



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members
FROM: Linda Thomas, Chair
DATE: Tuesday, January 14, 2020
SUBJECT: **January Board Meeting**

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

DATE: Tuesday, January 14, 2020
TIME: 1:30 PM
PLACE: Henderson Civic Center
1500 Lake Forest Pkwy
Henderson, TX 75652
Rusk 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
Tuesday, January 14, 2020
Henderson Civic Center
1500 Lake Forest Pkwy
Henderson, TX 75652
Rusk 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, January 10, 2019

Began at 1:30 PM

2. INVOCATION

Robbie Shoults provide the invocation.

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Linda Thomas, Gary Halbrooks, Ken Pilgrim, Barham Fulmer, Robbie Shoults, Larry Morse, Keith Honey, Robert Messer, Chris Miller, John Cloutier, Chet Clayton, Jason Ray, Dave Spurrier, Dan Droeger, Brian Whatley, Andrea Williams-McCoy (phone)

4. OPEN PUBLIC FORUM/COMMENT PERIOD

Robert Wilson: Robert Wilson stated that facts matter and truth matters. He asked the NET RMA, as oversight entity of the prime contractor, and, as owner and operator of Toll 49, to review the lack of facts and truth in the recently published feasibility study. He stated the study contained a biased route selection. He stated that no one likes the idea of a toll road near any schools and stated that the .16 miles (800ft) to a school entrance is dangerous. The property line and playground are closer. He then stated that students in high school will be driving for their first year and the first interchange would be Toll 49 which has speed limits much greater than school zones. He then asked why this was ignored. He then stated that the study did not count all schools within 1 mile of the route. He also stated that in an October meeting, his son was told that the study did not include the correct number of first responders and hospitals within 5 miles of the route but was published without a correction. He stated that the study failed to list the two largest hospitals in the area, Christus TMF and UT Health Tyler which both are within 5 miles of the purple and adjusted yellow routes, and not within five miles of the adjusted teal route. He also stated the number of business in the right of way is incorrect. He stated that the study also contained inconsistent methodology as the public input criteria were not calculated the same way for the new adjusted teal route. He stated that a representative of CP&Y confirmed in a meeting that it was calculated differently and that it was the only route calculated differently. He stated that according to an email he received from Elizabeth Story, the three routes moving into the EIS are the result of a data-driven evaluation and is not based on any arbitrary decision. He then stated that data from the June 4-19 survey was used for the 6 final routes and since no public input was taken for the green, adjusted yellow, gray and maroon routes averages of adjacent route public input were used. Someone arbitrarily decided to not do this for the adjusted teal route. He stated, for consistent methodology, they should have used data from the adjoining routes, which were the original teal and original pink routes, to get the teal adjusted route calculation. He then asked if it was because the pink route had the most negative public pushback. He stated that if they had consistently averaged all routes; the new teal route would not have been in the final three routes. He stated that himself and the public request Atkins recalculate the teal adjusted route, which will eliminate this route from consideration. He also asked that the entry for his public comments be corrected in the October 8 minutes. He stated that the adjusted teal route will intersect .16 miles from the school and not the 1.6 miles stated in the prior project document and in the minutes. He stated that he pointed out the difference of the two and requested the minutes be corrected to reflect his statement.

5. SWEARING IN OF CAMP AND CASS COUNTY BOARD MEMBERS KEN PILGRIM AND BRIAN WHATLEY.

Judge Hale swore in Ken Pilgrim and Brian Whatley to the NET RMA board.

6. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE NOVEMBER 12, 2019 BOARD MEETING.

Action Item

Barham Fulmer stated that if there is indeed a correction that is needed to be made for the October minutes, he would like for them to be brought to the board for approval.

Motion to approve: Barham Fulmer. 2nd Larry Morse. Unanimously approved.

