



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Members

FROM: Linda Thomas, Chair

DATE: November 12, 2014

SUBJECT: November Board Meeting

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

DATE: Wednesday, November 12, 2014
TIME: 1:30pm
PLACE: Jacksonville Administrative Board Room
800 College Street
Jacksonville, Texas 75766
Cherokee County

Enclosed are the agenda and other pertinent information for your review prior to the meeting. Should you have any questions, please call me at 903.509.1552.

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY (NET RMA)
BOARD OF DIRECTORS STRATEGIC PLANNING MEETING
1:30 pm Wednesday, November 12, 2014
Jacksonville ISD Administrative Board Room
800 College Street
Jacksonville, Texas 75766
Cherokee County

1. CALL TO ORDER AND DECLARATION OF QUORUM

Notice of this meeting was posted with the Secretary of State's Office, with the County Clerk in Cherokee County, on the NET RMA and Toll 49 websites on November 6, 2014.

In attendance: John Cloutier, Celia Boswell, Barham Fulmer, Linda Thomas, Chair, Gary Halbrooks, Vice Chair, Dave Spurrier, Jeff Sandford, Bob Murray, Jack Traylor and Pat McGill.

Meeting was called to order @ 1:32pm, Nov 12, 2014.

2. INVOCATION

Chair Thomas asked Jack Traylor to offer the invocation, and he complied.

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Board Members

Guests were recognized, and Judge Taylor offered a welcome to the board.

4. OPEN PUBLIC FORUM/COMMENT PERIOD

There were no public comments.

5. APPROVAL OF MINUTES

A. Discussion, consideration and approval of minutes for:

1. September 9, 2014 NET RMA Regular Board Meeting

Action Item

Chair Thomas asked for a motion to accept the September Board Minutes.
Jeff Sanford made the motion, Bob Murray second.

2. October 14, 2014 NET RMA Strategic Planning Meeting

Action Item

Chair Thomas asked for a motion to accept the October Strategic Planning Minutes.
Gary Halbrooks made the motion, Jack Traylor second.

6. CHAIR'S REPORT

- Meetings of Interest
- Update on Creation of Nominating Committee and Committee Restructuring
- Report on Passage of Proposition 1

- Nominating committee announced members

- Commended the board on the strategic planning meeting
- Have produce3d a marketing tool for us to use for our visits with the judges (modeled ours after the economic development corporations)
- We have new county judges in many counties and we will use our new marketing tool to market our new resources, connections and advise them on ways we can be helpful
- Long range planning is difficult and the money will not be there for 6 months to a year.
- Projects that will be considered will be those that have some planning that has occurred or the local entitles have put monies towards those projects already
- Linda and Gary will be doing the visits with the judges

Update on Creation of Nominating Committee and Committee Restructuring

Effective November 12, 2014 today, I am forming a NET RMA Nominating Committee. The Nominating Committee is an ad hoc committee tasked with preparing a slate of nominees for the offices of Vice-Chair, Secretary, and Treasurer. The Nominating Committee will dissolve upon presentation of the slate and election of officers. The Nominating Committee is composed of Keith Honey, Walta Cooke, and Robert Murray, with Keith Honey serving as the Nominating Committee Chair.

In accordance with the requirements set forth in Section 16 of the NET RMA Bylaws, this written description of the Nominating Committee shall be entered into the official records of the Authority.

Restructuring the board committees:

ETHG Committee

Project Development and Implementation Committee

Responsibilities – sign off on ROW, involvement in decisions for toll road operations

Executive Committee

Members – officers and chair of the long range planning committee

Long Range Planning Committee

Responsibilities – outreach into the counties in the region for the utilization of discretionary funds and resources

Create partnership roles:

East Texas Corridor Council (Tim Vaughn)

Texas-Louisiana Rail Coalition (Cecila Boswell)

I-69 Alliance Committee (Walta Cooke, Robert Murray)

I-30 Corridor Committee

I-20 East Texas Corridor Committee

On Tuesday, November 4th, more than 80 percent of the voters (3.2 million) in Texas cast ballots in favor of Proposition 1. Proposition 1 was a constitutional amendment that will generate more than \$1.4 BILLION dollars to help improve and maintain roads in Texas. The proposition was led in the Texas Legislature by Democratic Representative Joe Pickett of El Paso, and in the Senate by Republican Senator Robert Nichols of Jacksonville.

