



MEETING NOTICE

TO: North East Texas Regional Mobility Authority Board Members
FROM: Gary Halbrooks
DATE: Tuesday, November 5, 2024
SUBJECT: **November Board Meeting**

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

DATE: Tuesday, November 5, 2024
TIME: 1:30 PM
PLACE: NET RMA Offices
1011 Pruitt Place
Tyler, Texas 75703

Enclosed please find the agenda and other pertinent information for your review prior to the meeting. Should you have any questions, please call Megan Page at 903.630.7894.

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY (NET RMA)
BOARD OF DIRECTORS REGULAR MEETING
Tuesday, November 5, 2024, 1:30 PM
NET RMA Offices
1011 Pruitt Place
Tyler, Texas 75703

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 1, 2024.

2. OPEN PUBLIC FORUM/COMMENT PERIOD.

Larry Terry – If I may, I'd like to share with you. It's a copy of an audio file and transcript, partial transcript. You know what I hear it say, and I mentioned this the last time I spoke to you. I received that in June, June 7th, few days before the June board meeting. I want to go with the premise that you're unaware of it, it's contents and just say that if you will listen to it, I think you'll understand my reluctance to deal with your staff and not you as a board. I think there's things that have been withheld from y'all continue to be withheld from you. And also it's about 5 minutes. It's very obvious there's more to it. I'd like to know where the rest of it is and what was said. Now, if you do know about it, it's beyond me that you conduct your business in this manner. Why is it that you can't stand by the obligations that you made to even get in on our place to do your work? It just makes no sense. And again, I urge you put this matter, on the other agenda where it can be brought out in a solution. I will continue to pursue this. I've tried and tried and tried to work with you as a board and you continue to turn a blind eye, and I fear it is not right. Whatever lengths I have to go to, I'll go to. My property should not be treated this way. My family should not be treated this way.

3. WELCOME AND INTRODUCTION OF BOARD MEMBERS.

In Person – Larry Morse, Gary Halbrooks, Mac Abney, Robert Messer, Marcia Daughtrey, Curtis Rath, Howard Patterson, Jason Ray, Dave Spurrier, Matthew Nelson

Zoom – John Cloutier, John Ray, Ben Hamilton, Chet Clayton, Keith Honey, Matt Watts, Nathan Tafoya, Andrea Williams McCoy

4. CHAIR'S REPORT.

Gary Halbrook

N/A

5. DISCUSSION, CONSIDERATION AND APPROVAL OF THE MINUTES FOR THE SEPTEMBER 10, 2024, REGULAR BOARD MEETING.

Marcia Daughtrey – My name is not listed as an in-person board member.

1st - Marcia Daughtrey, 2nd – Jason Ray, Motion Approved

6. COMMITTEE REPORTS.

7. REVIEW AND ACCEPTANCE OF NET RMA FINANCIAL STATEMENTS.

Dianne Johnston – So we're going to go over budget versus actual. The 12 months ended September 30th, 2024. Something to let you know far as the revenue is concerned here, this is based on actual collections. I have not made year end adjustments yet for our full basis. And so, this is based on what has actually come in. Something I don't know that I've ever told the newer board members is when you see the net. What that means is we have gross collections based on the

rates that we pay each day when you ride the road, and then NTTA automatically deducts their part from what we have agreed to pay them. So, this is gross net of what we pay them. Our actual for the year is the \$16,511,267.00. We went over budget by the \$469,038 positive variance; video net is your pay by mail. Our actual is \$5,526,637.00. We are under budget by \$213,523.00. However, the tag revenue overage takes care of that. Our total operating revenue for the year is the \$22,377,904, which then overall is over budget by the \$255,000 development. Then, we have our total operating expenses. Our actual is \$2,585,925. We are under budget by \$359,313.00, and that is our Toll 49 operating expenses. Our actual is the \$3,427,517.00 under budget by the \$267,831.00 positive variances. Our other net expense's deficit is \$16,764,049.00. Our variance is \$894,640.00 positive 1%. So, that brings us down to our net income which is this deficit for the year of just \$398,799.00. And like I said, these numbers are based on our internal, and then I will have adjustments that I will do so that when we get to audit, which is going to be starting November 18th. Do you have any questions, comments? These numbers are based on internal numbers and will be adjusted before audit. Questions?

