



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members
FROM: Linda Thomas, Chair
DATE: Tuesday, October 9, 2018
SUBJECT: **October Board Meeting**

The next meeting of the NET RMA is scheduled as follows:

DATE: Tuesday, October 9, 2018
TIME: 1:30 PM
PLACE: Gilmer Civic Center
1218 US Hwy. 271 N.
Gilmer, TX 75644
Upshur County

Enclosed please find the agenda and other pertinent information for your review prior to the meeting. Should you have any questions, please call Bianca Felux at 903.630.7894.

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY (NET RMA)
BOARD OF DIRECTORS REGULAR MEETING
Gilmer Civic Center
1218 US Hwy. 271 N.
Gilmer, TX 75644
Upshur County

1. CALL TO ORDER AND DECLARATION OF QUORUM

Notice of this meeting was posted with the Secretary of State's Office and on the NET RMA website and office on Friday, October 5, 2018.

1:39PM

2. INVOCATION

Larry Morse provided the invocation.

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Chet Clayton, Dan Droege, Barham Fulmer, Dave Spurrier, Gary Halbrooks, Linda Thomas, Chris Miller, Jason Ray, Tim McRae, Larry Morse, John Cloutier, Robert Messer

4. REMARKS BY UPSHUR COUNTY JUDGE DEAN FOWLER

Judge Fowler thanked the NET RMA for all of their work and the donation of their time. He also thanked the NET RMA for the grant Gilmer received from the NET RMA for the feasibility study in Gilmer. The project will be complete years down the line, but the first step is important. He also stated that the Yamboree would be starting next weekend. It started in 1935. It was born in celebration of their yams. They have livestock shows, a crowning of a queen and a queen's parade with several thousand people that will attend. He then swore in Linda Thomas as presiding Chair.

5. OPEN PUBLIC FORUM/COMMENT PERIOD

No comment.

6. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE SEPTEMBER 11, 2018 BOARD MEETING. Action Item

Motion to approve: Dave Spurrier, 2nd: Dan Droege. Unanimously Approved.

7. CHAIR'S REPORT

Linda Thomas

Linda Thomas stated that she is honored and proud to be reappointed as chair by Governor Abbot. She thanks all board members for their hard work. She also expressed her thanks to Chris Miller, the Executive Director, and the NET RMA staff. She also paid tribute to Commissioner Jeff Austin III who was the founder of the NET RMA. She also thanked her husband for his continued support. Linda Thomas also stated that transportation in Texas is moving forward. Several large projects are nearing completion throughout the state. The next phase of construction on Grand Parkway has begun which will make it a 50-mile toll road that will be the longest in the nation. She also stated that autonomous vehicles are continuing to move forward. Austin Texas has begun to test autonomous vehicles on their roads.

8. COMMITTEE REPORTS

A. Executive Committee/Audit Committee

Linda Thomas

No Report.

B. Personnel Committee

Jason Ray

Jason Ray thanked all for completing the Executive Director review. He stated Chris's review came out well. Once they were compiled, they have allowed for a 4% merit-based increase which will be further discussed later in the meeting.

C. Project Development & Implementation Committee

Barham Fulmer

Barham Fulmer stated they had a conference call to discuss Item 16 on the agenda which was a small amount change order that the Executive Director already approved. They were also informed that the current opening date for Segment 4 is November 1st.

D. Long-Range Planning Committee

John Cloutier

No formal report but John Cloutier reminded all that solicitation for priority projects is just right around the corner.

E. East Texas Hourglass Committee

Dave Spurrier

No report

F. Investment Committee

Robert Messer

No report

G. Facilities Committee

Gary Halbrooks

No report

H. Public Communications Committee

Andrea Williams-McCoy

No report

9. PARTNERSHIP UPDATES

A. East Texas Corridor Council

Linda Thomas

No report.

B. I-69 Alliance Committee

Linda Thomas

Linda Thomas called attention to a handout from the I-69 alliance committee. It is a piece that is used to inform on the projects.

