



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #11 SUMMARY

Amend the Policy Code relating to the Investment Policy and an updated list of financial institutions and security broker/ dealers authorized to provide investment services to the Mobility Authority.

Strategic Plan Relevance: Innovation
Department: Law
Associated Costs: None
Funding Source: Not applicable
Board Action Required: Yes

Description of Matter:

This Policy Code amendment revises the Investment Policy provision that addresses financial institutions and security broker/dealers authorized by the Board to provide investment services to the Mobility Authority.

The resolution also updates the list of authorized broker/dealers to add Morgan Asset Management (Regions Bank).

Reference documentation:

Draft Resolution
Attachment A to Resolution with Policy Code amendments redlined
Attachment B to Resolution with Authorized Financial Institution and Brokers

Contact for further information: Andrew Martin, General Counsel

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

RESOLUTION NO. 12-__

**AMEND THE POLICY CODE RELATING TO FINANCIAL INSTITUTIONS
AND SECURITY BROKER/DEALERS AUTHORIZED TO
PROVIDE SERVICES TO THE MOBILITY AUTHORITY.**

WHEREAS, by Resolution No. 12-016 adopted February 29, 2012, the Board of Directors adopted the Mobility Authority Policy Code (“Policy Code”); and

WHEREAS, the Executive Director recommends that the Board of Directors amend the Policy Code provision to approve financial institutions and security broker/dealers authorized to provide services to the Mobility Authority, as shown in the proposed revision to Section 201.011 of the Policy Code attached and incorporated into this resolution as Attachment A; and

WHEREAS, the Executive Director recommends that the Board of Directors approve an updated list of approved financial institutions and security broker/dealers authorized to provide investment services and engage in investment transactions with the Mobility Authority, as attached and incorporated into this resolution as Attachment B.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the amendments to Section 201.011 of the Policy Code set forth in Attachment A to this resolution; and

BE IT FURTHER RESOLVED that the Board of Directors hereby approves list of financial institutions and security broker/dealers authorized to provide investment services and engage in investment transactions with the Mobility Authority as set forth in Attachment B to this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of April, 2012.

Submitted and reviewed by:

Approved:

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-__
Date Passed: 4/25/2012

1 Exhibit A to Resolution No. 12-____

2
3 Policy Code Amendments

4 Chapter 2: FINANCES

5 Article 1. Investment Policy

6 201.011 ~~Authorized Financial Institutions and Qualified Brokers~~ Safekeeping
7 And Custody

8 (a) ~~Authorized Financial Dealer and Institutions-~~ The board shall approve by separate resolution
9 ~~chief financial officer shall maintain a list of the~~ financial institutions ~~authorized by the board to~~
10 ~~provide investment services~~ and a list of qualified security ~~brokers /dealers selected by credit~~
11 ~~worthiness who are~~ authorized to provide investment services and engage in investment
12 transactions with the authority in the State of Texas and who have been approved by the board.
13 These may include “primary” ~~brokers dealers~~ or regional ~~brokers dealers~~ that qualify under
14 Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

15 (b) ~~Each All financial institutions and security~~ broker/~~dealers~~ who desires to become qualified
16 and authorized under this section to engage in bidders for investment transactions with the authority
17 must supply the chief financial officer with the following:

18 (1) Audited financial statements;

19 (2) Proof of National Association of Securities Dealers (NASD) certification;

20 (3) Proof of state registration;

21 (4) The completed security broker/dealer questionnaire in the form approved by the board in a
22 separate resolution ~~this Investment Policy on page 12~~; and,

23 (5) A written certification relating to this Investment Policy signed by a qualified representative of
24 the firm in the form approved by the board in a separate resolution ~~this Investment Policy on~~
25 page 13. The authority will not enter into an investment transaction with a security
26 ~~broker/dealer-financial institution~~ prior to receiving this written certification and
27 acknowledgement.

28 (c) A current audited financial statement is required to be on file for each financial institution and
29 broker/~~dealer~~ in which the authority invests. An annual review of the financial condition and
30 registrations of qualified ~~brokers bidders~~ will be conducted by the executive director.

31 (d) ~~Collateralization: The authority, i~~ In accordance with state law, State Statutes, the authority
32 requires all funds held by financial institutions above the Federal Deposit Insurance Corporation

33 (FDIC) insurance limit to be collateralized with securities whose market value is pledged at 102% of
34 principal and accrued interest by that institution with the authority's custodial bank. Private
35 insurance coverage is not an acceptable collateralization form. Securities which are acceptable for
36 collateralization purposes are as follows:

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

Exhibit B to Resolution No. 12-__

Authorized Investment Broker Dealers and Financial Institutions

Broker Dealers:

Coastal Securities
206 Wild Basin Road, Suite 109
Austin, Texas 78746

JPMorgan Chase Securities, Inc.
1717 Main Street, Lower Level 1
Dallas, TX 75201

Sterne, Agee & Leach Institutional Group
6408 Bannington Drive
Charlotte, NC 28226

Gilford Securities Incorporated
777 Third Avenue
New York, NY 10017

First Allied Securities, Inc.
655 West Broadway, 12th Floor
San Diego, CA 92101

First Empire Securities
100 Motor Parkway, 2nd Floor
Hauppauge, NY 11788

First Southwest Company
325 North Saint Paul, 8th Floor
Dallas, TX 75201

BB&T Capital Markets
2 South 9th Street
Richmond, VA 23219

Bank of America Securities
One Bryant Park, 4th Floor
New York, NY 10036

Morgan Asset Management (Regions Bank)
500 North Akard Street, Ste. 100
Dallas, TX 75201

Financial Institutions:

Regions Bank
100 Congress Avenue
Austin, TX 78701