



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members  
FROM: Linda Thomas, Chair  
DATE: Tuesday, September 8, 2020  
SUBJECT: **September Board Meeting**

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

**DATE:** Tuesday, September 8, 2020  
**TIME:** 1:30 PM  
**PLACE:** Videoconference accessible at [www.netrma.org](http://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, September 8, 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](http://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, September 8, 2020 by submitting a witness registration form at [www.netrma.org](http://www.netrma.org) or by contacting the NET RMA at (903) 630-7894.

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**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, September 4, 2020.*

Meeting began: 1:33 PM

**2. INVOCATION**

Larry Morse provided the invocation.

**3. WELCOME & INTRODUCTION OF BOARD MEMBERS**

Linda Thomas welcomed all. Present: Linda Thomas, Bill Bala, Belinda Andrus, Chet Clayton, Cory Floyd, Dan Droege, Dave Spurrier, James Harris, Jason Ray, John Cloutier, Larry Morse, Gary Halbrooks, Brian Whatley, Robert Messer, Derrick Choice.

Linda Thomas welcomed the new incoming Executive Director, Glenn Green former chairman of executive engineers at TxDOT and stated he will be starting as Executive Director September 15th. Glenn Green stated he is happy to be here and expressed appreciation to the board for giving him the opportunity. He stated he looks forward to reaching out to them and making contact. Linda Thomas thanked him and stated that they are happy to have his expertise and know that he has a history with Toll 49 that goes way back through his work with TxDOT.

**4. OPEN PUBLIC FORUM/COMMENT PERIOD**

None.

**5. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE:**

- A. JULY 14, 2020 REGULAR BOARD MEETING; AND**
- B. AUGUST 19, 2020 SPECIAL CALLED BOARD MEETING.**
- C.**

**Action Item**

Motion to approve: Bill Bala, 2<sup>nd</sup>: Dan Droege. Unanimously approved.

**6. CHAIR'S REPORT**

**Linda Thomas**

Linda Thomas thanked all for joining. She is asking for patience and support as it is only their second video meeting. She stated that from a business perspective, Texas is still open for business. Tesla will open a new center that will open 5,000 new jobs. This seems to solidify that electric cars are here to stay.

**7. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION ON AN HONORARY RESOLUTION FOR**

- A. Former Board Member Mike Thomas;**
- B. Former Board Member Barham Fulmer; And**
- C. Former President/CEO of the Tyler Area Chamber of Commerce and the Tyler Economic Development Council Tom Mullins.**

Linda Thomas read the honorary resolutions and thanked Mike Thomas and Barham Fulmer for their dedication and commitment. She also thanked Tom Mullins for his work in the Tyler area.

Motion to approve: Larry Morse, 2<sup>nd</sup>: Dave Spurrier. Unanimously approved.

## 8. COMMITTEE REPORTS

### A. Executive Committee

No report.

Linda Thomas

### B. Personnel Committee

Jason Ray stated that on behalf of the committee, they are excited to have Glenn with them. He thanked all members and Everett Owen for the time they took in making this decision. They are excited with the end result. Linda Thomas thanked them as well.

Jason Ray

### C. Construction and Maintenance Committee

Everett Owen Stated no report and that they need to have a new chair appointed for the committee.

### D. Member Outreach Committee

No report

John Cloutier

### E. East Texas Hourglass Committee

Dave Spurrier stated that he will discuss more on this in the 5-year cash flow once they reach the item on the agenda.

Dave Spurrier

### F. Investment Committee

Robert Messer stated they had a conversation with Zion's bank. The reality of rate of return of investment was less than a fee charge so they now have their investment in a simple money market account. They aren't earning much but they aren't losing either. They hope one day the investment environment will improve and they can revisit that at a later time.

Robert Messer

### G. Marketing/Community Relations Committee

Everett Owen stated that the main thing they wanted to highlight was the waiving of tolls for the storm that recently went through. Tolls were waived for 48 hours in one direction to allow evacuees to move through the city. There were several TV spots, radio, and paper. All in all, it was a very good thing. The cost was somewhere between 60-80k in revenue that was lost but it was a big help to the city.

Andrea Williams-McCoy

## 9. PARTNERSHIP UPDATES

### A. East Texas Corridor Council

No report.

Linda Thomas

### B. I-69 Alliance Committee

Cory Floyd stated that the I-69 committee advocates for infrastructure funding. September 14-17<sup>th</sup> they will have a meeting virtually. He asked if anyone has any questions they would like to pose, to let them know. The alliance is exploring funding opportunities through US transportation build America bureau. They participated in a call about a month ago to learn more about those funding opportunities.