C. East Texas Council of Governments

Linda Thomas

No report.

10. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS.

Michelle Colburn

Michelle Colburn provided the financial report on August 2018. Total revenue is 605k down from year to year. Operating expenses are right on track. Toll 49 operating expenses are about 150k up compared to last year. Operating income is about 750k below last year. Total other income is about 100k less than last year. Change in Net Position is down about 900k from last year. YTD revenue is 1.6M down from expected. Total operating expenses YTD is about 200k more than budget. Toll 49 operating expenses are 150k over budget YTD. Operating income is 200k behind budget. She then stated that the NET RMA is about 1.7 M ahead of plan in other income expense which is largely due to interest expenses. Total net income is about 200k behind plan. Total current assets equal 391M. Barham Fulmer asked what the archeological asset was. Michelle Colburn stated it was related to the archeological work that was done last year. John Cloutier stated that after the archeological work has been complete, the work becomes an asset. Robert Messer then asked if the legal fees would continue to roll or would they eventually decrease? Chris Miller stated that they will be going down. The past year with construction issues and other issues has been driving up the cost. Barham Fulmer asked if the legal expenses related to the acquisition of land has been included in legal or project? Chris Miller stated it was in the project. Robert Messer stated that the consulting expenses have been reduced by half. Michelle Colburn stated month to month, legal fees have been going down. John Cloutier asked what the \$2500 received was for? Michelle Colburn stated it was for sponsorship of the Grand Opening for Segment 4 coming up. John Cloutier asked if they would be getting a list of sponsorships. Chris Miller stated they could do that. Dave Spurrier asked on budget vs. expenses, why the 129K for replaced asphalt expense was not originally in the budget. Michelle Colburn responded that last year when they were going through the process of deciding what was an expense or what was capitalized expense, it was unclear where that would fall. Chris Miller stated that when they were first getting the budget ready, there was a discussion between Tom Fitzgerald and Walter Wilhelmi and they had to come up with a plan on how to account for some of the cost for the work on Segment 3B. It was determined that some of those expenses would bleed into this year. Dave Spurrier stated that it concerns him to see several line items that were not originally included in the budget. Dave Spurrier also asked if the 429k that was budgeted for the priority projects have not been spent this year. Chris Miller stated that the only amount that has been spent on priority projects since it began in 2016.429k. 400k of that has been spent on Gregg County. The other 29k was for the Upshur County project. Chet Clayton then asked what steps are being taken to identify the drop-in revenue. Chris Miller stated that they are trying to get Segment 3B complete. That is likely the main reason why revenue is down. Additionally, seasonal downturns have occurred as well. He also stated that they are also trying to get folks to sign up with a toll tag because it's much easier to gain revenue from that than to track down customers. He also stated that Andrea Williams-McCoy has also pinpointed more advertisement opportunities to get the word out. The main impediment has really been the ongoing construction. Barham Fulmer then stated that the original completion date for the widening and striping/improvements

were for a year ago. That prolonged construction really made it so the NET RMA lost a lot of customers. There have been back-ups and scheduling issues that have led to lane closures. He then stated that once the construction is complete and the marketing measures are implemented, he believes ridership will increase. Chris Miller stated that once Segment 4 has opened, not only will more customers be added, previous customers that left the toll will also return which will bring a significant uptick in ridership. Larry Morse asked if it would be good to have a written analysis on the financial items that are above and below expectation on a quarterly basis. It would help address the legal fees questions, for example. Robert Messer stated that it is a great idea. He suggested giving the staff a little flexibility to provide that analysis by December. Michelle Colburn then continued her presentation. Long term liabilities have remained the same at about 207M. Total liabilities and net assets equals 391M.

Motion to approve: Larry Morse. 2nd: Robert Messer. Unanimously Approved.

11. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE.

