.

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