7. CHAIR'S REPORT

Linda Thomas

Linda Thomas thanked all for attending. She stated that there were 7 tornadoes in East Texas last Friday and Saturday and 6 of counties were impacted. She asked that they keep all affected in their prayers. She also reminded all of the 2020 Texas Transportation Forum is coming up. Its purpose is to discuss the state of transportation. Its purpose is to present outside the box ideas and turn them into reality. They will take on challenges like congestion, growing populations and efficiency. The event is February the 9th. She hopes to see them there. She also stated there is a list of scheduled board meetings. Chris Miller stated that for February, there aren't any critical items for that meeting. The concern is that for those board members that will be attending the transportation forum, it ends on the same day of the board meeting. He then asked the board if they would like to move the meeting back by a week or move it entirely to another month, especially since there aren't any pressing items like work authorizations or contract approvals. He also suggested that if they would like to move to a every other month board meeting, they could do that for a while. Linda Thomas stated that she believed they will the February board meeting.

8. COMMITTEE REPORTS

A. Executive Committee

No report.

Linda Thomas

B. Personnel Committee

No report.

Jason Ray

C. Construction and Maintenance Committee

No report.

Barham Fulmer

D. Member Outreach Committee

John Cloutier

John Cloutier stated that the priority projects final date is April 15th. There are no changes in the process. Colleen Colby asked if there would be a limit in the amount of resources that would go through. John Cloutier stated that last year they received a packet that had 250 pages and that all reports need to just have the necessary amount of information. This year they will be awarding up to 700k.

E. East Texas Hourglass Committee

No comment.

Dave Spurrier

F. Investment Committee

Robert Messer stated they had a meeting scheduled for February 11th. They may move it to a conference call.

Robert Messer

9. PARTNERSHIP UPDATES

A. East Texas Corridor Council

No report.

Linda Thomas

B. I-69 Alliance Committee

No report.

Linda Thomas

C. East Texas Council of Governments

No report.

Linda Thomas

D. Metropolitan Planning Organization/Texas Department of Transportation Updates

No report.

Chris Miller

10. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS.

Dianne Johnston provided the presentation. She stated they were going to start by taking a look at where they are as of November 2019. Statement of net position: There are two new sections. One is called the deferred outflows of resources and deferred inflows of resources. They are items related directly to the reporting of the NET RMA's pension liability. These numbers will not change until the end of fiscal year. As of September, 30 2019, there is a total assets and deferred outflow of resources of 384.5M. There is a total liability of deferred inflow of resources of 2.91M. The difference between the two is the net assets which is 174M. The statement of revenue and expenses:

