



# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

UPDATED JUNE 2024

## North East Texas Economic Development District, Inc.



# 2023-2028

# Meet the Team

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## ATCOG STAFF

**Mary Beth Rudel**, Executive Director

**Leslie McBride**, Deputy Director

**Toni Lindsey**, Regional Development Director

**Melody Harmon**, Economic Development Director

**Holly Pfister**, Development Specialist

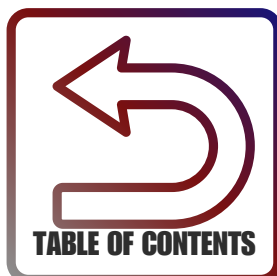
**Kathy McCollum**, Hazard Mitigation and Environmental Specialist

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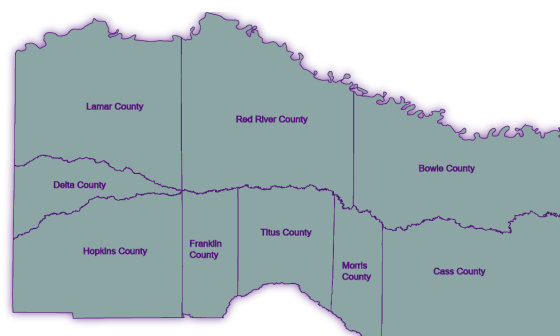
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# North East Texas Economic Development District



North East Texas Economic Development District, Inc. (NETEDD) was created in 1966 to help the flow of Economic Development Administration grant and loan funds into the northeast Texas region. NETEDD is designated as an Economic Development District (EDD) by the U.S. Department of Commerce, Economic Development Administration (EDA). Members currently include Bowie, Cass, Delta, Franklin, Hopkins, Lamar, Morris, Red River and Titus Counties. The NETEDD is a 501(c)6 nonprofit organization and is governed by a Board of Directors composed of representatives throughout the nine counties. Board members are appointed by each County Judge and represent a cross section of the region's population and economic interest.

The NETEDD utilizes a regionally focused, locally driven approach to the Comprehensive Economic Development Strategy (CEDS). Our goal is to provide a living/dynamic CEDS that encourages meaningful conversation and debate about the best practices, building capacity, and state of the region to best serve our economic development. In such, the 2023-2028 CEDS would not have been possible without the time and service of our valued regional stakeholders. This living document is intended to identify key opportunities for development and growth specific to the needs of the communities within our region.

The 5-year CEDS provides an opportunity to take an in-depth analysis into where NETEDD will be in 5 years. NETEDD's location in the middle of the United States is a critical advantage for many industries. Geographically the region covers approximately 5,790 square miles. Due to locally-based economic development organizations and initiatives throughout NETEDD's service area, the District's development department places an emphasis on providing a supportive role to entities focused on economic development such as chambers of commerce, business associations, local governments and economic development corporations within the region.

The CEDS is a pre-requisite for federal designation as an EDD and must be updated at least every five (5) years. The NETEDD CEDS is a working document, approved by the NETEDD Board of Directors, used by both public and private sectors to provide guidance on the economic state of the NETEDD region.

## Introducing NETEDD CEDS

The **NETEDD CEDS** is designed as a tool for information and a tool for use in grant writing. The first section is a brief introduction of **The NETEDD Region**.

- **Counties/Cities/Towns/Communities of NETEDD** will detail the Nine (9) Counties, Fifty-one (51) Incorporated Cities/Towns, One (1) Special Purpose District/Redevelopment Authority, and Eighty (80) Unincorporated Communities in the Northeast corner of Texas. This becomes important when you are identifying the low income areas, equity challenged areas, and/or beneficiary impacted areas of an application.
- **NETEDD Roads & Highways** have a major impact on much of the region. Major roadway infrastructure upgrades are in process in various parts of the region.
- **NETEDD School Districts** impact many business decisions to establish in an area.
- **NETEDD Quality of Life** details some of the best **Outdoor Recreation/Fishing Areas** in Texas with camp sites and nature trails. **Entertainment Districts/Activity Calendars** are becoming popular in the region with online sites that market events.

The next section is a **Summary Background** of NETEDD during the past Five (5) years.

- **Impacts of COVID-19** hit the NETEDD region like the rest of the world. With over 1,455 fatalities reported to the CDC in the region, documented food shortages, schools closed, citizens shuttered in by mandate, and health care facilities attempting to keep up with the medical need, NETEDD communities rallied back with resiliency plans and shared information.
- **Broadband** became a major factor as schools were closed, remote workers were utilizing the Internet, citizens were streaming videos and/or music, Non-remote workers were utilizing Internet daily, emergency personnel/Hospitals/Clinics utilizing the Internet, and wireless equipment/devices accessing remote Internet. Nationwide Internet became a major issue.
- **HOME Grants in the Region** is a program to offer eligible homeowners that live in sub-standard homes the chance to have their home replaced with quality living space. Over the past Five (5) years, **169 NETEDD region home owners** have benefited through **\$18,421,000 in HOME grant funds**. for quality living.

## Introducing NETEDD CEDS

- **Industry in the Region** has seen a dramatic increase in Health Care Clinics and 24-hour emergency care units since 2020. Manufacturing and Retail continue to increase. With the major highway upgrades occurring, Fuel Stops combined with convenience stores and food operations are becoming a trend.
- **Pandemic Funding** brought an influx of funds to the region that brought about new small businesses, saved existing businesses, remodeled businesses for pandemic protection, and refinanced other businesses. NETEDD staff worked diligently with key stakeholders, including SBDC, traditional lenders, and private partners, to provide information and options to small businesses in the NETEDD region.

**Regional SOAR Analysis Chart** leads in to the Strategic Plan, Visions and Goals, and the Action Plans.

- By understanding identified aspects and factors, leaders throughout the NETEDD can better position their firms and organizations for action.
- These aspects can be used to leverage opportunities and mitigate risks to the economic wellbeing of the region.
- Visions and Plans are derived from the SOAR Chart and goals and objectives are determined for a period of time.
- Often analyzing the chart brings across Strength, Opportunity, Aspiration, and Risk in a Region for the same aspect - some need more actions than others in the growth of economic development.

**Strategic Plan** will guide the District with tools provided by these Strategic Directions as identified by the NETEDD Board of Directors.

- The Board identifies the actions necessary to reach the Strategic Direction.
- At the end of the calendar year, the District's performance will be evaluated by the Board of Directors.
- The reporting methodology in place will determine the effectiveness of the performance measure (PM) and whether these targets were achieved.

**Vision and Goals** will agree with the Seven identified areas of the Strategic Plan.

**Action Plan Goals/Objectives** will follow the identified areas of the Strategic Plan.

## Introducing NETEDD CEDS

**Population & Growth** starts the 2023 - 2028 NETEDD CEDS information. The region had a steady growth since 2010 until 2020. With the 2020 Census, the population declined across the region and the projection moving into the future reflect this decline. NETEDD contracted a population study in cooperation with the Sulphur River Basin Authority as impact on water utilities, housing and future projections are important for economic growth.

**Workforce & Education** work together for citizens looking for specific jobs and training needs. With closures such as U.S. Steel in Morris County, Coalmine closures in Hopkins, Titus, and Franklin counties, and layoffs at Red River Army Depot and other industries in the region, Education has become more important for citizens to “relearn” new skills for job placements.

**Educational Development** indicates that more students are graduating from High School and pursuing higher education. **All NETEDD counties** have been impacted by higher education numbers since the Pandemic. Targeting the High School students that are planning on higher education should be a focus to ensure that education is available to meet the NETEDD economic development needs.

**Economic Resiliency** is not a new concept. The impact of COVID-19 was not something that could be specifically planned for or mitigated in advance. As a region improvements in many areas of Economic and Regional Development were identified that may help mitigate future pandemics. and/or economic downfalls.

**Hazard Mitigation**, as part of the State of Texas Hazard Mitigation Plan or City/County Hazard Mitigation Plan, is vital for planning to reduce or eliminate hazardous conditions that:

- Cause Loss of Life
- Inflict Injury
- Cause Property Damage, or
- Degrade Important Natural Resources

All of the Nine (9) counties have Hazard Mitigation Plans. Some are in various stages of plan renewal as the greatest challenge has been funding.

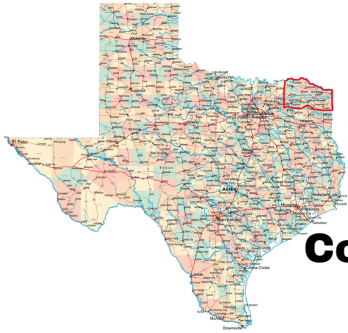
**County data** details information about all Nine (9) NETEDD counties.

**Statistics and Relevant Information** follows the county data.



# The NETEDD Region

NETEDD is made up of Nine (9) Counties, Fifty-one (51) Incorporated Cities/Towns, One (1) Special Purpose District/Redevelopment Authority, and Eighty (80) Unincorporated Communities in the Northeast corner of Texas.



