

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE NORTH EAST TEXAS
REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 18-48

WHEREAS, the North East Texas Regional Mobility Authority (“NET RMA”) was created pursuant to the request of Gregg and Smith Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the “RMA Rules”); and

WHEREAS, the Board of Directors of the NET RMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, subsequent to the initial formation of the NET RMA the Counties of Cherokee, Rusk, Harrison, Upshur, Bowie, Panola, Van Zandt, Wood, Titus, and Kaufman joined the Authority and are represented on the Board of Directors; and

WHEREAS, prudent management and fiscal oversight are overriding objectives of the NET RMA Board of Directors; and

WHEREAS, it is necessary and desirable to develop and adopt a budget for NET RMA operations at the commencement of each fiscal year; and

WHEREAS, the 2017–2018 fiscal year ends on September 30, 2018; and

WHEREAS, the NET RMA has developed a budget for fiscal year 2018–2019 (“FY 2019”), attached hereto as Attachment “A.”


NOW THEREFORE, BE IT RESOLVED, that the NET RMA Board of Directors approves the budget for FY 2019, attached hereto as Attachment “A”; and

BE IT FURTHER RESOLVED, that this budget may be amended from time to time with the approval of the Board of Directors.

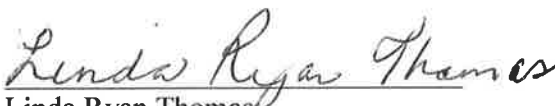
Adopted by the Board of Directors of the North East Texas Regional Mobility Authority on the 11th day of September, 2018.

Submitted and reviewed by:

Approved:



C. Brian Cassidy
General Counsel for the North East
Texas Regional Mobility Authority



Linda Ryan Thomas
Chair, Board of Directors
Date Passed: 09/11/18
Res. No. 18-48

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY



Summary of Proposed Budgeted Revenues and Expenses for FY2019

	Budget Amount 2018	Estimated Actual FY18	Proposed FY19 Budget	Variance FY 2019 to FY 2018 Estimated Actuals	FY19 Budget Variance % to FY18 Estimated Actuals
Revenues					
Operating Revenue (does not include other revs/incomes):					
Toll Revenue	\$ 10,286,000	\$ 9,255,738	\$ 12,751,903	\$ 3,496,165	38%
Video tolls	\$ 4,478,000	\$ 3,966,745	\$ 5,465,101	\$ 1,498,356	38%
Total Revenue:	\$ 14,764,000	\$ 13,222,483	\$ 18,217,004	\$ 4,994,521	38%
Summary of Expenses:					
Administration	\$ 1,618,705	\$ 1,891,678	\$ 1,957,819	\$ 66,142	3%
General Engineering	\$ 416,040	\$ 398,420	\$ 379,437	\$ (18,983)	-5%
Roadway Maintenance	\$ 977,760	\$ 939,603	\$ 1,186,300	\$ 246,697	26%
Toll Collections	\$ 1,015,165	\$ 853,170	\$ 1,014,316	\$ 161,146	19%
Toll Maintenance Support	\$ 400,000	\$ 468,000	\$ 544,597	\$ 76,597	16%
Toll Operation Support	\$ 304,265	\$ 221,086	\$ 305,227	\$ 84,141	38%
Total O&M Expenses:	\$ 4,731,935	\$ 4,771,957	\$ 5,387,696	\$ 615,740	13%
NET INCOME - Before Financing Costs	\$ 10,032,065	\$ 8,450,526	\$ 12,829,308	\$ 4,378,781	52%
Other Expenditures					
Priority Projects	\$ 500,000	\$ 500,000	\$ 600,000	\$ 100,000	20%
Payments to Reserve Accounts:					
Renewal and Replacement	\$ 1,343,200	\$ 852,000	\$ 2,416,623	\$ 1,564,623	184%
Senior Bonds Debt Service	\$ 2,806,538	\$ 2,806,538	\$ 3,664,091	\$ 857,553	31%
Subordinated Bond Debt Service	\$ 2,830,750	\$ 2,830,750	\$ 3,530,750	\$ 700,000	25%
Total Other Expenditures	\$ 7,480,488	\$ 6,989,288	\$ 10,211,464	\$ 3,222,176	46%
Other Revenue and Expenses					
Income on Investments	\$ 314,000	\$ 500,000	\$ 250,000	\$ (250,000)	-50%
Interest Income	\$ 64,562	\$ 329,122	\$ 130,000	\$ (199,122)	-61%
County Contributions	\$ 36,000	\$ 36,000	\$ 36,000	\$ -	0%
Depreciation Expense (Non-Cash Expense)	\$ (6,520,000)	\$ (6,376,204)	\$ (6,550,000)	\$ (173,796)	-3%
Total Other Revenue and Expenses	\$ (6,105,438)	\$ (5,511,082)	\$ (6,134,000)	\$ (622,918)	-11%
NET INCOME - After other Revs/Expenses	\$ (3,553,861)	\$ (4,049,843)	\$ (3,516,156)	\$ 533,687	13%
Segment 6 and 7 TxDot Loan Proceeds/Bank Financing	\$ 2,100,000	\$ -	\$ 1,900,000	\$ 1,900,000	#DIV/0!
Existing System Capital Projects to be Paid from Construction Fund (Including Seg 6 Env Project)	\$ 45,719,800	\$ 49,750,000	\$ 17,000,000	\$ (32,750,000)	-66%



NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

North East Texas
Regional Mobility Authority

Proposed Budgeted Expense Detail for FY2019

Account Name	Estimated Actual FY18	Proposed FY19 Budget Total	Variance FY19 to FY18 Estimated Actuals	Percentage Increase/Decrease over FY18 Estimated Actuals
Toll Revenue	\$ 13,222,483	\$ 18,217,004	\$ 4,994,521	38%
Administration		\$ -	\$ -	
Accounting and Payroll (Consultant Support)	\$ 17,641	\$ 19,000	\$ 1,359	8%
Annual Report	\$ 16,100	\$ 17,500	\$ 1,400	9%
Auditing (Prothro Wilhelmi)	\$ 65,000	\$ 34,000	\$ (31,000)	-48%
Board & Staff Travel Expense	\$ 18,000	\$ 20,000	\$ 2,000	11%
Project Director Contractual Employees Expense	\$ 110,000	\$ 45,000	\$ (65,000)	-59%
Employees Salary	\$ 543,960	\$ 684,798	\$ 140,838	26%
Employee Benefits and Taxes	\$ 110,000	\$ 157,503	\$ 47,503	43%
Office Supplies	\$ 16,699	\$ 18,000	\$ 1,301	8%
Software Hardware	\$ 10,000	\$ 7,500	\$ (2,500)	-25%
Postage	\$ 3,500	\$ 4,000	\$ 500	14%
Rent	\$ 51,246	\$ 61,083	\$ 9,837	19%
Membership Dues & Subscriptions	\$ 14,000	\$ 16,000	\$ 2,000	14%
Risk Management Invoice and Asset Insurance Exp	\$ 36,150	\$ 63,150	\$ 27,000	75%
Legal Services - Legislative Support	\$ 20,000	\$ 85,000	\$ 65,000	325%
Legal Services - General Support	\$ 533,008	\$ 300,000	\$ (233,008)	-44%
Legal Services - Toll 49 Operations	\$ 176,907	\$ 200,000	\$ 23,093	13%
IT Support	\$ 45,004	\$ 46,629	\$ 1,625	4%
Website Maintenance	\$ 11,960	\$ 15,000	\$ 3,040	25%
Internet/Phones	\$ 16,152	\$ 17,000	\$ 848	5%
Other Administrative Expenses	\$ 10,955	\$ 10,656	\$ (299)	-3%
Marketing	\$ 40,000	\$ 100,000	\$ 60,000	150%
Professional Development	\$ 14,000	\$ 12,000	\$ (2,000)	-14%
Surety Bonds	\$ 2,218	\$ 2,500	\$ 282	13%
Trustee Fees	\$ 4,677	\$ 5,000	\$ 323	7%
Financial Advisor Disclosure Fee	\$ 4,500	\$ 4,500	\$ -	0%
Bond Counsel Services	\$ -	\$ 12,000	\$ 12,000	#DIV/0!
Total Administration	\$ 1,891,678	\$ 1,957,819	\$ 66,142	3%
General Engineering			\$ -	
Atkins Annual GEC	\$ 312,420	\$ 325,000	\$ 12,580	4%
Atkins Annual Inspection	\$ 26,000	\$ 36,437	\$ 10,437	40%
Atkins Pavement Mgmt. Plan Development (2019)	\$ 60,000	\$ 18,000	\$ (42,000)	-70%
Total General Engineering	\$ 398,420	\$ 379,437	\$ (18,983)	-5%
Roadway Maintenance			\$ -	
General Maintenance Expenses and Supplies	\$ 39,140	\$ 30,000	\$ (9,140)	0%
Facilities Maintenance Oversight	\$ 82,468	\$ 86,300	\$ 3,832	5%
Incident response (TxDOT)	\$ 7,310	\$ 150,000	\$ 142,690	1952%
Roadway Maintenance (IPL)	\$ 849,825	\$ 950,000	\$ 100,175	12%
Total Roadway Maintenance	\$ 939,603	\$ 1,186,300	\$ 246,697	26%
Toll Collections			\$ -	
Toll Tag Trx Processing (System HUB)	\$ 607,812	\$ 853,864	\$ 246,052	40%
Video - Image Review	\$ 245,358	\$ 160,452	\$ (84,906)	-35%
Total Toll Collections	\$ 853,170	\$ 1,014,316	\$ 161,146	19%
Toll Maintenance Support			\$ -	
ETC Maintenance (KAPSCH Routine Maintenance)	\$ 318,000	\$ 394,597	\$ 76,597	24%
ETC Equipment Repairs	\$ 150,000	\$ 150,000	\$ -	0%
Total Toll Maintenance Support	\$ 468,000	\$ 544,597	\$ 76,597	16%
Toll Operations Support			\$ -	
T&R Consultant	\$ 25,000	\$ 55,000	\$ 30,000	120%
Toll Communications	\$ 55,200	\$ 107,747	\$ 52,547	95%
Utility Elec. Lines	\$ 16,406	\$ 18,000	\$ 1,594	10%
Toll Operations Support	\$ 124,480	\$ 124,480	\$ -	0%
Total Toll Operations Support	\$ 221,086	\$ 305,227	\$ 84,141	38%
Total Budgeted Expenses O&M:	\$ 4,771,957	\$ 5,387,696	\$ 615,740	13%