Dave Spurrier spoke correcting some misperceptions put forth by the media after the strategic planning meeting. Toll 49 is a regional project, not just a one-county project. The remaining segments of Toll 49 are alive and well. There are segments 6, 7 and 8 needing to be built. It was determined that the route needed to be adjusted, and rather than just doing something with a quick hand, more work needed to be done to

determine the best route. Seg. 7 has been redefined a bit. We've had representation from Upshur, Harris, Smith and Gregg counties as well as the Atlanta District and Tyler District of TxDOT at these meetings, and I anticipate at the next board meeting in January we will vote on the new map. We will reconstitute the "full" hourglass committee to let them know what is going on too.

Linda mentioned that the recent Longview editorial was not an accurate portrayal of the work that is going on.

**7. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF PERSONNEL
POLICY MANUAL (RESOLUTION 14-46) Action Item**

Chair Thomas asked for a motion to accept the Personnel Policy Manual.
Gary Halbrooks made the motion, Jack Taylor second. Resolution passed.

**8. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF AGREEMENT
WITH TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM FOR PROVISION OF EMPLOYEE
RETIREMENT BENEFITS (RESOLUTION 14-47) Action Item**

Presentation by Amy Campbell of TCDRS. She presented slides of the requirements that were previously agreed upon from the document. Board can change how much all employees must contribute to the plan as many times as they want during the year. We are the most conservative plan in the state of TX.

Several board members would feel more comfortable going to an 8 year vested tenure plan, rather than 5.

7 percent employee deposit rate

200% matching

5 year vest

20 years of service at any age

Rule of 75% (system wide average)

9.53 percent of payroll annually

Everett Owen: We looked at CTRMA and the county, when talking with the people and we selected the average plans, by any means it is not the Cadillac plan out there.

TCDRS: Your money goes into a NET RMA account with TCDRS. Your plan will be valued at your assets and your liabilities. Employees are guaranteed a 7 percent return. We credit employer accounts a 9 percent. If we made more, we passed through those earnings, and in years when there are negative returns we smooth losses over a period of time. Employers didn't see or feel the loss as we smooth the losses. Once you go with the most generous benefit you can never move back up to the benefit. If you go with the 5 year vesting you can never change it to more years. This is in effect with the eligibility requirements.

Everett Owen: We are looking at benefits that are good for 'older' employees rather than college benefits, and older workers will not be on the payroll as long. Longer tenure is less attractive to the right candidates.

Gary Halbrooks: What happens to deposited money if they don't work toward vesting.

TCDRS: They can refund their account, they can roll it over into another qualified plan. Not vested at some point the IRS will take it out and tax it.....there are 700 employers. If you hire someone that has a TCDRS

entity, when they come to work for you, their service time counts for the vesting and eligibility. NET RMA portion stays in the account if an employee leaves before vested.

Everett Owen: To get to the 200% match, it is only costing us 150 percent...it is the earnings over the long haul that funds the 2 for 1 experience over time.

TCDRS: Average employee has worked 16 years and their average benefit is 19K a year. It doesn't go out as a lump sum...they can take out a lump sum but it greatly reduces the amount of the \$ that the employee receives.

Gary Halbrooks: If we go with 8 years of service: Then at seven years, family catastrophic event happens, what is the scenario?

TCDRS: they can take their money out, but will lose a large portion to taxes and penalties. If they came back to work they could pay the \$\$ back in; if they were not vested they won't get the retirement until they've put in the time. Buy back tells the employee the amount of money they can put back into the plan if the board approves it at a later date...board decision. At any time an employee pulls out of the account they lose.

Gary – once you pick can't ever go back. Start with 10 year, cost associated with going back to a 5 year or 8 year, there would be a cost increase. We would calculate that on a rate sheet.

Gary – tell us what you think you want. Everett we need someone with that level of experience you are looking at hiring someone that is hiring from another agency but they will be an older person. I have less trouble with changing the years of vesting than the years of match.

John Cloutier: Hiring the guy away from CTRMA, how long is the length of the employment. What is the incentive of the value of the vesting?

TCDRS: the cost differential to the NET RMA between 5, 8, and 10 is negligible, less than .005.

Dave Spurrier: I would recommend we go with 8, then we can recommend changes later. If we hire someone that is retired from another system, their time still counts here.

Barham Fulmer made the motion for the amendment to an 8 year rather than 5 year vesting tenure. Murray seconded the amended motion. 8 year vesting passed.

Dave suggested this would be great committee work going forward.

9. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF CHANGE ORDER NO. 5 TO CONTRACT WITH SOUTHWEST ENVIRONMENT FOR ADDITIONAL EROSION REPAIR WORK (RESOLUTION 14-48) **Action Item**

Everett Owen: We'd gone back and had a rain event that washed dirt into the lake. Due to the lack of vegetated cover, it continued to erode. The lake had a significant amount of work done but we are cleaning it up. This resolution is to remedy the landowners concern.

Barham – so going forwards we will get warranties?

TxDOT don't use warranties so there is no warrant on the road. The 1 year warranty on 3B was done. It would be our plan on additional segments we would have at least a one-year warranty.

Linda asked for a motion to accept. Gary Halbrooks made the motion and Bob Murray second. Resolution passed.

10. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON ISSUANCE OF A TRANSIT TECHNOLOGY RFP ON BEHALF OF EAST TEXAS REGIONAL TRANSPORTATION PARTNERS (RESOLUTION 14-49) **Action Item**

This is a grant to hire a software vendor to allow all operators to see who/what is going on. Linda asked for a motion. Bob Murray made the motion to accept and Linda Second. Resolution passed.

Everett Owen advised that items 11, 12, and 13 were being pulled from the day's actions until further work could be performed to bring these items to the board for a vote.

11. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF SUPPLEMENTAL WORK AUTHORIZATION 10.1 FOR CONTINUED PROJECT DEVELOPMENT SUPPORT FOR SEGMENT 4 OF TOLL 49 WITH ATKINS (RESOLUTION 14-50) **Action Item**

Tabled

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF WORK AUTHORIZATION 7 FOR PROJECT DEVELOPMENT SUPPORT FOR SEGMENT 4 OF TOLL 49 WITH RS&H (RESOLUTION 14-51) **Action Item**

Tabled

13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF WORK AUTHORIZATION 8 FOR PLANS, SPECIFICATIONS AND ESTIMATES FOR THE BASE SCOPE CONFIGURATION OF SEGMENT 4 OF TOLL 49 WITH RS&H (RESOLUTION 14-52) **Action Item**

Tabled

14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF WORK AUTHORIZATION 9 FOR REEVALUATION OF THE INTERSTATE ACCESS JUSTIFICATION REPORT WITH RS&H (RESOLUTION 14-53) **Action Item**

Everett Owen: This is about the cost of modifying the access junction at I20 and Toll 49, and I am recommending approval. Murray gave the motion and Gary Traylor gave a second.

Linda: we need more information on why the change for 14.

EO –it would make more revenue. IF we don't look at it you will have to stop. If we build the main lane bridge, there would be no stopping from 69 north all the way to the south side. It is a revenue generator. It is an expensive bridge to the tune of 10M. If at all possible – I would recommend doing it.

Need to spend \$170 either way. Any time you modify an intersection on the interstate. You have to do an interstate access justification report. Lengthy process and must show the traffic impact.

15. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF A LEGISLATIVE AGENDA FOR THE 84TH LEGISLATIVE SESSION (RESOLUTION 14-54) **Action Item**

Locke & Lorde recommends:

- Support for increased transportation funding (more local option measures, etc., deposit of motor vehicle sales into transportation)
- As more toll roads open, customers are concerned about their electronic data is being protected (NTTA is already working on a NTTA-specific bill)
- Transportation Reinvestment Zone – concern about counties taking on debt to help these zones

Would the NTTA bill be ultimately be drafted for all RMA's.

LL – it could be all toll roads/RMA's etc.

There seemed to be some confusion among board members concerning the interoperability of toll tags across Texas. Clarity was given that all toll tags work all over Texas, with the exception of DFW Airport Parking, which only accepts NTTA tags (NTTA is even accepted in Oklahoma), and there is some work being done on a nation-wide interoperability plan.

16. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF CHANGE ORDER NO. 6 TO CONTRACT WITH SOUTHWEST ENVIRONMENT FOR ADDITIONAL MATERIALS AND COSTS FOR SLOPE AND SEAL COAT WORK (RESOLUTION 14-49) Action Item

Chair Thomas asked for a motion to approve. Dave Spurrier made the motion, Bob Murray second. Resolution passed.

17. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF AN OFFER TO ALBERT LEE TALLEY IN CONNECTION WITH THE ACQUISITION OF AN INTEREST IN A 1.441 ACRE PROPERTY LOCATED IN SMITH COUNTY FOR SEGMENT 4 OF TOLL 49 (RESOLUTION 14-56)

Chair Thomas called the Board into Executive Session at 2:55pm, pursuant to Government Code Chapter 551: Section 551.071 for the purpose of consulting with legal counsel, and Section 551.072 for deliberations regarding real property, including the property identified in Item 17 of the agenda.