## Counties/Cities/Towns/Communities of NETEDD

### **Bowie County:**

**Incorporated Cities:** De Kalb, Hooks, Leary, Maud, Nash, New Boston, Red Lick, Red Water, Texarkana, Wake Village

**Special Purpose District/Redevelopment Authority:** TexAmericas Center

**Unincorporated Communities:** Basset, Beaver Dam, Boston, Burns, Carbondale College Hill, Corley, Dalby Springs, Hubbard, Malta, Oak Grove, Old Boston, Old Salem, Old Union, Red Bank, Siloam, Simms, Spring Hill, South Texarkana, Victory City, Wamba, Ward Creek

### **Cass County:**

**Incorporated Cities:** Atlanta, Hughes Springs, Linden, Queen City

**Incorporated Towns:** Avinger, Bloomburg, Domino, Douglassville, Marietta

**Unincorporated Communities:** Bivins, Kildare, Lanark, Love, McLeod, Smyrna

### **Delta County:**

**Incorporated Cities:** Cooper, Pecan Gap, Commerce

**Unincorporated Communities:** Antioch, Ben Franklin, Enloe, Jot 'Em Down, Klondike, Lake Creek

### **Franklin County:**

**Incorporated City:** Winnsboro

**Incorporated Town:** Mount Vernon

**Unincorporated Communities:** Clearwater, Cypress, Daphne, Eureka, Hagansport, Hopewell, Lakeview, Macon, Majors, New Hope, Purley, Scoggins

# The NETEDD Region

## Hopkins County:

**Incorporated Cities:** Cumby, Sulphur Springs

**Incorporated Towns:** Como, Tira

**Unincorporated Communities:** Addran, Birthright, Brashear, Dike, Gafford, Miller Grove, Pickton, Saltillo, Sulphur Bluff

## Lamar County:

**Incorporated Cities:** Blossom, Deport, Paris, Reno, Roxton, Sun Valley, Toco

**Census Designated Place:** Powderly

**Unincorporated Communities:** Ambia, Arthur City, Atlas, Brookston, Chicota, Cunningham, Glory, Hopewell, Midcity, Milton, Pattonville, Petty, Sumner

## Morris County:

**Incorporated Cities:** Daingerfield, Hughes Springs, Lone Star, Omaha

**Incorporated Towns:** Naples

**Unincorporated Communities:** Cason, Jenkins

## Red River County:

**Incorporated City:** Bogata, Clarksville, Deport, Detroit

**Incorporated Town:** Annona, Avery

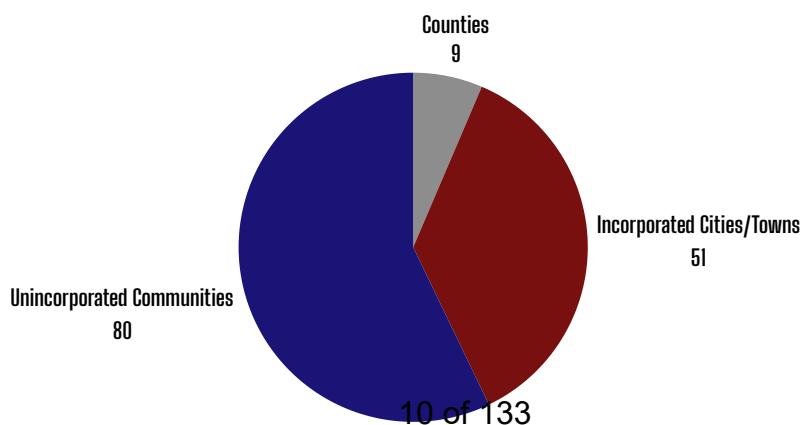
**Unincorporated Communities:** Aikin Grove, Albion, Bagwell, Cuthand, English, Maple, Negley, McCoinville

## Titus County:

**Incorporated Cities:** Mount Pleasant, Talco, Winfield

**Incorporated Towns:** Miller's Cove

**Unincorporated Communities:** Cookville, Marshall Springs





# The NETEDD Region

## NETEDD Roads & Highways

### Bowie County:

**Interstate Highways:** I-30, I-49, I-369  
**US Highways:** US 59, US 67, US 71, US 82, US 259  
**State Highways:** SH 8, SH 93, SH 98  
**Farm-to-Market Roads:** FM 44, FM 558, FM 559, FM 560, FM 989

### Cass County:

**US Highways:** US 59  
**State Highways:** SH 8, SH 11, SH 77, SH 155  
**Farm-to-Market Roads:** FM 248, FM 250

### Delta County:

**State Highways:** SH 19, SH 24, SH 154

### Franklin County:

**Interstate Highways:** I-30  
**US Highways:** US 67, US 271  
**State Highways:** SH 11, SH 37

### Hopkins County:

**Interstate Highways:** I-30  
**US Highways:** US 67  
**State Highways:** SH 11, SH 19, SH 154, SH 301

### Lamar County:

**US Highways:** US 82, US 271  
**State Highways:** SH 19, SH 24

### Morris County

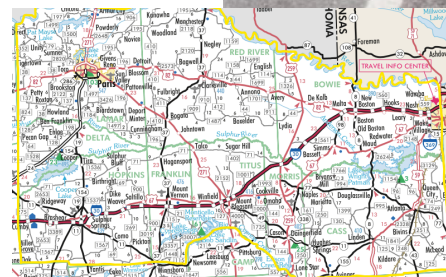
**Interstate Highways:** I-30,  
**US Highways:** US 67, US 259  
**State Highways:** SH 11, SH 49, SH 77, SH 338  
**Farm-to-Market Roads:** FM 130, FM 144, FM 161, FM 250

### Red River County:

**US Highways:** US 82, US 271  
**State Highways:** SH 37

### Titus County:

**Interstate Highways:** I-30  
**US Highways:** US 67, US 271  
**State Highways:** SH 11, SH 49



# The NETEDD Region

## School Districts

### **Bowie County:**

De Kalb ISD, Hooks ISD, Hubbard ISD, Leary ISD, Liberty-Eylau ISD, Malta ISD, Maud ISD, New Boston ISD, Pleasant Grove ISD, Red Lick ISD, Redwater ISD, Simms ISD, Texarkana ISD

### **Cass County:**

Atlanta ISD, Avinger ISD, Bloomburg ISD, Hughes Springs ISD, Pewitt CISD, Linden-Kildare CISD, McLeod ISD, Queen City ISD

### **Delta County:**

Cooper ISD, Fannindel ISD, Chisum ISD

### **Franklin County:**

Mount Vernon ISD, Rivercrest ISD, Saltillo ISD, Sulphur Bluff ISD, Winnsboro ISD

### **Hopkins County:**

Como-Pickton CISD, Cumby ISD, Miller Grove ISD, North Hopkins ISD, Saltillo ISD, Sulphur Bluff ISD, Sulphur Springs ISD

### **Lamar County:**

Chisum ISD, Fannindel ISD, Honey Grove ISD, North Lamar ISD, Paris ISD, Prairiland ISD

### **Morris County**

Daingerfield-Lone Star ISD, Hughes Springs ISD, Pewett CISD

### **Red River County:**

Avery ISD, Clarksville ISD, Detroit ISD, Prairiland ISD, Rivercrest ISD

### **Titus County:**

Chapel Hill ISD, Daingerfield-Lone Star ISD, Harts Bluff ISD, Mount Pleasant ISD, Pewitt CISD, Rivercrest ISD



# The NETEDD Region

## Quality of Life

### Outdoor Recreation

#### **Lake Wright Patman**

Located on the Sulphur River in Bowie and Cass counties, approximately 10,994 surface acres. Fishing on the lake offers Largemouth bass, Blue catfish, Channel catfish, Flathead catfish, Crappie, Sunfish, and White bass.

#### **Caddo Lake**

Caddo Lake is a 25,400-acre lake and bayou on the border between Texas and Louisiana. East of Jefferson the site offers boat tours, fishing, camping, and wildlife. Fishing on the lake offers Largemouth bass, Crappie, White bass, Yellow bass, and Bream. Channel catfish, Blue catfish, and flathead catfish are present and provide a good seasonal fishing opportunity.

#### **Lake Bob Sandlin**

Lake Bob Sandlin, located on Big Cypress Creek, is approximately six (6) miles southwest of Mount Pleasant and six (6) miles northwest of Pittsburg, Texas. The lake is located in Camp, Franklin, Titus, and Wood counties and covers an area of 9,004 acres with 75 miles of shoreline. Fishing on the lake offers Largemouth bass, Spotted bass, Catfish, Crappie, Bluegill, and redear sunfish.

#### **Lake Monticello**

Fishing Lake Monticello is one of the most popular largemouth bass fisheries in Texas. Monticello reservoir is located approximately two and one-half miles east of Monticello in Titus County on Blundell Creek, a tributary of Big Cypress Creek. Surface area is 2,001 acres. Fishing on the lake offers Largemouth bass, Channel catfish, Bluegill and redear sunfish.

#### **Lake of the Pines**

Lake of the Pines is a reservoir on Big Cypress Bayou, also known as Big Cypress Creek. The lake covers approximately 18,700 acres. Fishing on the lake offers Largemouth bass, Spotted bass, Blue catfish, Channel catfish, Flathead catfish, White bass, Crappie, Sunfish, Chain pickerel.

# The NETEDD Region



## Jim Chapman Lake

Jim Chapman, also known as Cooper Lake, is a 19,305 acre impoundment located in Delta County. Fishing on the lake offers Largemouth bass, Bluegill, Walleye, Crappie, Northern Pike, Yellow Perch, and sunfish. .

## Lake Pat Mayse

Pat Mayse is located in the Red River Basin in Lamar County. Approximately 12 miles north of Paris on Sanders Creek with a surface area of 5,940, the lake was impounded in 1967. Fishing on the lake offers Largemouth bass, Spotted bass, White bass, Crappie, and Catfish.

## Lake Fork

Lake Fork is world renown for trophy bass, located approximately 15 miles south of Sulphur Springs on Highway 154. The lake covers 27,000 surface acres.. Fishing on the lake offers Largemouth bass, Crappie, Bluegill, and Catfish.

## Entertainment

### North East/East Texas Things To Do

#### Sulphur Springs - Attractions

#### Events in Paris | Tour Texas

#### Texarkana - Downtown Entertainment Districts

#### Mount Pleasant - Special Events

#### Atlanta - Event Calendar

#### Mount Vernon - Downtown Attractions

#### New Boston - Entertainment District

# Regional Summary

## Impacts of COVID-19

Undoubtedly, the COVID-19 pandemic was a defining moment in our regional and national history. The impacts will shape our economic ecosystem for the next five to ten years. Since 2018, the NETEDD, along with the rest of the nation, has suffered through the COVID-19 pandemic with over 1,435 fatalities reported to the CDC that directly impacted the NETEDD region. While the region is in the recovery stages of communities, businesses, and economic growth, the lessons learned regarding the lack of broadband during a major pandemic crisis, the lack of local food production facilities within the region, and the major changes that were occurring in restaurants/fast food service became evident.

During COVID-19 some immediate needs became evident throughout the region. Northeast Texas did not have the ability to meet the the food needs of the population without bringing the products in from other regions and/or states. When COVID impacted food chain locations the food shortage had a dramatic impact on the entire region. As the region began to recover and assess the needs, an emphasis was placed on bringing local "meat processing" facilities to the region in various location to meet the needs of the Northeast Texas and beyond.





Restaurants and fast food sites within the region had to find a way to protect their employees and their customers. During a pandemic that was not selective of age or race, many citizens refused to believe that it was more than a flu like epidemic. This created issues for many businesses across the nation. Restaurants and fast food services began to offer drive thru or delivery only. Staffing became a problem for many with illness and/or death throughout the region. Even with the help of government subsidies many food services closed completely never to reopen. Other "new" small food businesses took advantage of the shortages and opened up their dream with the help of low interest funding.