1st – Curtis Rath, 2nd – Nathan Tafoya, Motion Approved

8. PRESENTATION ON HARRISON COUNTY PRIORITY PROJECT (LANSING SWITCH ROAD).

PRESENTED AFTER CHAIRS REPORT

Chad Sims – Happy Election Day to you. I'm here today to give you a report on what your funds have done in our county. But more than that, I'm here to thank you all for what you did for us. It's a real blessing, and I was about to read these bullet points here. This is Lansing Switch Rd. It's a county road. It's a project that we've been wanting to get done in our county. It is a county road that's maintained by our road and bridge department. Roughly, it's located between Hallsville and Longview, right off HWY 80, about a little over 3.8 miles long, and the speed limit on that road is 30 miles per hour. That'll be the next complaint that we get after we've repaired the road. We have nearly 500 pieces or parcels of property along this road, and over \$46 million worth of property, according to the appraisal district. That's mostly due to multiple housing developments there. The last time we had did a major overhaul on this road was in 2001 and 2002. Of course, we hope they'll last 20 to 30 years. This one was well past its life of time. We got started at end of July finished up the 1st of October. It took about two months to complete the 3.8 miles. We used 3% soil cement, which is pretty common across the county. We've been doing that for some time to stabilize the base before we work on the top. Then we use A2 course chip seal, a fox seal by one of your local vendors here, and we were able to widened the road from 19 to 22 feet. The total cost for the project was about \$800,000, and the RMA contributed a percent of that is about \$240,000 to the program. We came in a little under budget, which is always, always good. Traffic studies were conducted on this road, and the road was intersected. It's the 6th busiest roadway that we have in the county, and this portion of this roadway sees 12,000 vehicles per week. It turned out great. This is our second project with you guys in the last couple of years. I do want to thank you for your support and your help with helping us to get this done.

Gary Halbrooks – Mac Abney and Rush Harris are the two representatives from Harrison County. We appreciate all the work y'all do and love to be able to help you guys out. Any questions? Thank you Judge.

9. UPDATE ON MARKETING AND COMMUNICATIONS PROGRAM

HAHN PUBLIC

David Gibbs – Just wanted to give an update on some recent media success. I am going to pass it to Russ Rhea who handled a majority of this.

Russ Rhea – What an honor it is to help you tell NET RMA's story. It has been a great joy to work with all of the NET RMA staff, Colleen and Glenn, and everyone. We appreciate John Cloutier to be able to talk in sound bites. We first heard about this over a phone call with John. Our goal was to maximize this coverage and optimize that NET RMA was mentioned in the news stories. By early June, we had heard word from John. We try to make it easy for the media to present this to the public. Here is just a sampling of the pick up we had. About 30 different news outlets picked up the story. With 30 stories, that would be a lot to show you so we did a little sample video.

PLAYS VIDEO

Russ Rhae – Another great thing about the story is the opportunity for follow up and keep this story in the news.

Dave Gibbs – The story was so big that it beat out Crocs getting banned from the local news. We even got a note from a local media company thanking Russ for the well written story. We were just excited to present this to you today.

Gary Halbrooks – Ultimately, this story gave us the opportunity to meet with Senator Cornyn's office. It is great to get this press. John has done a great job and thank you very much.

John Cloutier – I will say that Dave and Russ can make a potato look good, and this was also all timing. We need to show how we can make this model work for the area and letting the NET RMA succeed and be more than just a toll road.

10. QUARTERLY REPORT ON TOLL 49 TRANSACTION AND REVENUE.

CDM SMITH

Justin Winn – My name is Justin Wynn with CDM Smith, the traffic and revenue engineer for the authority, and today I'm just going to go through briefly some recent trends on toll 49, just to take a look at the summary of what we're discussing today. Take a look at some economic trends and then go through what the transaction's been doing on a monthly level and a gantry level, and then follow on with some recent usage characteristics and then how the observed transactions revenue compared to prior forecasts. I'm looking at a high level at economic growth indicators, you can see that Smith County has tracked closely in economic growth to the country, and then it's slightly higher. Overall, the state of Texas continues to have a very strong economy and has consistently outperformed the overall national economy. As another metric, if we look next to unemployment, unemployment trends have continued to be low. The spike during covid has continued to decline has leveled out now in recent months. Overall, unemployment in the NET RMA region is consistent with national and statewide trends. This is a summary of monthly total transactions for the last 10 years. You can see that overall growth has been fairly consistent. We did see a drop in 2020, and then a strong rebound initially in 2021 and then that growth has since leveled off. Year to date in 2024 growth is a little bit lower than what we saw last year, but still on a positive trend. If we look at how Toll 49 compares to national VMT trends as well as statewide VMT trends, you can see that Toll 49 does track fairly closely or slightly exceed those trends and it has been so for the last 2 1/2 years. If we look down at the actual gantry level, you can see how traffic has been growing at each of the tolling locations along Toll 49. You can see in the central portion of the corridor where the highest volumes are, that growth has been fairly low or just slightly negative over the last year, with those volumes remaining fairly consistent. Trucks of course are a big generator for revenue for Toll 49 and if we look here, you can see where those volumes are occurring. The Prairie Creek Main Line just south of I-20 is the highest generator of overall truck traffic and that proximity to I-20 is a major factor. You can see as you move further away from I-20, the total amount of truck volume does decline and you see a similar trend. If you look at the actual share, the highest truck shares are at the two main lines just north and south of I-20. Looking at some of the varying the different usage characteristics of the overall customer base, we can see that in the lane as far as initial reads by the equipment ,AVI is about 66%, 2/3 of the transactions are being read in the lane as AVI. In terms of vehicle type, mostly passenger cars here, but 8% of the overall traffic is generated by trucks, and then if we break out the trucks themselves. You can see it's about 50/50 between the large tractor trailer trucks 5 and 6 axle and versus the smaller work trucks 3 and 4 axle trucks. Finally, if you look at what the breakout looks like across the week, you can see the traffic grows consistently Monday through Friday, with Friday being the highest volume day of the week and then slightly lower volumes on Saturday and Sunday. Now we talked about the transaction share of trucks versus passenger cars, which is 8%, but it's worth it. It's important to note that trucks do pay a much higher toll. When you look at how that breaks out for revenue, we see that although trucks are only 8% of the overall traffic on Toll 49, they are generating about 1/4 of the overall revenue because of those higher tolls. If we look at the final reconciled AVI transaction share, some of the transactions are initially read as video transactions, and then those license plates are later reconciled with active tag accounts, we can get a much more accurate indication of what that share is. You can see that it's growing slightly, you know where it was, you know around 71% - 72% a year and a half ago is now sitting around 73% - 74%. You do see some small growth in AVI share, but it is a large percentage of the overall traffic. Finally, for transactions, if we look at the daily profile, this is just looking at individual daily transactions for the last four months, you can see that the traffic patterns are staying fairly consistent. Actual toll revenues coming in have exceeded the projections for the last three

