



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members
FROM: Linda Thomas, Chair
DATE: Tuesday, November 10, 2020
SUBJECT: **November Board Meeting**

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

DATE: Tuesday, November 10, 2020
TIME: 1:30 PM
PLACE: Videoconference accessible at www.netrma.org

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, November 10, 2020, 1:30 P.M.

NOTICE TO MEMBERS OF THE PUBLIC: Pursuant to the suspension of certain open meetings laws by Governor Greg Abbott, this meeting will be held by video and teleconference in order to advance the public health goal of limiting face-to-face meetings to slow the spread of COVID-19. Some staff and Board Members may be present in the NET RMA offices while others may attend the meeting via telephonic and/or videoconference. In order to maintain safe social distancing, members of the public will not be permitted to attend in person. Instead, we ask that you access the Board Meeting online via our website at www.netrma.org. Members of the public that wish to join the telephonic and/or videoconference to provide comments during the Board Meeting must register by 1:00 P.M. on Tuesday, November 10, 2020 by submitting a witness registration form at www.netrma.org or by contacting the NET RMA at (903) 630-7894.

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, November 6, 2020.

2. INVOCATION

3. WELCOME & INTRODUCTION OF BOARD MEMBERS

Linda Thomas welcomed all to the meeting. She provided the invocation. In attendance: Bill Bala, chet Clayton, Dan Droege, Belinda Andrus, Dave Spurrier, Dr. Harris, Jason Ray, Gary Halbrooks, Keith Honey, Larry Morse, Derrick Choice, Andrea Williams-McCoy

4. OPEN PUBLIC FORUM/COMMENT PERIOD

No comments.

5. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE SEPTEMBER 8, 2020 REGULAR BOARD MEETING.

Action Item

Motion to approve: Dan Droege, 2nd: Bill Bala. Unanimously approved.

6. CHAIR'S REPORT

Linda Thomas

Linda Thomas thanked all veterans for their service and sacrifice. She also shared some facts for veterans. Texas has the second highest veteran population in the country. She also stated that she appreciates all board members that participate in the board and is thankful for all that serve.

7. COMMITTEE REPORTS

A. Executive Committee

Linda Thomas

No report.

B. Personnel Committee

Jason Ray

No report.

C. Construction and Maintenance Committee

No report.

D. Member Outreach Committee

John Cloutier

No report.

E. East Texas Hourglass Committee

Dave Spurrier

Dave Spurrier stated that there is no official reports other than Glenn and he have had extensive communications on Segment 6 as well as planning for Segment 7. There should be a meeting with the East Texas Hourglass committee in January to continue discussion on those avenues.

F. Investment Committee

Robert Messer

No report.

G. Marketing/Community Relations Committee

Andrea Williams-McCoy

No report.

8. PARTNERSHIP UPDATES

Linda Thomas

A. East Texas Corridor Council

No report.

B. I-69 Alliance Committee

No report.

C. East Texas Council of Governments

No report.

D. Metropolitan Planning Organization/Texas Department of Transportation Updates

No report.

9. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS.

Everett Owen provided the presentation. Total assets equal 376M. Liabilities total 206M. Net asset were at 170M. September is the end of the fiscal year so this Statement of Revenue and expenses is for the total year that is un-audited. There will be some adjustments after the audit. Total revenue year to date is 17.2M compared to 2019 which was 16.3M. Just under a million-dollar increase. Total operating expenses: YTD is 2.1M compared to 4.7M. The main difference is the bad debt expense which has been applied to 2019 and not applied through 2020. That will come through the audit which will be the biggest adjustment from these numbers to the final numbers. Total operating expenses YTD is 2.1M compared to 2.5M. Total operating expenses are down 434k from last year. Change in Net Position shows a main difference of bad debt expenses which hasn't occurred yet. Budget to actual: total operating revenue is short almost 1.4M which is about 7%. Given the impact of the virus, that is very good. Total operating expenses are 2M under budget on expenses. Net income is 700k for the good.

Motion to approve: Gary Halbrooks. 2nd: Andrea Williams-McCoy. Unanimously approved.

10. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE.