Chris Miller

A. Monthly Transactions (September 2018)

Chris Miller stated that there is still a trend of decreasing transactions. He stated that they had decided to not advertise the raise in the speed limit yet as 110 had lane closures. Those closures have passed so they expect a return to normalcy. Dave Spurrier stated that he wants more concrete plans for marketing and would like to have a better idea of what is going to be done for the next 6 months or so. John Cloutier agreed. Chris Miller stated that the staff has been working with the radio, and local tv to put out ads. Other goals include inputting significant signage on the road. Additionally, they are working towards digital ads to get the word out. Andrea Williams McCoy stated that the analytics have shown that a large portion of ridership is coming from the DFW area so it's important to market towards them. The more they can do to work with NTTA and really get signage out there through billboards would go a long way. John Cloutier stated that his concern is keeping the public knowledgeable of the archeological studies and the issues surrounding the construction. He would like to see something tangible for when that road is opened. Dave Spurrier also then asked for a quarterly, deeper dive on the transactions and analysis whether it's via trucks vs cars, etc. Chris Miller stated that they could provide a deeper dive into the transaction reports on a quarterly basis.

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE AN AMENDMENT TO THE EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT.

(RESOLUTION 18-52)

ACTION ITEM

Jason Ray stated that it was agreed that a 4% increase in Chris Miller's salary was negotiated. Barham Fulmer asked why the amendment has blanks. Brian O'Reilly stated that it was drafted before the full discussion on the salary took place. It was then decided that the resolution would be revised to reflect a one-time payment in the amount of 4% of Chris Miller's base salary. Barham Fulmer then clarified that it was not a 4% increase of base salary, but rather a one-time payment of 4%. Dave Spurrier then asked if the base salary would be increased at all for next year? Chris Miller stated no, it would stay the same. He then stated that there will be an addendum to his contract saying this was a one-time payment and if he for some reason leaves the NET RMA before the year is out, he would repay whatever amount was left over from that lump sum. Dave Spurrier asked if they are no longer going to do a yearly raise as well as a possible merit raise? Chris Miller stated that they are, he is just choosing to accept his raise at one-time rather than throughout the year. Dave Spurrier then asked if for next year, should they consider his salary next year at the rate it is at now or the rate with the additional 4%? Robert Messer stated that next year they should just consider it as though they increased his pay. Barham Fulmer stated that the one-time payment of 4% will reflect a 4% raise because it is happening within this fiscal year. Chris Miller stated thank you for their generosity. He would like to put together some goals that he would personally like to see achieved as well as for the NET RMA in general. He also welcomed any who would like to speak to him on his comments.

Motion to approve presented by Personnel Chair Jason Ray. 2nd Robert Messer. Unanimously Approved.

13. NORTHEAST TEXAS RURAL RAIL TRANSPORTATION DISTRICT PRESENTATION.

Phil Davila

Phil Davila provided the presentation. NETEX is a public entity that represents 5 counties. It runs from...to Sulphur Springs. NETEX was originally the Cotton Belt Route Class 1 Mainline. NETEX is essentially a lot like an EDC. It's all about bringing in new services and create businesses. They have 2 board members from each member county. They