At the conclusion of the Executive Session, the open meeting was reconvened at 3:12pm.

Chair Thomas asked for a motion to approve. Bob Murray made the motion, Dave Spurrier second. Resolution passed.

18. LOOP 571 UPDATE

TxDOT – Vernon Webb – approved ROW map in 2 weeks. County has set aside money to acquire right of way. TxDOT will acquire the ROW for the project. We could start acquiring right of way within 2 months. Still have a 23M problem for construction. We will acquire money for right of way and plans. If money came available quickly we could get started very quickly.

Cloutier – what does our role become as the RMA in the project? We've had the local match, RMA has brought the power to the table to get the ROW purchased, and environmental studies are done. We've got the horse to the trough. TxDOT must cover the costs if they are more than what was agreed upon.

Vernon could take a year or more to acquire the right of way. Construction costs –

Dave Spurrier - create an interlocal agreement which doesn't cost the NET RMA anything. Could we get a written summary of that so we can start pounding the pavement?

19. TREASURER'S REPORT

Tom – report 136M worth of contribution to the NET RMA. Gave us a grant of 345M to replace gantries – all of the electrical equipment and gantries. TxDOT then provided a grant to extinguish the toll equity loan in excess of \$56M. Operation wise –this was our first full year of tolling. Our revenues exceeded the projected revenues more than 1M. Expenses were more than were budgeted too. Positive cash flow for more than 1 million.

Linda asked for a motion to accept the report. John Cloutier made the motion, Jeff Sanford second. Passed.

20. EXECUTIVE DIRECTOR'S REPORT

A. Update on Toll 49

B. Additional Issues

Everett is hopeful we may be able to do the loan in Dec. Thinking a 3 to 4M loan. It would not be subordinated to the SIB loan.

December meeting – if we can get the bank loan approved we are good. If not, we will have to scale back the entire thing maybe \$500K or so, I do not want to stop work until it gets done.

Oct 31 have \$4M available to us that is unencumbered. I would not suggest we spend anywhere near that much. We have \$500 allocated by prior resolution. I feel comfortable with going another \$500, maybe a bit more. Depending upon what gets done with TxDOT, we

Bids in Aug. Sell bonds in Oct/Nov timeframe

Can't acquire property until sell bonds? EO – hopeful we can get \$15M bank done so we can start buying ROW. Bond market doesn't want to see

Hopeful for \$3M in 30 to 45 days. \$3M is to do engineering type activities
Subordination in Feb/March time frame for \$15M

September was a dip....number of transactions was down....changing out the toll equipment, issues with TxDOT with the conversion. Oct was our second highest month ever. Look strong in the month of Nov.

Look last year, had a seasonal dip in early Dec. I do expect will see a drop in transactions in Dec. Gantries on 3B make up 40 percent of our revenue.

Approved a toll increase for the end of the year and we are going forwards with that. Little higher across the board. Higher on 3B than the others. Getting back up to the .15 cents per mile rate. Higher on 3B due to the initial rate didn't match what the others were at.

21. ADJOURNMENT

Bob Murray and Jeff Sanford needed to leave, and the quorum was lost. Meeting adjourned at 3:55pm.

BOARD BOOK APPENDIX -

COMPLIANCE AND OVERSIGHT

- A. OPEN RECORDS SPREADSHEET
- B. SURETY BOND SPREADSHEET
- C. CONFLICT OF INTEREST SPREADSHEET
- D. TERM EXPIRATION SPREADSHEET
- E. TEC FILING SPREADSHEET

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 attorney-client matters (real estate, litigation, contracts, personnel, and security) under Chapter 551 of the Texas Government Code:
 - 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.

FY 2015 Scheduled Board Meetings / Functions

FY 2015 Tentatively Scheduled Board Meetings:
Tuesday, January 13, 2014, 1:30 PM, Mineola, TX
Tuesday, March 17, 2015, 1:30PM, Kaufman, TX

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

Team Texas, (dates pending), Austin, Texas.

Texas Transportation Commission Meeting

November 20, 2014 in Austin, Texas
December 18, 2014 in Austin, Texas

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 Atkins North America, Inc. at 903.509.1552 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 Atkins North America, Inc. at 903.509.1552 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 Atkins North America, Inc. at 903.509.1552 at least two working days prior to the meeting so that appropriate arrangements can be made.