She stated this section is showing November 2019 vs November 2018. She stated that when she presents December, she'll go back to showing individual months. Net total revenue is 3M which is 1M from where they were the prior year. The total operating expenses is 360k which is over by 48k. The largest part of this is the employee salary and benefits line item which is because of the 2 new employees that we didn't have in 2018. Total Toll 49 YTD operating expenses: 330k which is under by about 50k. That variance is mainly made of the segment 3B slope repair and the start of the I20 bridge repair. Toll Maintenance report had a mis-classification of line items that won't get corrected until December. Under the toll operating system support, the year 2019 is higher due to a 26K Cogensia charge that was included on Ron Fagan's October 2019 invoice. Other income and expense: There is a current expense of 2.9M which is higher than last year by 684K. This variance is mainly in the depreciation expense which is due to Segment 4 getting reported currently. We also have a variance of 57k that is up in interest income. There is a reversal, an accounting entry that is causing that variance there. She had to reverse the September interest that was received in October. The actual cash received was 123k. She stated that she'll need to do when she goes to fix December, she will correct those accruals to fix it there. There was a truck totaled in October 2019. Those are the insurance proceeds coming from that. Right below that is the write-off of the remaining value of that truck. Change in net position shows a deficit which is lower than 2018 by 320k. In budget to actual, the format looks different in the revenue section. The gross electronic and video revenue is broken out. The gross number is comparable to CDM Smith's toll revenue estimates. The cost of collecting that revenue is underneath that revenue source. The net toll electronic revenue is just under budget by 39k or 2%. Net video revenue and fees is over budget by 51k. The items above it make up the variance. Gross video revenue is under budget by 101k. This is tied directly to transactions and collection from customers. Fees are over budget. 63k of it is attributed to Southwest Credit. The remaining part of the variance may be too low for the budget. Chet Clayton asked if these were collected fees. Dianne Johnston stated yes. Barham Fulmer stated that if it was accrued, it would be much higher. Operating expenses: actual is under budget by 24k. The largest variance is in legal fees which in October and November, there was a lot of work with research issues and systems integration RFP. There are also some Segment 6 calls that she will need to pull out and will be in December. There is variance in the marketing which is over budget by 13k. They are monitoring the variance. She also stated that the public involvement is under budget. 11k is also directly related to Hahn Media costs. Toll 49 operating expenses: actual is under budget and the largest variance is in general engineering consultants and roadway maintenance. The budget is a straight line budget and that's just exceeding the cost of our services at this point, but it will eventually work itself out. The toll maintenance support is under budget by 25k. This is based on the fact that the budget figure is based on a rate that KAPSCH will pay once they pass the system acceptance testing which has not happened yet. There will be a variance there until that happens. Other income and expense: Net expense is lower than what was budgeted. The majority of this is because the priority projects haven't been turned in yet for 2020. The reversal in the interest income also contributes to that variance. Net income is a deficit of 398k of the straight-line budget. Dave Spurrier asked if the SWC expense is a one time item. Dianne Johnston stated no. Dave Spurrier asked why it wasn't considered in the budget. Chris Miller stated that SWC was added as a third party after the budget had been created. Dave spurrier stated that for any reoccurring line items, it should be something reflected within the budget. Dianne Johnston stated that on video processing costs, they are over budget and that's because she based the budget on historical data, but Cofiroute increased the hours they are working on in the week and Saturday which caused their unit cost to increase. It may be something they need to amend. Dave spurrier stated that he prefers looking at budget to actual rather than to last year. Robert Messer stated comparing to the last year has value because it allows you to see where you are. He cautioned towards changing the budget too much because it will lose the baseline. His suggestion would be: things that were missed or unknown at the time should continue to stay as they are and be explained along the way. Dianne Johnston stated that going into it next year that she will know of these unknowns and will reflect it in the next budget. Larry Morse asked if that number with the SWC collections will continue throughout the year? Dianne Johnston stated that it depends on what they collect. There is revenue in the gross. Chris Miller stated that ever since SWC began the contract, they have been collecting and been effective. Robert Messer asked if their contract is success based and if they get paid per their collection rate? Chris Miller confirmed. Chris Miller stated that it could be worth having an executive committee meeting to discuss amendments to the budget mid-year. Robert Messer stated that when you start revising budgets, it can be a difficult process. John Cloutier asked if SWC would be able to figure out their fees based on their own budgets rather than what was contracted? Chris Miller stated that the thing to remember is that the back office is with the CTRMA. Dave Spurrier asked if the SWC line items could be broken out from the revenue. Barham Fulmer stated that it would be good to see how well SWC is doing.

Motion to approve: Robert Messer, 2nd: Keith Honey. Unanimously approved.

11. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE.

Chris Miller stated that December was a good month. There were a few days where they just missed 50k and there were a few days where they were over 50k. 2019 was a very good year for transactions. It was a good bounce back. They look for continued improvement. January and February historically dip down a bit comparatively, so they'll keep an eye on that. Overall, it's been a great uptick. Next meeting, they will have CDM Smith there to do an in depth analysis. Barham Fulmer asked if they could have a part of the transaction report to know how well they are doing compared to the CDM Smith projected revenue. Larry Morse asked if they would be

able to add the budget on this item to see how the transactions are compared to the budget. Chris Miller stated they would be able to look into that for them.