### C. East Texas Council of Governments

No report

### D. Metropolitan Planning Organization/Texas Department of Transportation Updates

No report

## 10. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS.

Dianne Johnston stated that they were going to take a look at where they ended as of July 31, 2020. The Statement of Net Position would be looked at first. Total assets were 375.2M. Deferred outflows of resources were 88k for a total of 375.385K. Total liabilities and deferred inflows equaled 18k for a total of 204.5M. The difference being total net assets of 170M. Statement of revenue expenses compared July 2020 and July 2019. Total operating revenue for July 2020 was 14M. This was 1.1M more than same period of 2019. Total operating expenses were greater than 2019 by 326k. No new variances to report. Total Toll 49 operating expenses are less than July 2019 by 582k. Looking at other income expenses: net expense was 14.8M which was more than last year by 1.738M. Change in net position: there is a deficit of 4.2M which is higher than in 2019 by 372k. Budget to actual: total operating revenue is less than what was budgeted by 8%. It is related to tag revenue. Total operating expenses: actual is under budget by 5%. Total Toll 49 operating expenses (actual) is less than what was budgeted by 29%. In the other income and expense section, net expense is less than budget by 6%. Net income is below budget by 10%. Robert Messer stated that the biggest savings was deferral of maintenance and wanted to know if that was due to timing or money that would be spent later. Dianne Johnston stated that it would be spent later. They have been making a conscious effort to restrict what they can for later in the year.

Motion to approve: Gary Halbrooks; 2<sup>nd</sup>: Bill Bala. Unanimously approved.

#### **11. REPORT ON TOLL 49 TOLLING TRANSACTIONS AND REVENUE.**

Everett Owen stated that they were slightly up in July. Average daily was 36k. The effect of the virus is clearly visible when you look at the monthly transactions. There was a slight dip in July and a recovery in August. They are still below 2019 numbers. He believes the dip in July was due to the virus resurgence. He hopes the positive uptick will continue forward. He also stated that the first few days in September show a good upward trend on the weekend. The daily average is a bit higher so far. They hope that holds true for the rest of the month.

#### **12. REPORT ON CASH FLOW PROJECTIONS.**

Everett Owen stated that Dianne did a lot of work on this. There is a memo in the board book that explains what was done. Basically, they did 3 scenarios as they have done in the past: optimistic, conservative, and pessimistic. They came about those numbers by varying the revenue in these scenarios and held expenses constant. They have taken out all of the optional things that were included in the budget draft. They were primarily looking at the revenue. They were concerned that it was not as strong as they once thought they could have been and so decided to go a more conservative route. If they see an uptick in transactions as the year continues, they could add more items back in. Data on Segment 7 was not included in the projections, not to imply that they are going to postpone Segment 7, but based on those numbers they did not think it was a smart thing to include in the projections. Dave Spurrier stated that it is a 5-year cash-flow projection, not a one year. He thinks it is not prudent to not include Segment 7 as it will be used in the future. It is not a budget and therefore, he believes it needs to be included. Everett Owen stated he does not disagree with him, but they wanted more data from this year before including it because if there is a pessimistic movement in funds then they will need to postpone Segment 6 and likely Segment 7 as well. Dave Spurrier stated that removing it without any discussion is problematic. Everett Owen stated that he understands however, they wanted to be conservative in their estimates. Dave Spurrier stated that the March meeting they had believed that Segment 7 will likely start spending next year around March; however, not making it a line item for in these projections does not follow that previous thought. Everett Owen stated that when they continue with the cash flow presentation he may see why they decided to go the route they did. Everett Owen stated that the optimistic scenario assumes 5% increase in revenue in each of the 5 years. The proposed budget also has a 5% increase for 2021. The conservative has no increase in revenue for 2021 and then a 4% increase in each of the 4 years afterwards. In a pessimistic scenario, they have a 5% decrease in 2021. Then in 2022 they have a 5% increase. And in the remaining years, a 3% increase. The revenue remained constant with an escalation in years after 2021. The end result shows the balance of the general funds for each scenario. He stated they are starting with a balance right at 12M in the general fund for 2020. He reminds all that the reason it is 12M is the wealth transferred, which was about 7-8M, out of the construction fund for 2020. Then in 21, there is another 5M that will be transferred from the construction fund. Under the optimistic fund scenario, they are operating in a negative environment where they are spending more than they are getting in. If it weren't for that 5M, the whole thing would be negative. In the conservative end result, it is generally flat but in 2025 it would be a pool year and end up to about 5-6M. In essence anything below 5 or 6M will lead to a violation of policy that was adopted. The pessimistic projection gets down to a balance of 1.8M which is considerably below the desired balance of 6M. Looking at those numbers, pulling out additional funds for either of the optional issues or Segment 7 may need to be delayed. It did not seem to be prudent to cause those numbers to go more negative than they already are.