A. Comprehensive Transaction Report by CDM Smith

Christopher Mwanda provided the presentation. He stated that they would start with trends at the national level compared to the facility. There have been some positive initiatives that have allowed for people to open up their facilities which has helped facilitate more travel. There was a tapering in cases in the summer; however, there has been an uptick as the colder season approaches which was expected. The different sectors within Texas showed that compared to pre-COVID conditions, general travel has gone down in all traffic trends. There was a recovery during the summer but that's beginning to plateau and go down again. The workplace travel; however, has gone up but is still about 34% lower than pre-COVID conditions. Toll 49 has been following similar trends to the nation and state. There were a few exceptions due to area events. In Toll 49 specifically, total transactions compared to last year has recovered. They are within about 10% of where transactions were last year. The Segment 4 section is improving and is in positive territory. Trucks have continued to improve very well. Trucks have continued to perform very well. Segment 4 is capturing a lot more trucks. There are some variations but in between 155 and 110, there is a significant increase compared to last year. That is a silver lining as truck traffic has some good growth compared to last year. There were significant drops in travel during the weekends at the beginning of COVID; however, they have recently improved and have almost reached levels from last year. Total transactions on a day-to-day basis have shown a operations resuming 2019 levels. Revenue shows a similar trend thanks to truck traffic. Assuming these trends continue, they expect the impact of COVID should be diminished. Compared to other toll roads in Texas, Toll 49 has been performing at a higher rate. Toll 49 shows the lowest impact compared to other locations in Texas. Monthly transaction trends showed a large dip during the beginning of the pandemic but has been improving and close to paralleling 2019. Trucks are continuing to outperform 2019 levels. Average weekday transaction trends for passenger cars are lower but have stabilized. Gary Halbrooks asked if the section related to grocery and pharmacy was just related to where they are driving but not necessarily if they are going into those facilities? Chris stated yes. It is just pinging for the areas that they are driving to. Dr. Harris stated that he anticipates for the next few months based on the trajectory of COVID, the transactions will likely drop off even more. Christopher stated that he agrees; however, there is a bit of a conflict between COVID cases and executive orders. A lot of it will be predicated on Executive orders restricting travel. If that happens, then yes, there will be a drop.

11. UPDATE ON SELECTION OF A CONTRACTOR FOR THE TOLL 49 SEAL COAT PROJECT.

Glenn Green

Glenn Green stated this is an informational item. The project they contracted for Seal Coat on Toll 49 for Segment 3B was awarded and the authorized amount was 1.225M. The 3 bidders were Missouri Petroleum, Reynolds & Kay and Lonestar Equipment. Missouri Petroleum has a local office and has done extensive work with TxDOT and the project was awarded to them. This is their specialty area. This is a job that won't start till the very end of May. It is a contractor that will work with them with scheduling. It will impact traffic and revenue but they will work together to minimize that as much as possible. The product is a layer of liquid asphalt that is generally not very accepted by the public, but it is necessary to maintain the life of the pavement. Dave Spurrier asked if they could do the work

at night. Glenn Green stated that no they will not be able to do it at night. Seal Coat is not conducive to higher humidity and night application for quality reasons.

12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE NET RMA ANNUAL COMPLIANCE REPORT.

(RESOLUTION 20-29)

Action Item

Glenn Green stated that this is a resolution to approve a one page document that is found in the board book. It is required by TxDOT. It is straight forward report that is prepared.

Motion to approve: Keith Honey. 2nd: Andrea Williams-McCoy. Unanimously approved.

13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO AMEND THE NET RMA 2020-2021 BUDGET.

(RESOLUTION 20-30)

Action Item

Glenn Green stated that with the upcoming toll rate escalation there are several signs south of the latest segment that will need to be replaced. Rather than just change rate changes, they will be replacing the sign as they are faded and at the end of their design life. The budget amendment is necessary in order to include it within the replacement account instead of the maintenance account. Usually small, incidental work is part of roadway maintenance; however, as required by the criteria they work under, this meets the criteria to be paid for through the replacement account. Dave Spurrier asked what the total was. Glenn stated it was roughly 85k.

Motion to approve: Derrick Choice. 2nd: Dave Spurrier. Unanimously approved.

14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE CONDITIONS UNDER WHICH THE EXECUTIVE DIRECTOR MAY AUTHORIZE THE EXTENSION OF THE TERM OF PRIORITY PROJECT GRANT AGREEMENTS.