## Regional Summary

### Rippling Effects of COVID-19

 The NETEDD region has shifted in the quality of some jobs in Northeast Texas in the last few years with losses in higher paying jobs and increases in retail, service, and medical related jobs. In the last decade alone, there have been significant layoffs and closures that have impacted our region. Red River Army Depot sent out notice of **layoff to 600** employees March 2018; Pilgrim's Pride (a large food producer in the region) filed for Bankruptcy and was bought out by JBS industries (with a **loss of over 300 jobs**); Luminant Mines at Sulphur Springs (**26 employees**), Winfield (**29 employees**), and Mount Pleasant (**27 employees**) **laid off over 80 jobs** to become permanent with the coalmine closures; U.S. Steel Total Shutdown in 2020 caused the job **loss of 1,500** employees at Lone Star Tubular, Wheeling Machine - Hughes Springs, and Fairfield Tubular. The U.S. Steel Plant in Lone Star plant released approximately **600 employees** with their official closing of the site. Husqvarna Nashville plant announced that the production facility would close the doors by the end of 2024 with over **650 employees** living in and around the ATCOG region losing their jobs. J. Skinner Baking, who made an appearance in Paris in 2012 closed their doors **eliminating almost 140 jobs**. 



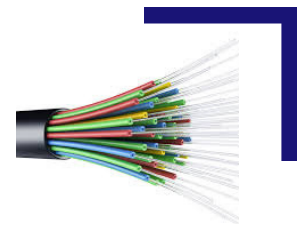
These are just some of the significant layoffs and closures in Northeast Texas. COVID-19 changed the dynamics of many workforces. After many locations realized that remote work was possible, office locations closed leaving the unemployed seeking education to meet the growing demand of the remote workforce needs.



# Regional Summary

## Broadband/Internet

The Internet in homes, schools, and offices has become a normal part of life. In the Spring of 2020, when sheltering in place meant many businesses were closed and people were working remote and schools were closed expecting many students to study remotely, Northeast Texas, along with most rural areas, found how lacking in broadband services the region was.



The Federal Government realized that this was a nationwide problem and funds became readily available. Major providers bid on various locations throughout the U.S. with a guarantee to meet specific deadlines of service provision. Regulations seem to change regarding speeds, in-ground fiber, overhead lines, satellite service providers, who could apply for funds, who meets eligibility, etc.

Ark-Tex Council of Governments (with NETEDD) contracted for a broadband report of the region. The report started with various surveys to get a better understanding of the true state of broadband in the Northeast Texas Region. The information may be used as supportive data for future funding needs. The report is available online and provided to all counties.

The report identified the following: (1) Counties need to develop a County-wide Broadband strategy utilizing the information gathered from the survey and data; (2) The County should not become the internet provider but focus on developing public/private partnerships; (3) Improved and Affordable Fiber and Wireless is Needed - many residents and businesses rely on poor Digital Subscriber Line (DSL) Internet access and need an alternative; (4) Grant Funds need seeking; (5) Manage Expectations - the current deficiencies took decades to develop, proposed improvements should be approached as a multi-year process; (6) Counties need to develop Partnerships with WISP's and ISP's. Wireless Internet Service Providers and ISPs suggestions should help inform the broadband strategy for the County; and (7) Develop a Long-Term Funding Strategy- be prepared when the next grant is available.

[Broadband Maps](#) >

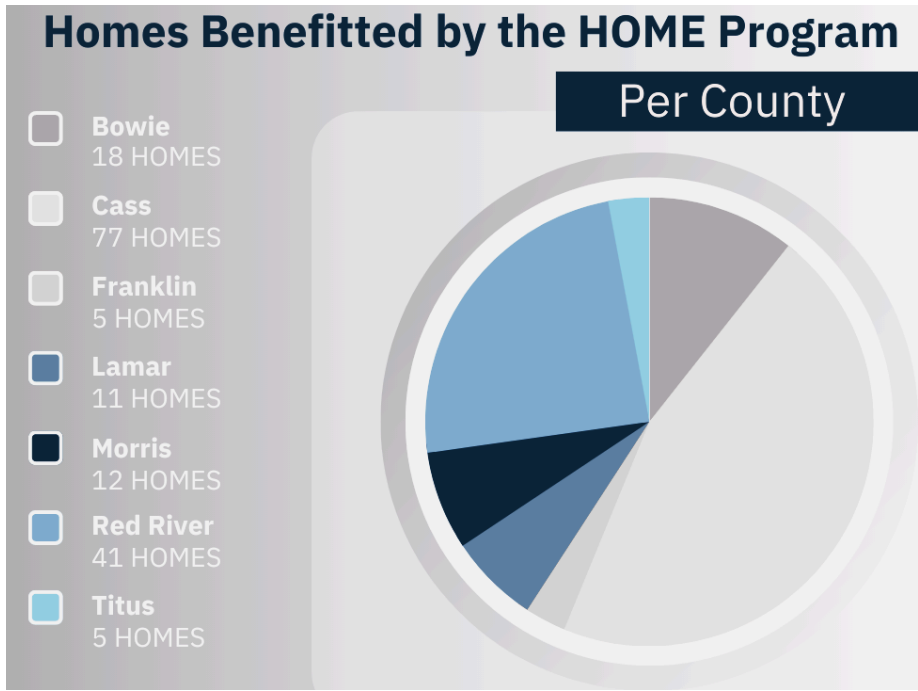
[Broadband  
Survey Results](#) >

# Regional Summary



## HOME Grants in the Region

In the past five years seven of our nine counties have participated in the HOME program. This program is not a competitive grant process! Any of the ATCOG region cities or counties that wish to participate in the program are eligible. Over the past five years approximately \$18,421,000 has been expended to provide decent, safe, sanitary and affordable housing for eligible homeowners. The counties that have benefitted the HOMES through this program are in the graph above. TDHCA has an annual allocation and it has been sufficient to meet the demand. Funding amounts change as well as demands. This is a great program to offer eligible homeowners that live in sub-standard homes.



# Regional Summary

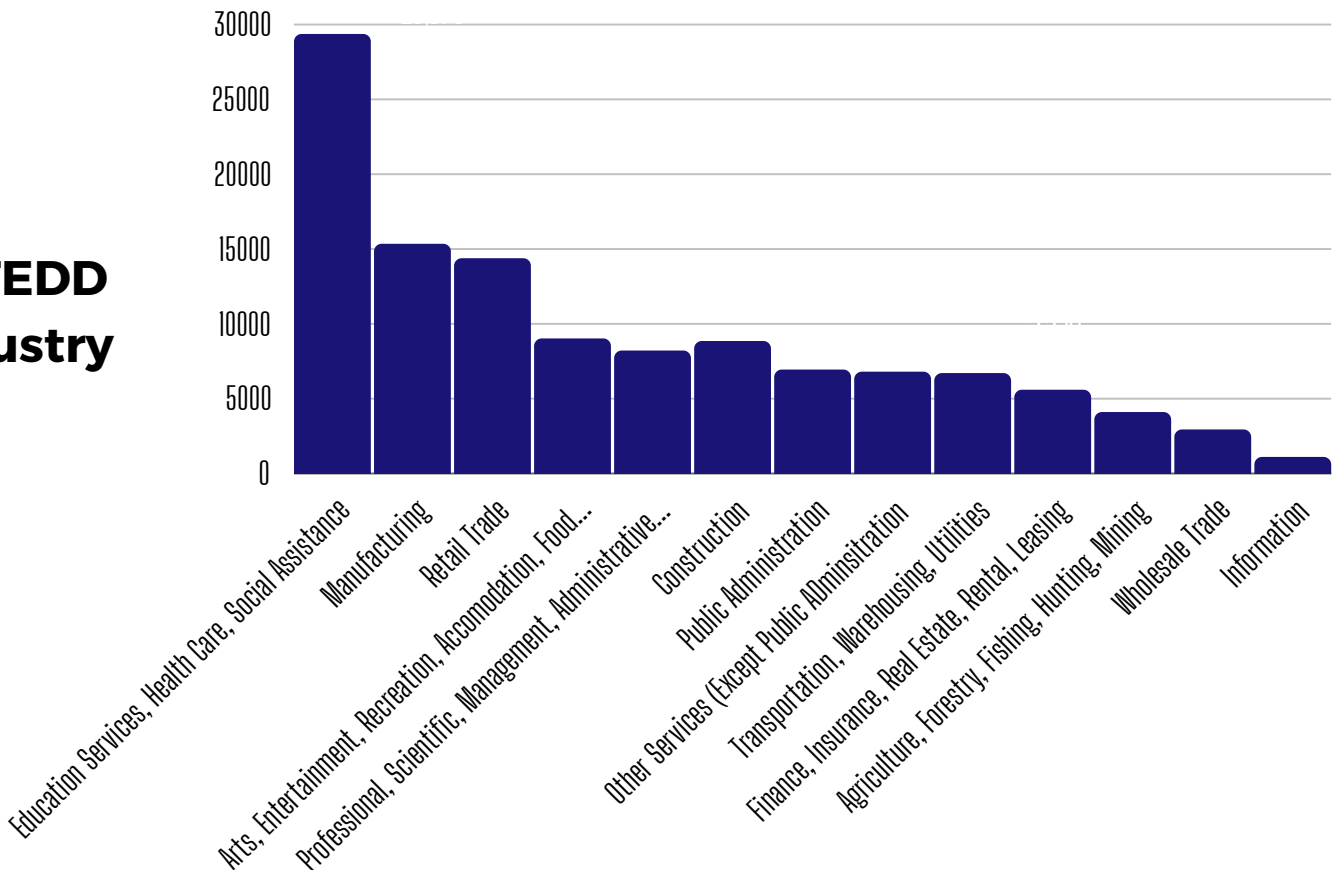


## Industry in the Region

Many industries within the NETEDD region dropped slightly since the 2018 CEDS primarily due to COVID 19. With the influx of funds to assist some business modify their mode of operations (namely food operations), the dynamics have changed in the way many food and other services, continue to provide services. Health Care Finance industries as well as Manufacturing increased significantly in the NETEDD region.

Industry in the NETEDD region, as indicated by the chart reflects a dramatic difference in Educational Services, Health Care, and Social Assistance. Health Care Clinics and 24-hour emergency care units emerged throughout the region (except Delta County). Manufacturing and Retail continue to increase and various food service sites are opening throughout various parts of the region. With the major highway upgrades occurring, Fuel Stops combined with convenience stores and food operations are becoming a trend.

### NETEDD Industry



## Regional Summary

### Funding During & Post Pandemic

New businesses benefited from funds that became available during and after COVID-19. Businesses that were in jeopardy of closing were afforded the ability to remain viable while other businesses took advantage of expansions and refinancing to ease economic burden. Key stakeholders, including SBDC, traditional lenders, and private partners, provided excellent referrals for their communities to maintain and boost economic activity.