#### **13. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE NET RMA 2020-2021 BUDGET. (RESOLUTION 20-21)**

**Action Item**

Dianne Johnston stated there are 3 different documents in their board book. They are the summary, detailed view and a document that shows the net toll revenues and fees. She stated she will focus on the summary as the significant changes were already discussed in Executive Committee. The total budget in operating revenue is a 5% increase over the estimated actual for FY 2020. They originally elected for 10% increase but reduced to 5% after further discussion with CDM Smith even though there will be an increase in toll rate in 2021. Proposed interest income is 38k. This is greatly reduced due to the fed reducing rates to nearly 0. Total proposed operations and maintenance expenses is 8M. The total proposed for admin expenses is 2.2M. There is 341k for general engineering, 1.4M for roadway maintenance, 3.5M for toll collections, 555k for

toll maintenance support and 359k for toll operations support. The item that was under admin was contract policing which has been removed. It could be considered for adding back later. The next section is other cash outlays. The general fund outlays: budgeted to actually be paid out for priority projects is 757k. This is for actual cash outlay. The amount to be awarded is 700k with none to be paid out in 2021. 1.8M will be paid for Segment 6. 70k for legal support in 2021 was budgeted as 2021 will be a legislative year. 2.8M was budgeted for toll integrator equipment and 380k was budgeted for Fagan Consulting and oversight of the toll integrator. The 2 items removed were the widening study and a new signal at 49 and 110N. Just like contract policing, these items could be considered for add-back upon meeting a threshold average monthly revenue. The next item for budget was renewal and replacement projects. The proposed amount for that is 2.2M. 248k is budgeted for Segment 4 cost which includes 98k for the closeout of the Caddo fund. There is also 150k for any straggler construction or related cost for Segment 4. Principal and interest payments for bonds are directly from the debt service schedules. Overall, the proposed net cash outlays is -5.134M. With the way their bonds are structured, with the bonds indenture, the net outlay is all within the general fund. There are also a few items for the non-cash expense. They are bond premium amortization that has to be reported because of a gap and then depreciation expense. Dianne Johnston stated she will not go over the detailed summary as they have a document for that. Everett Owen stated that they did get a little conservative more than they were on the draft. That is primarily a result of CDM Smith cautioning them and looking at trends. In order to do the budget, they need to average 1.7M a month and currently they've been running around 1.5M a month. They probably won't start at 1.7M but they hope to get there fairly soon. If they get more transactions, they hope it will push them into good stead. As Dianne stated, there will be a rate increase in January. That will bring about a 3.5% increase year over year which would leave them with a need to have at least a 1.5-2% increase in average transactions. They are looking for 38-39k transactions a day to make that number. They are currently at 36.5k.

Motion to approve: Robert Messer, 2<sup>nd</sup>: Bill Bala. Unanimously approved.

**14. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE AN INTERLOCAL AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR INCIDENT RESPONSE FOR MAINTENANCE AND TRAFFIC OPERATIONS.**

**(RESOLUTION 20-22)**

**Action Item**

Everett Owen stated it's an annual resolution with TxDOT. It includes ice treatment and so on. It is roughly about the same as last year. He recommends approval.

Motion to approve: Bill Bala. 2<sup>nd</sup>: Chet Clayton. Unanimously approved.

**15. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 11 WITH ATKINS FOR GEC SUPPORT SERVICES.**

**(RESOLUTION 20-23)**

**Action Item**

Tammy Sims provided the presentation. It is a basic GEC support. Dan Droege asked if they will be changing all the names from Chris to Glenn. Tammy Sims stated that it will be 341k. It is more than last year only because they are trying to consolidate some of their change orders.

Motion to approve: Dan Droege. 2<sup>nd</sup>: Larry Morse. Unanimously approved.