are located within 100 miles of 6 million people and is continuing to grow. NETEX is focused on regional betterment. They are seeing growth in the industry. Some of the industries that have grown with it are Pat Pilgrim Farms, TaskMasters Components, Lowes Distribution Center, and Priefert Manufacturing. The goal is to build a medium facility that will be a terminal that can handle 3-unit trains of containers a week which, studies have shown, will support their region. He then gave a brief overview of how the rail system works. The terminal they are building will be public and owned by NETEX. It will save a lot of transportation and time by allowing others to utilize the terminal as needed and exchange containers. They are also currently in discussion with Luminant rail. Luminant rail has 20,000 acres and 13 miles of rail infrastructure for future rail-served business. John Cloutier asked what shape the Luminant track is in? Phil Davila answered that it's in very good condition. Not only is it 13 miles, there's space to stack 5 long trains. They are looking to get ownership of that track to increase NETEX opportunities. He stated that the track is 68 miles long and it runs through several of the counties in the NET RMA and provides a lot of opportunity. Robert Messer asked why they would not place their intermodal closer to I-69 to have access to that. Phil Davila stated that they parallel I-30 so one of the goals is to be able to move 50k truck trips out of Dallas. They can bring a whole train into Franklin County which will then drastically reduce the traffic on I-30. North and South would be more related to traffic inside of the interstates. The customers they have surveyed are mainly international shippers. They are naturally on an East to West route and they don't plan to be a large terminal that will bring large containers in but then ship them out of state. They want to focus on regional impact at the moment. Robert Messer stated that the widening of the Port of Houston will bring a lot of traffic down I-69. Phil Davila stated that the Port of Houston is a great port but the ship channel is over 40 miles long and it can't be dredged around the clock. The two ports on the Gulf Coast that may compete are Shreveport and Galveston. The other option would be to unload in Galveston which would then lead to a lighter load in Houston. John Cloutier then stated that one of the things they realized in rail is room and space is a big asset. Phil Davila agreed and stated that there is plenty of land in Franklin County to do this. It's a location that works and is only 13 miles from Mt. Pleasant. Larry Morse asked if Segment 1 was ROW only. Phil Davila stated yes. Linda Thomas thanked him for his time. Phil Davila stated that he would be happy to talk about it further if anyone has any future questions.

14. REPORT ON TOLL 49 IMPROVEMENT PROJECT.

Kate Wilder

Kate Wilder provided the presentation. Total contract price is 8.4M. The contractor has been paid roughly 8.3M through September. She reminded all it is a unit bid contract. Almost all categories and expenditures are completed. Signage and pavement marking are the major areas left. The anticipated project completion is by the end of October 2018. Large sign placement and punch list item completions remain.

15. REPORT ON CONSTRUCTION OF SEGMENT 4 OF TOLL 49.

Kate Wilder

Kate Wilder provided the presentation. The contractor has been paid roughly 75.6M dollars through September. Total contract amount is 80.9M. That does not include the 600k early completion incentive. Project expenditures equal 102M to date. The estimated remaining cost total equals 12.6M. There is 25M remaining in the budget. That will leave about 12.4M remaining in the overall project budget. Most of the ongoing activities are focusing on pavement work, erosion control, guard rail and signage, gantry work and pavement striping. Jason Ray asked what the plan was for the pile of dirt. Kate Wilder stated that the dirt was sold to the land owner by the contractor. A video of Segment 4 was then showed. Larry Morse asked if all the known change orders have been captured within the anticipated expenditures. Kate Wilder stated that other than small change orders, which equal less than 50k, are accounted for. Larry Morse asked if the 600k is included in there? Kate Wilder stated yes.

16. REPORT ON CHANGE ORDERS WITH WEBBER APPROVED BY THE EXECUTIVE DIRECTOR SINCE PREVIOUS BOARD MEETING.

Chris Miller

Kate Wilder stated that there was a change order on the improvement project. It included additional milling and sign relocation. Total cost was just under 24k. This was with IOC. There was an additional change order with Webber that included adding pavement sealer which totaled about 36k.

17. EXECUTIVE DIRECTOR'S REPORT

Chris Miller

Chris Miller informed the board that effective December 31, 2018, there will be an increase in the toll rate. The Toll Rate Escalation Percentage is 2.5 percent. It is in line with the NET RMA Tolling and Road Use Policies that were enacted several years ago. This raise will be marketed, and the information will be up on the website. Further info will be provided at the next meeting. Dave Spurrier stated it was based on the original schedule that was created via cost

of living. He also stated that they are pleased to announce the ramps on 110 are now open. No action was taken to modify the reported Toll Rate Escalation Percentage.

A. Priority Project Updates

Chris Miller stated that as a reminder, the Gilmer county project allotment was awarded. Kaufman County's grant has not been awarded yet as it is on a reimbursement basis. Wood County was not awarded yet either. Upshur County's Loop Study is just beginning. So far to date, only 29k has been awarded out. Larry Morse stated that the next meeting for external stakeholders will occur on October 31st. Atkins will be presenting their study as well as a map. It will be at the Gilmer Civic Center and planned to start at 9AM. Chris Miller reminded all that Bowie County and Harrison County were the two projects that were awarded this year. Total to date of the money that has been allotted so far in the last two years is 449k.