(RESOLUTION 20-31)

Action Item

Glenn Green stated that this regards the priority projects. The priority project funding agreements have a 2-year renewal period. Rather than bring those renewals and extensions to the board each time, this resolution would allow the Executive Director to make that decision. He stated that he would do so, so long as the project shows movement. He is not asking for the authority to NOT renew it. Meaning, if he does not approve renewal, he will bring that specific case to the board. There are currently 2 or 3 that are at the point of the 2 year. There is movement on those projects so they should be approved for renewal of another year. Dave Spurrier asked how they know 2 years is a good number to begin with. He also asked if they should consider extending the original commitment. Glenn Green stated that he was unsure if 2 years is based on something tangible. He is talking about extending the original agreement in the terms that it is allowed to be extended. They have 1.2M in funds that is sitting today in reserve for those projects and that gives him the cause to at least ask the question if it's the best use by letting them sit there. Dave Spurrier stated that every project is very different and that there should not be an extension if the project is not moving forward.

Motion to approve: Larry Morse. 2nd: Dave Spurrier. Unanimously approved.

15. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE LEGISLATIVE PRIORITIES FOR THE 87TH LEGISLATIVE SESSION.

(RESOLUTION 20-32)

Action Item

Glenn Green stated that this is a legislative year and a lot of policies and bills are enacted or up for consideration. In his experience while at TxDOT, they had a division of folks that watched this movement. Lock Lorde is on board for the NET RMA to make presentations to the legislature. Brian Cassidy stated that some of these will look familiar. This session will be very unpredictable considering COVID so special session may be convened later. They will be focusing on making sure funds are not lost to them and protect resources they have access to.

Motion to approve: Larry Morse .2nd: Dr. Harris. Unanimously approved.

16. EXECUTIVE DIRECTOR'S REPORT.

Glenn Green

He also stated that they are utilizing resources that have already been approved to refine the future pavement surface. He would like to get to a point to where they provide a better riding final surface. This will be something that the ridership would see and feel and hopefully will make a difference in their acceptance of the toll road. He also stated that those that have driven on Loop 323 on the south side is a prime example of a quality road that he would like to emulate on Toll 49. They are constrained with funds that he will work through that but he is currently working on a multi-year plan to improve the road and subsequently, the image. He also stated they have a media consultant on board so that as they do these things, they are working with them to help get the Toll 49 story out there and to tell a good one. This is all for the advancement of Toll 49's name.

A. Report on Toll Rate Escalation Percentage

Glenn Green stated that on December 31st, there will be a toll rate escalation as per policy every 2 years. They will either be updated either 2.5% - 6%. The new toll rate signs will be a little different and will use the logos of other toll agencies as is the new standard.

B. Update on System Integrator Negotiations

He stated they are in the process of finalizing the agreement that was already approved and awarded. Much of the existing equipment will be used. They are in the process of finalizing the agreement within this week or the next. The company is SICE and will be taking the place of KAPSCH.

C. Update on TxDOT Back Office Vendor Change

TxDOT is updating their back office which Toll 49 and other vendors use. What that means for Toll 49--there will likely be some customer service issues as they change that vendor. There will be a dip in revenue, but it does not mean it is lost. There will just be a delay that will catch up at a later date.

D. Submission of TxDOT Project Report

This is an item that is required by TxDOT that is prepared every year and submitted.

E. Update on Acquisition of UPRR Right-of-Way Corridor

This is for a ROW from Whitehouse to Troupe. They currently have TxDOT agreement and local moneys from Tyler, Whitehouse, EDC and Troupe. Basically this corridor is being preserved for future use. The NET RMA is the facilitator to manage it. It is to preserve the corridor and not let it get away as has happened in other areas in the past.

F. Update On Risk Management Audit

This is another standard report that is required every 3 years. That is prepared and included in their board books. It is done and was turned in as required.

G. Report on Stakeholder Meetings

He stated that he has been out with different stakeholders over different potential projects in the community. He has met with several local officials, judges, Senator Hughes and Representative Schaeffer. He hopes to make the NET RMA available so that they can pursue other revenue projects.

Linda Thomas stated that they will enter into Executive Session at 2:51PM.

ADJOURNMENT. 3:53 PM

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, including pending litigation related to Cause No. 18-0744-B.**
- 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.**

OPEN COMMENT PERIOD

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, including an item listed on the agenda. Public comment that does not relate to a specific agenda item must be made during the open comment period. You must be recognized by the Chair.

Each speaker will be allowed a **maximum of three (3) minutes**. 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

If any special assistance or accommodations are needed in order to access 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.

Minutes