It must be noted that several businesses who did not take advantage of any forms of assistance, such as EIDL, PPP, or RLF low interest funding have shuttered or completely closed for business since COVID. Funding resources provided through various state and federal agencies that came about during and after the pandemic include:

- CARES Act - The Coronavirus Aid, Relief, and Economic Security Act
- ARPA Act - The American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan
- EIDL - COVID-19 Economic Injury Disaster Loan
- PPP - Paycheck Protection Program
- RLF - Revolving Loan Fund



**For more information on funding resources, click the acronyms above.**

# Regional SOAR Analysis

Analyzing something as simple as a chart can bring to light that **Education\*** for instance, can play a role in Strength, Opportunity, Aspiration, and Risk in a Region yet be such a vital part of economic development.



## Strengths

\* Accessible higher Education & Workforce

Economic Development Investment Properties

Transportation Corridors

Adequate Hospitals & Clinics

Good Natural & Water Resources

Housing Opportunities

Strengths are relative competitive advantages.



## Opportunities

Commerce through rail and road

\* Multiple Education Avenues

Economic Development Investment property growth potential

Growth in agribusiness, logistics, and ecotourism

Business incentive and public sector subsidies

Historic preservation and revitalization

Opportunities are occasions for regional progress.



## Aspirations

Inadequate and/or Aging Infrastructure

Economic Development Property Restrictions

Per Capita Income Lower than State and National

\* Lack of funding for education, training, and technical assistance

Inability to capture a remote workforce

Skill and comprehension of technology in the workforce

Aspirations are relative competitive disadvantages.



## Risks

\* Outmigration of educated students

Lack of funding for infrastructure - Including broadband/internet

Unexpected population changes

Lack of resources for small rural communities

Lack of regional voice relating to economic growth

Economic development investment property closures/job losses

Risks are missed opportunities that need solutions.

# Strategic Plans

The North East Texas Economic Development District, Inc. is fortunate to have stakeholders who are committed to their communities and desire to contribute to the implementation of this CEDS. The NETEDD Board of Directors is comprised of a group of stakeholders from throughout the region's local governments to ensure that the diverse perspectives and interests in the region are reflected, as well as to give the NETEDD efficacy in implementing the CEDS. The Visions, Goals, and Action Plans will be utilized as a tool for the North East Texas Economic Development District, Inc. The CEDS will guide the District with tools provided by these Strategic Directions as identified by the NETEDD Board of Directors. Below, the Board identifies the actions necessary to reach the Strategic Direction. As such, at the end of the calendar year, the District's performance will be evaluated by the Board of Directors. The methodology in place will determine the effectiveness of the performance measure (PM) and whether these targets were achieved.

1. **Increase communication** through regional information regarding Funding opportunities, Housing and Aging information, and any handbooks available for regional improvement.
2. **Support the development of a skilled and technical workforce** by-way of enhanced cooperation and support between the Northeast Texas Workforce Commission, new/existing employers and regional educational institutions.
3. **Offer competitively priced financing** for existing and new small businesses in the region by offering SBA loans, SBDC training, RLF loans, SCORE assistant, Workforce Commission cooperation and other services that promote small business retention and growth.
4. **Support the creation of higher paying and meaningful jobs** in an economically depressed region by attracting new businesses to the region that offers higher skilled and higher wage jobs.
5. **Support counties as they increase broadband** infrastructure needed to support business growth, remote education, and remote workers.
6. **Seek and promote funding for economic assistance to develop infrastructure**, industrial parks, and other public projects.
7. **Disaster Recovery and Economic Resilience** is the ability to anticipate and respond.

# Visions & Goals

**NETEDD will coordinate with counties, cities, economic development corporations, communities, businesses, funding agencies, and all partners in the Northeast Texas area to maximize economic growth in the region.**

## **GOAL 1: INCREASE COMMUNICATION WITH LOCAL GOVERNMENTS AND BUSINESSES TO PROMOTE ECONOMIC DEVELOPMENT OF THE REGION.**

The ATCOG, through its Regional and Economic Development Departments, shares information with local governments and businesses, provides information regarding funding opportunities and best practices, and offers training avenues which allow more economic growth in the region. Staff will share the interactive information in the Web-based CEDS for more immediate statistical information. CEDS is to provide more information for grants and regional details



## **GOAL 2: EDUCATION AND WORKFORCE**

The NETEDD Region has a less well-educated workforce than state averages. While somewhat equal numbers hold a high school diploma, the percentage with Bachelor's degrees or higher educational levels is significantly less than state averages. In Delta, Franklin, and Morris, the 18-24 year old with college or Associates degree exceeds the Texas average. All other ages with Associates and/or Bachelors or higher are significantly lower than state and national averages. In that education relates to skills, these low education levels results in low wages and higher poverty rates for the region. Consequently, average annual wages continue to be significantly lower in the NETEDD Region than all state comparison areas. The local High Schools and Community Colleges work together with students to help prepare them for the workforce. Quality education and quality training are vital to meet the needs of today's fast moving industries and in developing an equitable workforce.

## Visions & Goals

### **GOAL 3: OFFER AFFORDABLE FINANCING TO BUSINESSES IN THE REGION FOR EXPANSION**

Developing new and expanding industrial opportunities will produce the benefits of creating new jobs, an increased tax base, business opportunities, and new/expanding industrial development. Development poses significant challenges for our region such as (1) providing regional economic coordination and technical assistance (2) the need for new infrastructure (3) the need for business financing capital, and (4) workforce development and technical training. The availability of business capital and a trained labor force are vital for this region to sustain its current and future economic growth. These challenges must be met for Northeast Texas to remain attractive to existing and new industries and to remain competitive with other regions, both nationally and internationally.



### **GOAL 4: SUPPORT THE EXPANSION OF EXISTING UNDERUTILIZED PROPERTIES BRINGING NEW BUSINESSES AND JOBS TO THE REGION.**

The Ark-Tex Council of Governments (ATCOG) is a voluntary association of local governments established under State law for the purpose of promoting intergovernmental cooperation and strengthening local units of government within Bowie, Cass, Delta, Franklin, Hopkins, Lamar, Morris, Red River, and Titus Counties, Texas. The ATCOG, through its Regional and Economic Development Departments, provides services within our region to promote the expansion of existing underutilized properties and newly planned developments which benefits the citizens within the region. While working in conjunction and partnering with the North East Texas Economic Development District, Inc. (NETEDD) to encourage economic growth, the region has experienced progressive job creation and ongoing economic development. Revitalization of property through resiliency planning is a vital part of growth. NETEDD will concentrate on coalmine properties, TexAmericas Center (former Red River Army Depot), Economic Development Corporation sites that have growth potential, and low income high poverty areas to offer underserved communities job potentials.





# Visions & Goals

## **GOAL 5: SUPPORT COUNTIES WITH BROADBAND INFRASTRUCTURE NEEDS**

Affordable high-speed Internet is essential to the future growth and prosperity of counties and communities. Broadband has become an essential infrastructure that is lacking throughout the NETEDD region. The NETEDD has provided Broadband Study for all nine (9) counties through EDA funding. The study for each county details basic guidelines and maps of providers, RDOF funds awarded, areas with no service, speeds, etc. The NETEDD and other providers will be able to utilize this data to assist the counties with funding options and/or applications for eligible areas.



## **GOAL 6: SEEK FUNDING FOR INFRASTRUCTURE FOR COMMERCIAL AND INDUSTRIAL GROWTH**

Texarkana, Texas (Bowie County) Metropolitan Statistical Area and Paris, Texas (Lamar County) Micropolitan Statistical Area, the two MSA's in the region, are both experiencing steady and robust economic development. Texarkana, the largest MSA in the NETEDD Region, has undergone major infrastructure activity as a result of the expansion of Interstate activity by the Texas Department of Transportation (TxDOT) and consequently will continue to be a major and more efficient thoroughfare for traffic from Little Rock, Arkansas and Dallas, Texas. However, many of the rural communities and rural portions of the Region, are increasingly experiencing the detrimental impact of high unemployment, out migration, reducing per capita income and increasing poverty rates. The staff of NETEDD continues to be diligent in its efforts to promote the retention, creation and increase in employment levels in the Region it serves, as well as meeting the goals and objectives in its Comprehensive Economic Development Strategy (CEDS). Job retention and creation is the primary focus of NETEDD, and this objective is being supported through EDA Economic Development and Public Works grants, EDA RLF Loans, TxCDBG grants, and other RLF loans and grants.

# Visions & Goals

## GOAL 7: DISASTER RECOVERY AND ECONOMIC RESILIENCE

Establishing economic resilience in a local or regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity. As one of the most distressed parts of the state, the NETEDD Region will continue to be plagued with many economic challenges in the coming years. However, resolutions of these challenges are attainable with the support from the following partners and advocates:

- U.S Economic Development Administration
- U.S. Department of Agriculture
- Small Business Administration
- Housing and Urban Development
- Environmental Protection Agency
- Homeland Security
- Ark-Tex Council of Governments
- Workforce Solutions Northeast Texas
- Texas Department of Economic Development
- Texas Office of Rural and Community Affairs
- Texas Department of Agriculture
- County Officials
- City Officials
- Economic Development Corporations
- Housing Authorities & Affordable Housing Developers
- Educational Institutions
- Private Foundation



# Goals/Objectives

## Item 1: Promote Economic Development

Goals	Objectives	Measurable Outcomes
Increased involvement with local governments and businesses to promote economic development of the region.	Assist local governments in planning to support economic development and leadership development that results in lower unemployment and poverty rates in the local community and the region.	Number of jobs created; and/or number of projects resulting in job retention; number of technical assistance visits made on job creation/retention projects; decreased unemployment in the region.
Provide assistance to governmental entities in region to promote economic development.	Provide planning and technical assistance to communities in the region that result in new businesses or expansion & job creation.	Number of EDA proposals submitted during fiscal year; number of technical assistance visits to communities during fiscal year
Maximize growth in Distressed areas including Opportunity Zones	To increase economic growth in low income / economically distressed areas	Number of Proposals, grants, loans, and businesses in Distressed Areas and/or Opportunity Zones
Increased involvement with local governments, businesses, and communities to insure CEDS is completed with valid data	Provide updated information for planning and technical assistance to communities in the region.	Completed CEDS for the region