B. Community Outreach Meetings Regarding Toll 49

There are several outreach meetings he has on his calendar. They are continuing to push towards the North to really get the NET RMA's note out there. He also asked that if there are any new county judges, that they coordinate with them before their next NET RMA meeting in that county.

C. Maintenance Report

18. ADJOURNMENT

Adjourned: 3:19.

EXECUTIVE SESSION - PURSUANT TO CHAPTER 551, SUBCHAPTER D, TEXAS GOVERNMENT CODE, IF ANY

- **At any time during the meeting of the NET RMA Board of Directors, the Board may meet in executive session for consultation concerning matters under Chapter 551 of the Texas Government Code, including:**
 - A. Section 551.071. Consultation with Attorney—Consultation with and advice from legal counsel concerning pending/contemplated litigation, settlement offers and negotiations, ongoing disputes and potential disputes, and other legal issues.**
 - B. Section 551.072. Deliberation Regarding Real Property—Discussion of real property purchase, exchange, lease, license, gift, donation, and/or negotiated settlement, including property to be acquired for right-of-way.**
 - C. Section 551.074. Personnel Matters—Deliberation concerning the appointment, employment, reassignment, evaluation, duties, discipline, and/or dismissal of personnel.**

Tentatively Scheduled NET RMA Board Meetings:

November 13, 2018 – Van, TX – Van ISD Board Room

Non-Scheduled Meetings / Functions - Where a Quorum could be Present, but No RMA Business would be conducted:

October 25, 2018 – Texas Transportation Commission meeting

PARTICIPATION BY TELEPHONE CONFERENCE CALL:

One or more members of the Board may participate in this meeting through a telephone conference call, as authorized by Section 370.262, Texas Transportation Code. Under that law, each part of the telephone conference call meeting that by law must be open to the public shall be audible to the public at the meeting location. During the meeting, the identification of each party shall be clearly stated prior to speaking, and the meeting shall be documented by written minutes. On conclusion of the meeting, the written minutes of the meeting will be made available to the public.

COURTESY RULES

Thank you for your presence. The NET RMA appreciates your interest. If you wish to address the RMA on any agenda item, Public Participation Forms will be available before the meeting. These forms must be filled out and turned in to the RMA Chair or Secretary *prior* to the time the agenda item in question is addressed by the RMA.

You must be recognized by the Chair. (NOTE: Items will not necessarily be presented in the order they are posted.)

OPEN COMMENT PERIOD

At the conclusion of all other agenda items, the Board will allow an open comment period, **not to exceed one hour**, to receive public comment on any other matter that is under the jurisdiction of the Board. Public comment that does not relate to a specific agenda item must be made during the open comment period.

Each speaker will be allowed a **maximum of three (3) minutes**. Speakers must be signed up prior to the beginning of the open comment period. For subjects that are not otherwise part of the agenda for the meeting, Board members may neither comment nor question speakers during the open comment period, but may request the Chair, or a recognized committee, to investigate the subject further. No action will be taken on matters that are not part of the agenda for the meeting.

NOTE

Enumerated agenda items are assigned for ease of reference only, and will not necessarily be considered by the Board in that particular order. The Chair may rearrange the order in which agenda items are considered.

Presenters with audiovisual needs are requested to contact NET RMA at 903.630.7894 at least two working days prior to the meeting.

ACCESSIBILITY STATEMENT FOR DISABLED PERSONS

This meeting site is accessible to disabled persons as follows: wheelchair ramp at the main entrance. If any special assistance or accommodations are needed in order to attend this RMA meeting, please contact NET RMA at 903.630.7894 at least two working days prior to the meeting so that appropriate arrangements can be made.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as interpreters for person who are deaf or hearing impaired, and readers of large print or Braille, are requested to contact NET RMA at 903.630.7894 at least two working days prior to the meeting so that appropriate arrangements can be made.