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE A CONTRACT FOR ROADWAY MAINTENANCE SERVICES ON TOLL 49.

(RESOLUTION 20-01)

Action Item

Tammy Sims stated that on August 29, 2019, IPL was officially defaulted by the NET RMA for not maintaining their work or insurance as required by contract. Since then, the NET RMA has been working with Atkins to supply a maintenance contractor. In the August board meeting, it was approved to issue an RFP. At the September board meeting, the board approved an amendment to the procurement policies. The NET RMA issued an RFP in October 2019. The term of the contract includes an initial 2 year term with 2 additional one-year renewal options. Proposals were received at the NET RMA on November 14, 2019 from DBI Services, LLC and Roy Jorgensen Associates, Inc. They are two major contractors that do a lot of work throughout the country. The RFP had 3 different criteria. Technical proposal was based on: project management plan which is worth 25%, previous system maintenance experience (50%) and safety and health plan (25%). The interviews were conducted on December 2 and 6th and the final technical scores were calculated. The results were DBI Services with a score of 94.6 and Roy Jorgensen's score was 69.78%. DBI's services was closest to their estimate. The not to exceed amount is determined each year. Atkins recommends awarding the contract to DBI services. John Cloutier asked to break down the services. Tammy Sims stated that they took 2 years and what they thought would be the units in every item of work that they estimated would be part of that scope. They had to have a basis to come up with a price proposal. The callout contract is controlled by the Maintenance Director. The not to exceed is based on the budget amount. John Cloutier asked how long they would receive reports? Tammy Sims stated every month through the financial report. Dan Droege asked if that price needed to be included in the resolution? Tammy Sims stated that it does not because that estimate was just for the RFP and not the actual price. Dave Spurrier asked if it was reflected in the budget. Tammy Sims stated yes. Chris Miller stated they have a good feeling about DBI because they are the ones that stepped up when IPL defaulted and they have been doing a good job so far. Mark McClanahan has a good relationship with this group. There's a constant communication so they know where DBI is and where their expenditures are especially compared to previous years. He believes it's a good win for this organization. The team of inhouse staff and the contractor is doing an excellent job. Robert Messer asked what the logic is between a 2 yr. vs 1yr. Tammy Sims stated that DBI would normally not consider Toll 49 because it's too small if they just did a 1 year contract. John Cloutier asked Mark McClanahan if he would expect a lot of out sourced maintenance? Mark McClanahan stated that they can't afford to let things go and need to stay on top of the maintenance. He believes that the cost is where it needs to be. If they need to pull back on the 1.5M, they can. John Cloutier stated that they just need to keep a sharper eye on how the contracts are strike because a few years ago they were hit hard with change orders. Dave Spurrier asked if the police department patrolling would begin. Chris Miller stated they have gotten into a bit of a snag as Tyler PD began to throw in additional costs that the NET RMA was not willing to pay. The Tyler PD could not give them a solid price so they are currently looking at other avenues like constables, etc. Dave Spurrier asked if they would be able to talk to surrounding counties for that? Chris Miller stated they can ask but the distance and county line makes it difficult. Tyler is also going through elections which may change some things. He also stated that DBI currently has a contract with the Chisholm Trail. It's an NTTA project that's about 28 miles so they're familiar with projects like Toll 49.

Motion: John Cloutier. 2nd: Dan Droege. Unanimously approved.

13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE AN INTERLOCAL PARTICIPATION AGREEMENT WITH THE LOCAL GOVERNMENT PURCHASING COOPERATIVE TO AUTHORIZE COOPERATIVE PURCHASING.