# Goals/Objectives

## Item 2: Education and Workforce

Goals	Objectives	Measurable Outcomes
Development of higher educated, skilled and Technological workforce ready to fill the employment needs of new and existing businesses.	Raise standard of living for residents of the region by emphasizing higher education & technical skills as route to higher wages.	Number of semi and skilled workers with increase in per capita income.
Increased involvement with local workforce to increase the employment within the region	Provide updated information from employers on job needs; work with workforce and employers for employment opportunities	Compare unemployment numbers annually

## Item 3: Offer Available Affordable Financing

Make available affordable financing to businesses in region for expansion.	Source of economic development finance programs for small businesses and local Economic Development Corporations.	Number of loans outstanding in NETEDD RLF, SBA 504, ETRAP RLF, Chapman & RLF portfolios.
Maximize loans for businesses in Distressed Areas or Opportunity Zones	Increase economic growth in low income areas through low interest loans	Number of loans for businesses in Distressed Areas Opportunity Zones
Provide information on the funding mechanisms that are available to improve their resources	Educate Communities on the availability of 504 and RLF's available and the benefit of low interest financing	Number of education units provided

# Goals/Objectives

## Item 4: Support Infrastructure in Underdeveloped Areas

Goals	Objectives	Measurable Outcomes
Infrastructure for Economic Growth	Increase funding efforts in brownfield, coalmine, and existing underutilized economic development properties.	Number of New Businesses that are funded and move in to the target properties
Upgraded aged infrastructure (water, sewer, roadway)	Decrease in increased maintenance expense for aged infrastructure upkeep.	Number of grants for infrastructure upgrades
Maximize property utilization in Opportunity Zone/Higher poverty areas	Target Opportunity Zones for economic development to increase job potentials and decrease the poverty rates	Number of job opportunities in Opportunity Zones and decreased poverty rates

## Item 5: Support Counties with Broadband Needs

Educate the county on data in the Broadband Survey report	Help the county understand the maps and the data available for possible funding	Increase funding option for Broadband in the counties
Provide current information related to Broadband in Texas	Keep counties informed via newsletters and constant contact mailers	Number of Newsletters and Mailers for more informed region
Provide assistance with funding application(s)	Increase the funds available for Broadband services	Number of applications submitted for Broadband services

# Goals/Objectives

## Item 6: Seek Infrastructure Funding for Commercial and Industrial Growth

Goals	Objectives	Measurable Outcomes
Upgrade infrastructure for commercial, and industrial economic growth.	Retain Jobs	Number of EDA grants, RLF Loans, TxCDBG grants, and SBA loans.
New infrastructure for commercial, and industrial economic growth.	Create Jobs	Number of EDA grants, RLF Loans, TxCDBG grants, and SBA loans.
Expand infrastructure for commercial, and industrial economic growth.	Increase in employment levels	Number of EDA grants, RLF Loans, TxCDBG grants, and SBA loans.

## Item 7: Disaster Recovery and Economy Resiliency

Provide assistance to government entities in the region to build plans to enhance their response capacity.	Maintain active plans for the nine (9) counties in the NETEDD region	Number of 5-Year Hazard Mitigation plans submitted during the fiscal year.
Provide assistance to government entities in the region to remain in annual compliance with FEMA approved Hazard Mitigation Plans.	Increase government annual knowledge of Hazard Mitigation Plans.	Number of FEMA approved Hazard Mitigation Plans reviewed with government entities during the fiscal year.
Provide training on utilization of Hazard Mitigation Actions and resilience in grant applications	Utilize information in Hazard Mitigation Plans in EDA applications - resiliency, climate change, etc.	Number of training sessions

# Population & Growth

In the 2018 CEDS, we indicated that the region had been steadily growing since 2010. This appeared to remain the case until 2020 and the COVID-19 pandemic. As a result, the Ark-Tex Council of Governments in cooperation with the Sulphur River Basin Authority contracted out a population study to gain a better understanding of potential growth patterns within the region and counties. This study will:

- Educate decision makers and the public;
- Support SRBA in estimating water needs;
- Examine existing deficiencies and the impact on local economies as a result of COVID-19;
- Update the Comprehensive Economic Development Strategy; and
- Communicate with Region D Water Planning Group and Region 2 Flood Planning Group.

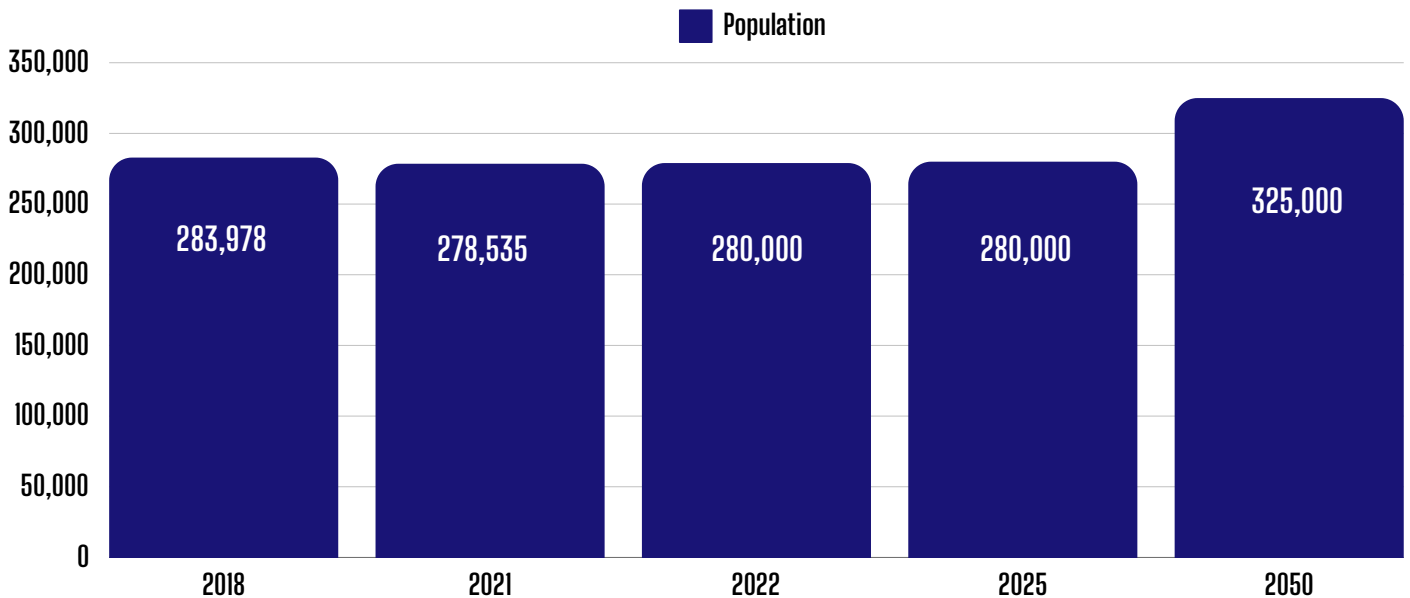
Population Estimates below are based on ATCOG SRBA

Click each button below to access Executive Summary, Full Report, and Population/Housing Projections;

[Executive Summary](#) >

[Full Report](#) >

[Population/  
Housing Projections](#) >



# Workforce & Education

## Workforce

The Workforce Solutions of Northeast Texas provides services to the NETEDD Region (Bowie, Cass, Delta, Franklin, Hopkins, Lamar, Morris, Red River, and Titus County) to help employer and employees come together to meet workforce needs for economic and community development continued growth in the region. Workforce Solutions has a Local Workforce Development Plan that offers training to employers and employees seeking employment opportunities. In the NETEDD Workforce Development Area, in August 2022 124,201 citizens were in the labor force with 5,506 Unemployed (4.4%) while August 2023 126,409 citizens are in the labor force with 5,923 Unemployed (4.7%). The number of employed have increased by 2,208. The NETEDD region needs to decrease the unemployment rate. For more information:

- [Workforce Solutions Northeast Texas](#)
- [Local Workforce Development Plan](#)
- [Workforce Solution Offices](#)
- [Texas Labor Market Information](#)

## Education

Education is becoming a critical component of many “specific” jobs. Many employees are increasing their education while on the job while others are deciding on their career path prior to engaging in the workforce. The young citizens of the NETEDD are looking for work/life challenges that meet their individual needs and it falls on the communities and the education units to meet that challenge. The **NETEDD region** has multiple Junior College, and Universities offering education programs that can meet the needs of the individuals continuing their education, the individuals working towards a degree in a specific field, or the individual seeking a certificate in a specialized field. Each of these locations have online information about their programs and degree plans. For more information:

- [Texarkana College](#)
- [Texas A&M University Texarkana](#)
  - [Undergraduate Programs](#)
  - [Graduate Programs](#)
- [Paris Junior College](#)
- [Northeast Texas Community College Mt. Pleasant Academics](#)