**16. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 12 WITH ATKINS FOR MAINTENANCE SUPPORT SERVICES.**

**(RESOLUTION 20-24)**

**Action Item**

Tammy Sims provided the presentation. This is for any help that Mark McClanahan may need on the road. This year it is less than last year as Mark now has more help on the road. This is specifically for any engineering help he may need.

Motion to approve: Derrick Choice. 2<sup>nd</sup>: Robert Messer. Unanimously approved.

**17. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 13 WITH ATKINS FOR RENEWAL AND REPLACEMENT SUPPORT SERVICES.**

**(RESOLUTION 20-25)**

**Action Item**

Tammy Sims stated this is the final annual work authorization. It is for engineering assistance that will be funded through the

R&R budget. It is also for any drainage repair or erosion control. The budget is 120k.

Motion to approve: Dr. Harris. 2<sup>nd</sup>: Larry Morse. Unanimously approved.

**18. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE WORK AUTHORIZATION NO. 2 WITH CDM SMITH FOR TOLL 49 TRAFFIC AND TOLL REVENUE TECHNICAL SUPPORT ON TOLL 49.  
(RESOLUTION 20-26)**

**Action Item**

Everett Owen stated this is a work authorization to do their routine business that they do for the NET RMA. It includes quarterly reports on what's happening with the toll transactions. That's proven to be valuable information as they look to see what's going on and how to react. It also includes the ability to respond to technical questions they may have. It is for a full year at a cost of 120k.

Motion to approve: Jason Ray. 2<sup>nd</sup>: Bill Bala. Unanimously approved.

**19. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE SUPPLEMENTAL WORK AUTHORIZATION NO. 4.2 WITH CDM SMITH FOR CONTINUED TOLL 49 TRAFFIC AND TOLL REVENUE TECHNICAL SUPPORT ON SEGMENT 6 OF TOLL 49.  
(RESOLUTION 20-27)**

**Action Item**

Everett Owen stated this is a no cost work authorization. It basically changes the scope around for one item. One requirement has been taken out and 2 have been added for TIS work by TxDOT. It also changes the date of their work authorization.

Motion to approve: Larry Morse. 2<sup>nd</sup>: Dr. Harris Unanimously approved.

**20. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO DESIGNATE AUTHORIZED SIGNATORIES FOR NET RMA BANK ACCOUNTS.  
(RESOLUTION 20-28)**

**Action Item**

Everett Owen stated that this is a resolution to allow Glenn Green as a signatory to sign checks to replace Chris. This will enable in house signatories of Dianne and Glenn. He stated they may need to consider more board members as signatories. Robert Messer stated that they relaxed signatories since Dianne came on and he asks if they will be able to remove her from it. Everett Owen stated that Dianne would likely agree with that. She is the first signatory as an emergency basis/extenuating circumstance. Robert Messer stated that he is concerned having 2 employee signers on the account. Everett Owen stated that he agrees and if he wants to amend the motion, they can certainly do that. Everett Owen stated that they would not be able to make that change for another week or so as Glenn is not part of the staff just yet. Brian O'Reilly stated that what they can do is revise the resolution and have it state that in addition to adding signatories, Glenn is to be added on September 15<sup>th</sup> and the financial controller is to be removed.

Motion to approve amended resolution: Robert Messer. 2<sup>nd</sup>: Dr. Harris. Unanimously approved.

**21. INTERIM EXECUTIVE DIRECTOR'S REPORT.**

**Everett Owen**

**A. Update on NET RMA Priority Project Grant Awards**

Everett Owen stated that priority projects have an ILA requirement that the funds need to be spent within a 2-year timeframe. So far, that has not worked that well. There has only been one year where that has worked. They circulated a letter to the county judges reminding them that there is a 2 year time-frame and acknowledging that due to the virus, they're project may have been delayed so if they need a time extension for that feasible project, they can do so. They have received response from Bowie, Titus and Upshur and they will be requesting an extension. He stated he is happy to hear that the Bowie and Titus projects are still active and moving forward. He is glad they sent the letters out and will be getting an update on those projects and he believes the money has been well spent.

**22. ADJOURNMENT.**

Linda thanked Everett Owen for his service to the NET RMA and filling in as interim. She stated she is sure Mr. Green will be happy to have Everett as a guiding hand. She stated that if he has any questions or needs help in any way they would be happy to do so. She thanked the board members for their participation.

Adjourned: 2:46 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.**
  - 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:**

October 2020 – Location To Be Determined

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

September 24, 2020 – Texas Transportation Commission meeting

**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.