(RESOLUTION 20-02)

Action Item

Chris Miller stated that this is allowing the NET RMA to be a part of a master contract that might exist between TxDOT. It is a specific co-op called **Bi-Board**. John Cloutier asked who is a part of this? Dianne Johnston stated some other RMAs, counties, etc. are a part of it. Dave Spurrier asked what kinds of products would they buy through this? Chris Miller stated trucks, equipment, etc. Keith Honey asked if we are obligated to do anything? Dianne Johnston stated that they have done the research for items on cost which allows you to have access to their process. John Cloutier asked if they were any good? Dianne Johnston stated that several other government entities are part of this same group

Motion to approve: Dave spurrier. 2nd Jason Ray. Unanimously approved.

**14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE AN AMENDMENT TO THE PROCUREMENT POLICIES REGARDING COOPERATIVE PURCHASING.
(RESOLUTION 20-03)**

Action Item

Barham Fulmer asked if this just facilitates their approval. Brian O'Reilly stated it is just updating areas to allow for the previous resolution.

Motion to approve: Barham Fulmer. 2nd: Robert Messer. Unanimously approved.

15. REPORT FROM THE MARKETING AND COMMUNICATIONS COMMITTEE.

Andrea Williams-McCoy

Andrea Williams McCoy provided the presentation by phone. She stated this was an update and report with Hahn that was recently brought on last year. She stated that they are very pleased with Hahn Public. They have been a great firm to work with. They are very efficient and they are very good at what they do. They have been responsive, prepared and organized. When they started with Hahn back in October, they practiced an exercise called a creative brief. It allowed them to sit down and contemplate what they wanted the NET RMA brand to look like. It helped define and set specific goals and needs of the brand. Once that was in place, they work off of that on everything moving forward. They have started on some initiatives. One of the first things Hahn Public did was run a piece in the paper. They also did a face to face crisis PR meeting to make sure the marketing people know how to handle crisis situation. They also created a visual and video bank for future use for any present and future projects. In terms of proactive media outreach, they started communication related to Veterans Day initiative and the media response has been good in terms of positive media. As they are moving forward, they have been working on some new billboard designs. They were simple, clean and easily recognizable. As they move forward, one of the major projects they are working towards is putting together a more comprehensive social media plan. They are developing and picking out outreach for the social media outlets going forward into 2020. There will be more of that going forward. There are also more digital ads that will be run. She also stated that she is very excited that Hahn Public is taking a visual ad and having that take them to a page that will allow customers to get a toll tag. They will initiate that specific visual ad to have customers find a toll tag directly. In March they will then see how effective the digital ads were and deliver to the board some initial analytics off that one initiative. She reiterated she feels they made the right choice with Hahn Public. Linda Thomas thanked her for a great job.

16. EXECUTIVE DIRECTOR'S REPORT.

Chris Miller

A. Maintenance Update

Chris Miller stated that the delineator project that was agreed upon previously by the board have been installed south of the 110 interchange. Mark McClannahan stated that the one near I-20 may be completed today. Chris Miller reminded all that this is a test to see how well they work and will hopefully assure customers that another vehicle will not swerve into their oncoming lane.

B. Submission of TxDOT Project Report

Chris Miller stated that the annual report is currently being worked on which is separate from the TxDOT project report. He also stated that February is always the time when various board members' terms are up so they will be sure to let them know if it needs to be renewed. A Cherokee county member is still being sought. It is a slow process, but he hopes they will have someone soon. He welcomed the new board members. He stated that since they will not have a meeting in February, they will have a meeting in March and Ron Fagan will provide a presentation on the procurement for system operations. He also stated that Dianne has had a front and center role in the audit and that process is well underway. They will likely need to schedule an audit committee meeting scheduled in February. They have yet to hear back from Prothro Wilhelmi on an appropriate time. Chris Miller also stated that from his evaluation, they spoke on creating the salary and job description structure and will hopefully have that for the board by March or April.

17. ADJOURNMENT

Meeting adjourned at 2:45.

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:

February 11, 2020 – Smith County

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

January 30, 2020 – 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 such time as is designated on the Agenda, 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 such time as is identified by the Chair, but in no event more than 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.