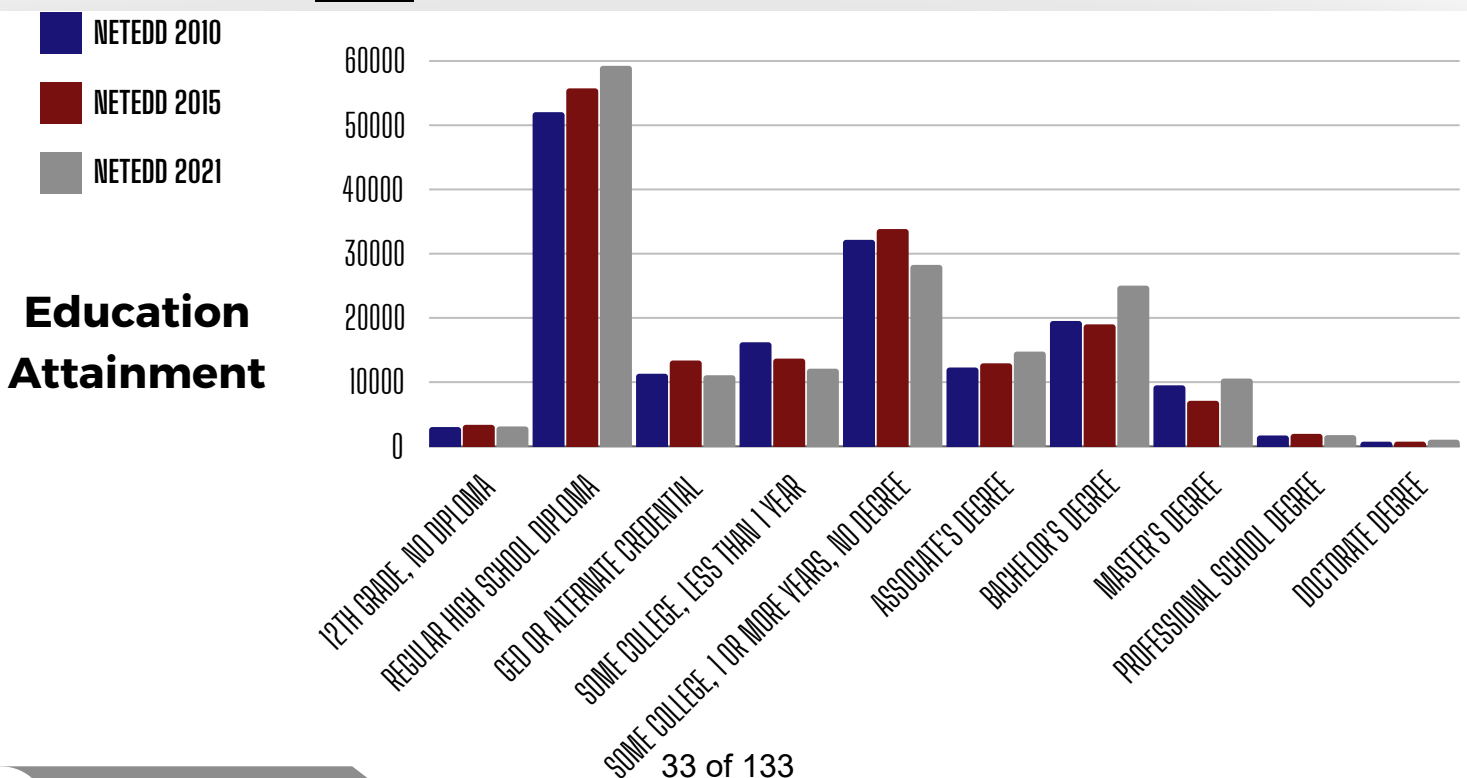
# Educational Development

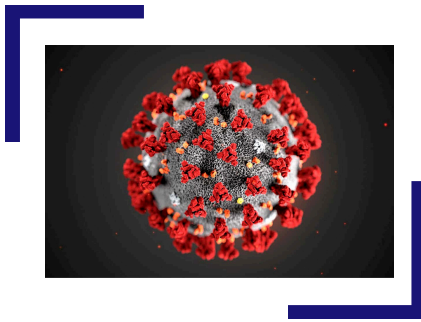
A review of education since 2010 reflects that all nine (9) counties were impacted by education as a necessary component of many “specific” jobs. While some employers are providing on-the-job training, citizens throughout the region are seeking higher levels of education.

Compared to 2010 and 2015, Cass, Delta, Franklin, Morris and Red River counties have decreased the number of 12th grade students with no diplomas. Virtually all of the counties have increased the number of Regular High School Diplomas which resulted in an increase of High School Graduates from 2015 by 3,506 possible students going to college or the workforce.

Associate’s, Bachelor’s, Master’s, Professional school, and Doctorate degrees are the greatest achievements in the NETEDD region. While there was not as much movement between 2010 and 2015, by 2021 the importance of education seems to have impacted all of the counties. Multiple closures of coal mines, complete closure of U.S. Steel and industries that may have been impacted, COVID-19 and changes in scopes of work all may have been significant factors as well as the possibility of a remote education. The end result for 2021 was 1,826 additional Associate’s degrees, 6,027 additional Bachelor’s degrees, 3,464 additional Master’s degrees, 58 additional Professional school degrees, and 302 Doctorate degrees.

Full Report/Breakdown of access to County access to universities and colleges can be found [HERE](#).





# Economic Resiliency

Over the years, the NETEDD region has often faced similar risks and/or hazards that required some form of pulling together to overcome and rebound. As a region, one community is often interdependent on other communities and a major impact in one can affect many. During the past Five-Years (5-years), however, the negative impact resulted in a nation-wide hazard: COVID-19.

## Pandemic Resiliency

COVID-19 impact was not an impact that was planned for in Hazard Mitigation plans, development vulnerability assessments, emergency planning, or even in our future strategic plans for “pandemics”. This was beyond anything that cities and/or counties could plan for, yet somehow our region pulled together and basic services continued. As a region we recognized the need for improvements in many areas of Economic and Regional Development that were already in place and will continue in the future.

- Technical Assistance is provided to all cities, counties, businesses, and EDC’s on funding options, deferments, Small Business Loans, and Grants that may become available to protect employees and businesses to keep them open.
- Shared information is important within the department to make sure that the most up-to-date information is readily available for distribution via email when needed.
- Grant Writing is more detailed with emphasis on resilience especially in the environmental narrative and the Investment Priorities. Adding additional information in the environmental narrative relating to the city/county action plans from the Hazard Mitigation Plan details their dedication to planned resilience for their community(ies).
- Revolving Loan Funds are utilized as businesses within the lending areas are looking for resources to protect their employees, modify their business, if possible, to avoid direct contact with customers, and continue to remain open to provide a service to the community.
- Be prepared for opportunities to open up that were not anticipated due to circumstances.

## Economic Resiliency

- Development Department keeps Cities, Counties, and EDC's notified of funding opportunities to improve Infrastructure within their communities which helps bringing the possibility of new jobs. The availability of municipal utilities, business capital, and a trained labor force are vital for this region to sustain its current and future economic growth. These challenges are constantly on the forefront of the governing bodies of the counties/ the cities/ and the EDC's of the NETEDD region.
- The demand for federal assistance programs, such as those administered through EDA, may increase and needs far outpace available federal funding.
- Local communities continue to search for additional resources and ways to leverage existing resources such as public-private partnerships and creative financing vehicles, to ensure that challenges and costs for tomorrow's economic growth is met.
- The NETEDD will assist with new grant opportunities offered for infrastructure in a region where aging and/or failing roads, water, and sewer are in desperate needs of repair.
- Because of the location of this region between Dallas and the Port of Shreveport, its central location between the east and west coasts of the U.S., and the fact that it lies within the north-south transportation corridor connecting Mexico and eastern half of the U.S., the region draws attention from numerous industries in regard to sites for distribution centers.
- A foreign trade zone at TexAmericas Center, west of Texarkana, continues to be an attraction for the region.
- The plans for proposed Interstate 69 and completion of Interstate 49, the upgrade of U.S. 59, and the availability of U.S. 271, U.S. 259, the expansion of U.S. 82 and several state highways should increase the attractiveness of this region for distribution centers and other industries dependent upon access to major highways.
- Continued expansion of area airports will be an important part of this growth as will development of large industrial parks near major transportation corridors.



While recognizing the need for improvements, the NETEDD continues to understand the importance of planning and preparing for economic changes and/or disasters. This often begins with Hazard Mitigation Planning.

# Hazard Mitigation

The North East Texas Economic Development District, Inc. (NETEDD) partners recognizes the importance of planning for hazards in their cities and/or counties. To remain in compliance with 44 CFR Part 201, all of the NETEDD region participates in the Texas Standard Mitigation Plan (at a minimum). The State of Texas Hazard Mitigation Plan is updated every 5 years.

**Goals of the State Plan are to reduce or eliminate hazardous conditions that:**

- Cause loss of life,
- Inflict injuries,
- Cause property damage, or
- Degrade important natural resources.

**Objectives:**

- Implement activities that assist in protecting lives by making homes, businesses, infrastructure, critical facilities, and other property more
- Resistant to natural hazards; and
- Improve hazard assessment information to make recommendations for discouraging new development in areas vulnerable to natural hazards.

**Public Awareness Objectives:**

- Develop and implement education and outreach programs to increase public awareness of the risks associated with natural hazards; and
- Provide information on tools, and funding resources to assist in implementing mitigation activities.

**Natural Systems Objective:**

- Preserve, rehabilitate, and enhance natural systems to serve natural hazard mitigation functions.

**Partnerships and Implementation Objective:**

- To encourage leadership within public and private sector organizations to prioritize and implement local, county, and regional hazard mitigation activities



# Hazard Mitigation

## Emergency Service Objectives:

- Establish policy to ensure mitigation projects for critical facilities, services and infrastructure;
- Strengthen emergency operations by increasing collaboration and coordination among public agencies, non-profit organizations and business; and
- Integrate natural hazard mitigation activities with emergency operation plans and procedures.

Each of the counties have individual Hazard Mitigation Plans. In order to be in compliance with 44 CFR, local mitigation plans have to be updated every 5 years. Updated plans allow the counties the ability to participate in program funding then needed, which is outside of the funding that is allowed with the State of Texas Hazard Mitigation Plan.

One of the greatest challenges facing the counties has been the ability to fund the five year extensive updating requirements of a plan update. The NETEDD has worked diligently researching options to assist the Counties with maintaining a current Hazard Mitigation Plan. All Nine (9) NETEDD Counties are either current are in the process of plan update. NETEDD will be coordinating with the county emergency management divisions and/or designated officials to review plans annually to ensure that updating the five year plan is less of a burden and will assist with keeping a current plan.

## Hazard Mitigation Plans

- Bowie County
- Cass County
- Delta County
- Franklin County
- Hopkins County
- Lamar County
- Morris County
- Red River County
- Titus County



# Bowie County

**FOUNDED 1840 | COUNTY SEAT: NEW BOSTON  
HONORABLE BOBBY HOWELL**

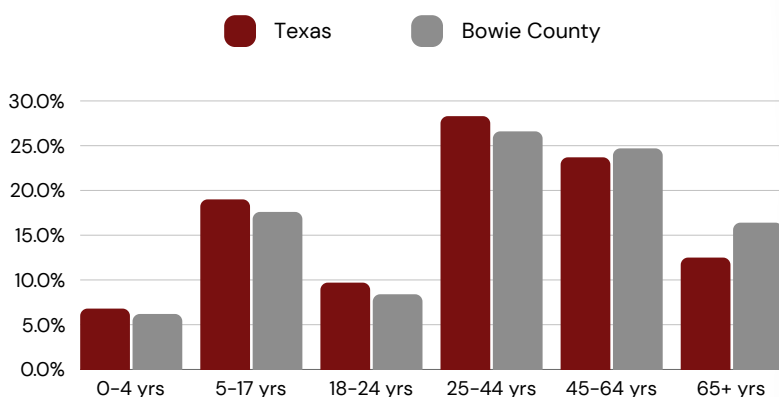
**Opportunity Zones**  
By Census Tract  
 Texarkana: 480370104.00;  
 480370105.00; 480370108.00  
 Hooks: 480370113.00 Redwater:  
 480370114.01 Maud: 480370114.02  
 New Boston: 480370115.02

**7**

Bowie County is the most populous within NETEDD’s domain. Bowie County acts as a corridor to and from Texas with Interstates 30, 69, & 49 and U.S. Highways 59, 67 & 82. Bowie County is fortunate that the TexAmericas Center is centrally located in the county. The TexAmericas Center owns one of the largest mixed-use industrial parks in the United States which services the four-states market. The New Boston Special Industrial Development Corporation, the Nash Industrial Park, and the De Kalb Economic Development Corporation are all actively seeking industry for Bowie County.