years and are expected to exceed forecasts for fiscal year 2024 once that's finalized as well. That's caused primarily by for a couple of reasons: One, is that the overall tag share on Toll 49 is about 10% or 12% higher than what was assumed in the TNR forecast. The forecast assumed that share to be around 60% or so and again, it's coming in at around 73% right now. Also, trucks, the truck share is slightly higher on Toll 49 than was expected in the TNR forecast. Questions?

Dave Spurrier – Thank you for this report. It is exactly what I think we needed to see. I would like to see the projections broken out for trucks and cars. We need to keep an eye on this. Trucks make up about 30% of our revenue. Glad we are doing this quarterly.

Robert Messer – Have we seen a change in our maintenance? Does this need to affect our budget?

Glenn Green – We are not showing any effect on the road.

Discussion Ensued

Gary Halbrooks – Any other questions?

Gary Halbrooks – Back to the legislative question, Brian, can you tell us what you are seeing in Austin for RMAs?

Brian O'Reilly – Not a lot in transportation. It is not at the front of everyone's minds, but you never know what could happen with HECTRA taking over the back office for TxTag. We can talk about a legislative agenda item for the next board meeting.

Discussion ensued.

**11. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE ISSUANCE OF AN INVITATION TO BID FOR THE TOLL 49 SEGMENT 3B OVERLAY PROJECT.
(RESOLUTION 24-23) Action Item**

Glenn Green – This is actually 3B North. After tests, we do not need to let this road go another year, and we just need to get this handled and not stress the road more. I am asking the board to let me do an invitation to bid at the cost of \$6.52 million. We have budgeted for this, and it is expected in the budget.

Dave Spurrier – Did you want to mention how this is a flexible bid?

Glenn Green – This will allow our contractor to start whenever, but once they start, they will have to finish. We will also be rewarded for an early finish and a penalty for a late finish.

Discussion ensued.

John Cloutier – As far as giving them a flexible schedule, will this affect our traffic?

Glenn Green – We will be doing this project at night, and they will have about a 4-month window to start and finish the project. From the beginning of May to end of September. It will take about 2 months to complete.

1st – Larry Morris, 2nd – Mac Abney, Motion approved.

**12. DISCUSSION, CONSIDERATION AND POSSIBLE ACTION TO MODIFY THE ANNUAL TOLL RATE ESCALATION.
Action Item**

Glenn Green – It is that time to increase our toll rates, and the rate break down is in your board book and on the slide in front of you. Our financial advisors agree that we need to follow our policies and not break policy.

Robert Messer – I know it may seem like we don't need to raise rates, but we would have to explain that before we could borrow money for Segment 6. If we did this, it could also create some issues.

Discussion ensued between multiple board members.

Glenn Green – Brian, we do not need approval?

Brian O'Reilly – That is correct.

Discussion ensued

13. EXECUTIVE DIRECTOR'S REPORT.

N/A

14. ADJOURNMENT.

Adjourned at 2:31

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.**

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.

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 must be made during the open comment period. You must be recognized by the presiding officer.

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 presiding officer, 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 presiding officer 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 to attend this meeting, please contact the 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 the NET RMA at 903.630.7894 at least two working days prior to the meeting so that appropriate arrangements can be made.

MINUTES