Account Name	Estimated Actual FY18	Proposed FY19 Budget Total	Variance FY19 to FY18 Estimated Actuals	Percentage Increase/Decrease over FY18 Estimated Actuals
			\$ -	
General Fund Project Costs				
Priority Projects	\$ 500,000	\$ 600,000	\$ 100,000	20%
Total General Fund Project Costs	\$ 500,000	\$ 600,000	\$ 100,000	20%
Renewal and Replacement (R&R) Projects FY2019				
Erosion Control Project Phase III				
Design	\$0	\$ 32,750	\$ 32,750	#DIV/0!
Construction	\$852,000	\$ 796,792	\$ (55,208)	-6%
Construction Engineering and Inspection	\$0	\$ 29,215	\$ 29,215	#DIV/0!
Erosion Control Project Phase III Total	\$852,000	\$ 858,757	\$ 6,757	1%
One Course Surface Treatment (from 4 year pavement management plan)			\$ -	
Design	\$0	\$ 51,873	\$ 51,873	#DIV/0!
Construction	\$0	\$ 1,458,443	\$ 1,458,443	#DIV/0!
Construction Engineering and Inspection	\$0	\$ 47,550	\$ 47,550	#DIV/0!
Surfaces Treatment at Segments 2 and 5 and Ra	\$0	\$ 1,557,866	\$ 1,557,866	#DIV/0!
			\$ -	
Total Renewal and Replacement Costs	\$852,000	\$2,416,623	\$ 1,564,623	184%
CONSTRUCTION PROJECTS FY 2019				
Construction Bond Fund - Segment 4 Project				
Construction and ROW	\$ 47,450,000	\$ 13,275,000	\$ (34,175,000)	-72%
Legal Construction 4 Work		\$ 200,000		#DIV/0!
Trustee Fees Construction 4 Bond Oversight		\$ 25,000		#DIV/0!
GEC Oversight (including CE&I)	\$ 2,300,000	\$ 1,600,000	\$ (700,000)	-30%
Total Construction Fund Segment 4 Project Costs	\$ 49,750,000	\$ 15,100,000	\$ (34,650,000)	-70%
Segment 6 Environmental Studies and Support Construction Project				
Segment 6 Environmental Studies and Support	\$ -	\$ 1,900,000	\$ 1,900,000	#DIV/0!
Total Segment 6 Environmental Studies and Support	\$ -	\$ 1,900,000	\$ 1,900,000	#DIV/0!
Total Construction Project Costs	\$ 49,750,000	\$ 17,000,000	\$ (32,750,000)	-66%
Debt Service				
Senior Bond Interest Payment	\$ 2,806,538	\$ 3,664,091	\$ 857,553	31%
Subordinate Bond Interest Payment	\$ 2,830,750	\$ 3,530,750	\$ 700,000	25%
Total Debt Service	\$ 5,637,288	\$ 7,194,841	\$ 1,557,553	28%
			\$ -	
Total Budgeted Expenses:	\$ 61,511,244	\$ 32,599,160	\$ (28,912,084)	-47%
			\$ -	
Depreciation Expense	\$ 6,376,204	\$ 6,550,000	\$ 173,796	3%