## BOWIE COUNTY POPULATION ESTIMATES

Total County Population: 92,581



**Median Age: 38 years**

### ECONOMICS

Median Household Income:

**[Click Here](#)**

**17.3%** Estimated population below poverty level+

**For other resources available in the county, click the links below:**

- [Texarkana EDC](#)
- [TexAmericas Center](#)
- [AR-TX REDI](#)
- [Texarkana Chamber of Commerce](#)
- [New Boston Chamber](#)
- [New Boston SIDC](#)
- [DeKalb Economic Development Corporation](#)
- [Nash Industrial](#)
- [Boston Entertainment District](#)

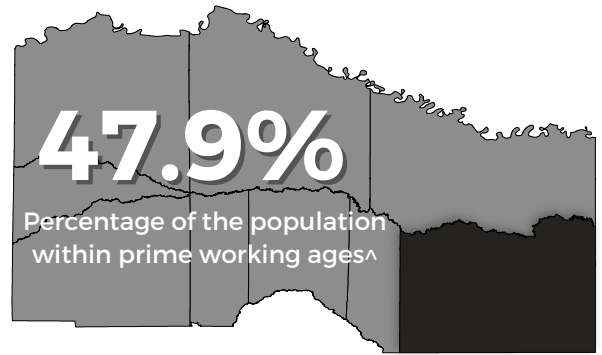
### HIGHER EDUCATION

- [Texas A&M University - Texarkana](#)
- [Texarkana College](#)

\*Data from the 2021 American Community Survey;

# Cass County

**FOUNDED 1846 | COUNTY SEAT: LINDEN**  
**HONORABLE TRAVIS RANSOM**

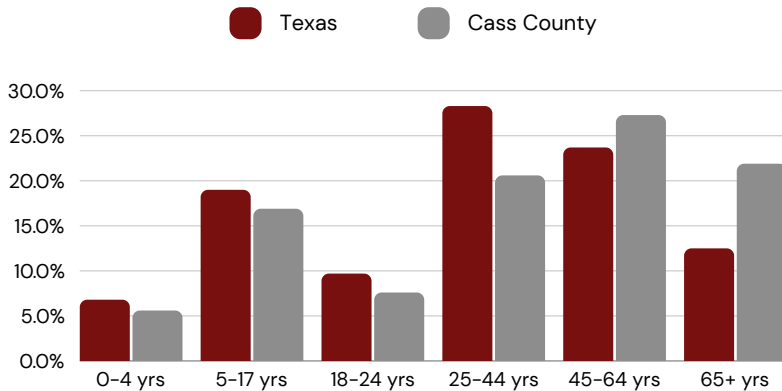


**Opportunity Zones**  
 By Census Tract  
 Douglassville: 480679502.00  
 Atlanta: 480679504.00 Linden:  
 480679506.00 Hughes Springs:  
 480679507.00

**4**

## CASS COUNTY POPULATION ESTIMATES

Total County Population: 28,692



**Median Age: 44 years**

### ECONOMICS

Median Household Income:

**[Click Here](#)**

**18.4%** Estimated population below poverty level+

Cass County shares a number of attributes as Bowie County, though on a smaller scale. Cass County is rich in economic resources including transportation needs served by Hwy 59 which is in the process of becoming part of the Interstate 69 system, by State highways 8, 11, 77, and 155, and by two rail lines, the Missouri Pacific and the Louisiana and Arkansas; 937 square miles of the East Texas timberlands, heavily forested with a great variety of softwoods and hardwoods; 20 to 30% of the land considered prime farmland; rich mineral resources including ceramic clay, granite, industrial sand, oil, gas, iron, and lignite coal. Cass County has 4 Opportunity Zones in or around Atlanta, Douglassville, Hughes Springs and Linden.

**For other resources available in the county, click the links below:**

[Cass County](#)

[Atlanta EDC](#)

[Linden EDC](#)

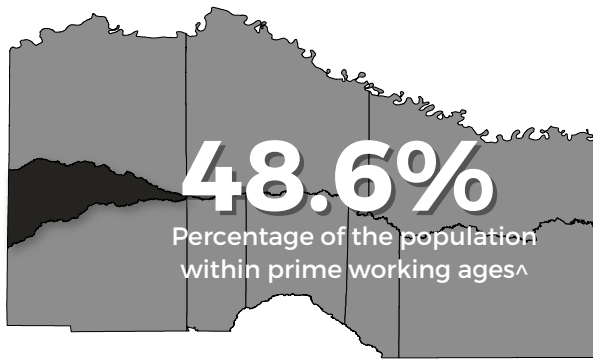
[Queen City EDC](#)

[Atlanta Area Chamber](#)

### HIGHER EDUCATION

- [TAMUT](#) & [TC](#) are both less than 40 miles from locations in Cass County.

\*Data from the 2021 American Community Survey;

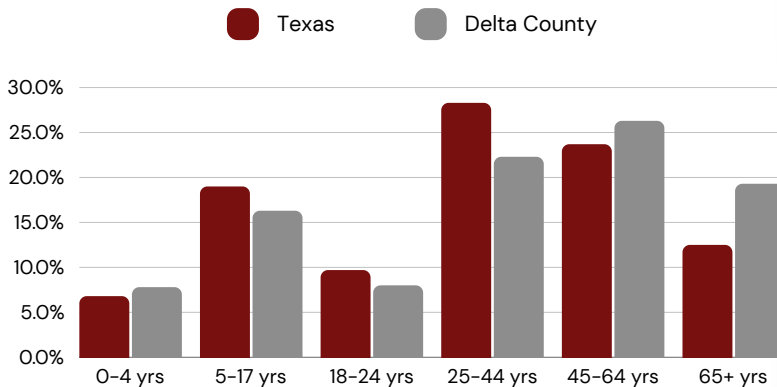


**Opportunity Zones**  
By Census Tract Cooper:  
481199502.00

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## DELTA COUNTY POPULATION ESTIMATES

Total County Population: 5,251



Median Age: 40 years

### ECONOMICS

Median Household Income:

[Click Here](#)

**15.9%** Estimated population below poverty level+

# Delta County

**FOUNDED 1870 | COUNTY SEAT: COOPER HONORABLE TANNER CRUTHER**

Delta County has the smallest population in the NETEDD. Delta County's economy significantly relies on agriculture, in-transit consumerism, and tourism despite the aged population. Delta County has the tourism/economic benefit of Lake Cooper. Thousands of acres of parks and wildlife management areas surround the lake. The park sits where the Tallgrass Prairies and Post Oak Savannah ecosystems meet inviting tourists to the area annually. There is 1 Opportunity Zone in Delta County.

**For other resources available in the county, click the links below:**

[Delta County](#)

[City of Cooper](#)

### HIGHER EDUCATION

- [TAMUC](#) is less than 15 miles from locations in Delta County.
- [PJC](#) is less than 35 miles from locations in Delta County.

\*Data from the 2021 American Community Survey;



# Franklin County

FOUNDED 1875 | COUNTY SEAT: MOUNT VERNON  
HONORABLE SCOTT LEE

## Opportunity Zones

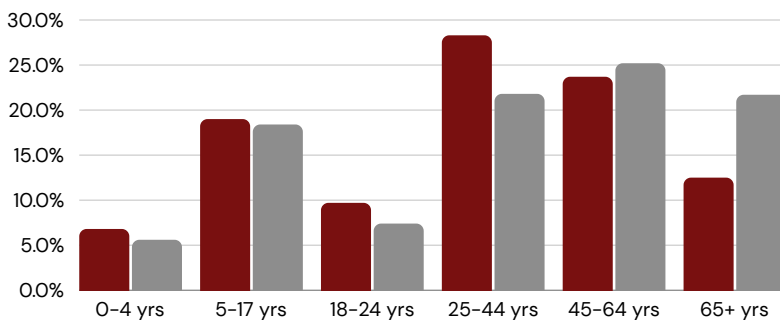
By Census Tract  
Winnsboro: 481599503.00

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## FRANKLIN COUNTY POPULATION ESTIMATES

Total County Population: 10,413

■ Texas ■ Franklin County



Median Age: 42 years

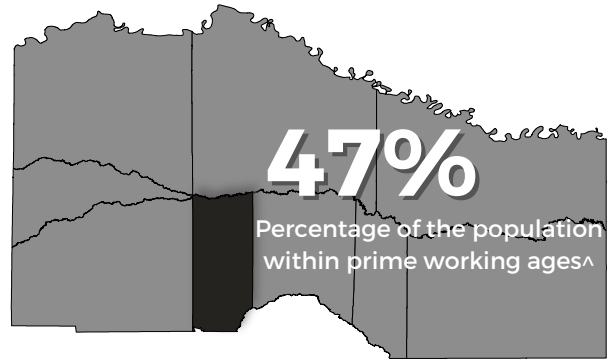
### ECONOMICS

Median Household Income:

[Click Here](#)

**8.7%** Estimated population below poverty level+

- [NTCC](#) is less than 25 miles from locations in Franklin County.
- [TAMUC](#) is less than 50 miles from locations in Franklin County.



Franklin County has a welcoming attitude of a "perfect blend of country living and developing business atmosphere". While Franklin County is the 8th smallest county in the State of Texas, it has been among the top counties in dairy and broiler production. Franklin County is known for Lake Cypress Springs ([lakecypress-springs.org](http://lakecypress-springs.org)), a reservoir lake used for recreation, municipal, and industrial purposes. Lake Cypress has 20 subdivisions surrounding the lake and is home to 6 parks. Franklin County has 1 Opportunity Zone.

For other resources available in the county, click the links below:

[Franklin County](#)

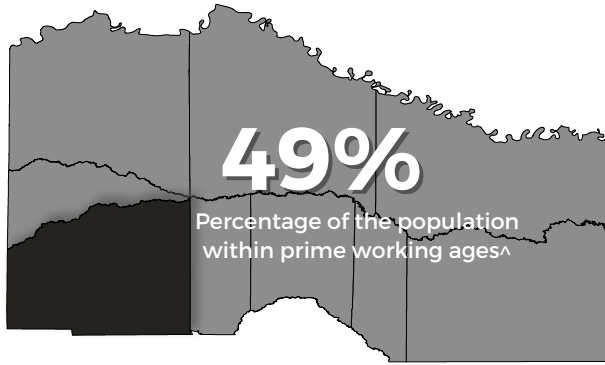
[Mt. Vernon EDC](#)

[Franklin County Chamber](#)

[Franklin Texas Agrilife Extension](#)

### HIGHER EDUCATION

\*Data from the 2021 American Community Survey;



# Hopkins County

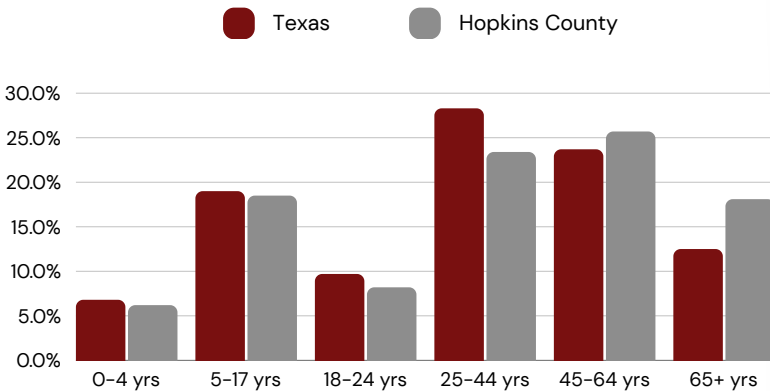
**FOUNDED 1846 | COUNTY SEAT: SULPHUR SPRINGS**  
**HONORABLE ROBERT NEWSOM**

**Opportunity Zones**  
By Census Tract  
Sulphur Springs: 482239506.00  
Como: 482239507.00 Yantis: 482239508.00

**3**

## HOPKINS COUNTY POPULATION ESTIMATES

Total County Population: 36,666



**Median Age: 39 years**

### ECONOMICS

Median Household Income:

**[Click Here](#)**

**12.5%** Estimated population below poverty level+

Hopkins County has a steady growing population in the southwest corner of NETEDD. As the population grows, the employment rate continues to increase. Agricultural, industrial, and consumer manufacturers serve as the primary economic stimulus for the county. The City of Sulphur Springs is in a prime location for business growth with I-30, and Hwy's 11, 19, & 154 as they travel from North, South, East and West. There are 3 Opportunity Zones in Hopkins County, including Sulphur Springs, Como and Yantis.

**For other resources available in the county, click the links below:**

[Hopkins County](#)

[Sulphur Springs EDC](#)

[Hopkins County Chamber of Commerce](#)

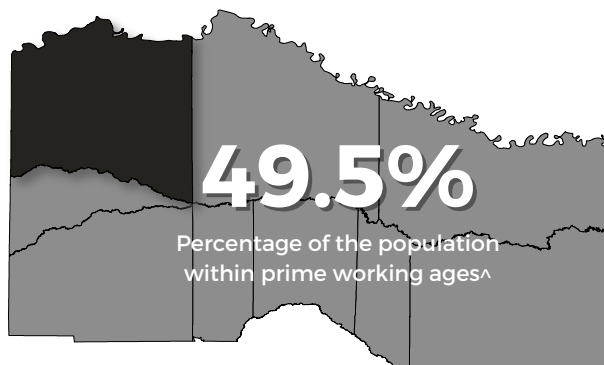
### HIGHER EDUCATION

- [TAMUC](#) is less than 35 miles from locations in Hopkins County.
- [PJC](#) & [NTCC](#) are both less than 45 miles from locations in Hopkins County.

\*Data from the 2021 American Community Survey;

# Lamar County

**FOUNDED 1841 | COUNTY SEAT: PARIS**  
**HONORABLE BRANDON BELL**

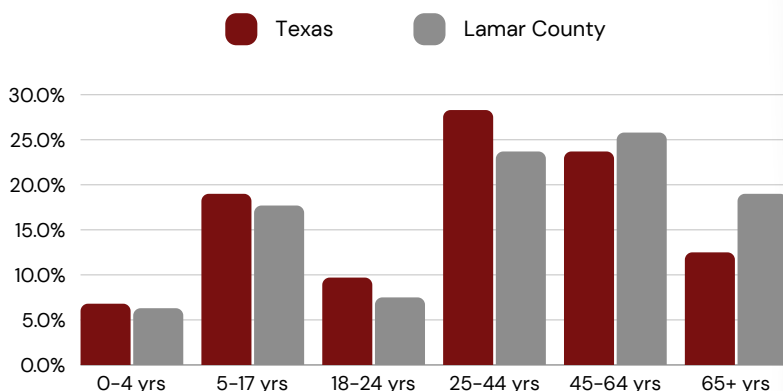


**Opportunity Zones**  
 By Census Tract  
 Blossom: 482770003.00 Paris: 482770005.00; 482770006.00;  
 482770007.00; 482770008.00

**5**

## LAMAR COUNTY POPULATION ESTIMATES

Total County Population: 49,932



**Median Age: 40 years**

### ECONOMICS

Median Household Income:

**Click Here**

**16.9%** Estimated population below poverty level+

Lamar County's population is the second largest in the NETEDD. The rural nature of the county land is primarily dependent on agriculture; 49% of which is devoted to crops, 36% to pasture, and 12% to woodlands. Beef, dairy, hay, soybeans, wheat, corn, and sorghum are the chief agricultural products. Lamar is fortunate to be part of North East Texas Trails with Trail de Paris (<http://traildeparis.org/>) where Parks, Gardens, Trails, and Campsites are enjoyed by many. Lamar County has 5 Opportunity Zones with the City of Paris containing four of the Opportunity Zones.

**For other resources available in the county, click the links below:**

[Lamar County](#)

[Paris EDC](#)

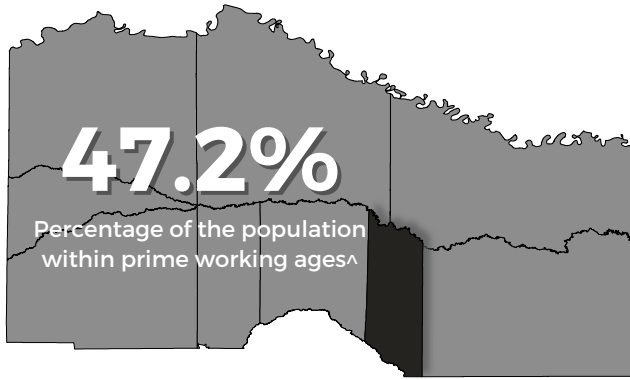
[Paris Chamber](#)

[Paris SBDC Chamber](#)

### HIGHER EDUCATION

- [Paris Junior College](#)
- [TAMUC](#) is less than 55 miles from locations in Lamar County.

\*Data from the 2021 American Community Survey;

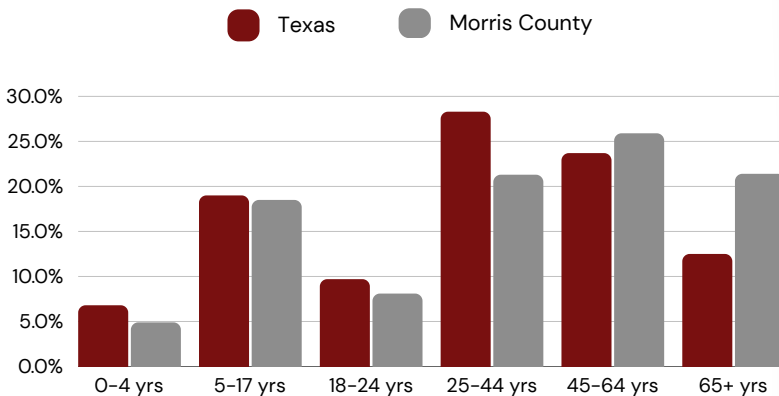


**Opportunity Zones**  
By Census Tract  
Naples: 483439501.00  
Lone Star: 483439502.00  
Dangerfield: 483439503.00

**3**

## MORRIS COUNTY POPULATION ESTIMATES

Total County Population: 11,988



Median Age: 43 years

### ECONOMICS

Median Household Income:

[\*\*Click Here\*\*](#)

**14.6%** Estimated population below poverty level\*

\*Data from the 2021 American Community Survey;

# Morris County

**FOUNDED 1875 | COUNTY SEAT: DAINGERFIELD  
HONORABLE DOUG REEDER**

Morris County needs to see revitalization as U.S. Steel (formerly Lone Star Steel) closed in 2020 impacting over 600 jobs including neighboring companies. While U.S. Steel impacted the area, outdoor recreational activities is thriving in several areas: Daingerfield State Park with approximately 507 acres, including an 80-acre Lake opened in 1938, is managed by the Texas Parks and Wildlife Department. Seasonal Activity at Rocky Point Adventures Water Park Lone Star. ack to full capacity. Morris County is fortunate to have the Morris County Collaborative with a [2020-2023 Strategic Plan](#) for the County with a Vision and Mission.

**For other resources available in the county, click the links below:**

[Morris County](#)

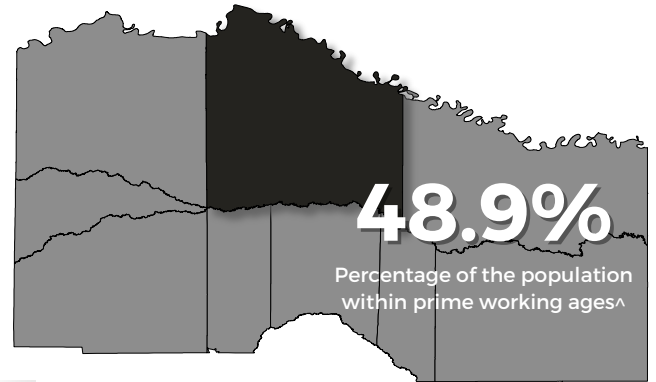
[Lone Star Economic Development](#)

### HIGHER EDUCATION

- [NTCC](#) is less than 10 miles from locations in Morris County.
- [TAMUT](#) is less than 60 miles from locations in Morris County.
- [UT - Tyler](#) is less than 75 miles from locations in Morris County.

# Red River County

FOUNDED 1837 | COUNTY SEAT: CLARKSVILLE  
HONORABLE ROBERT BRIDGES

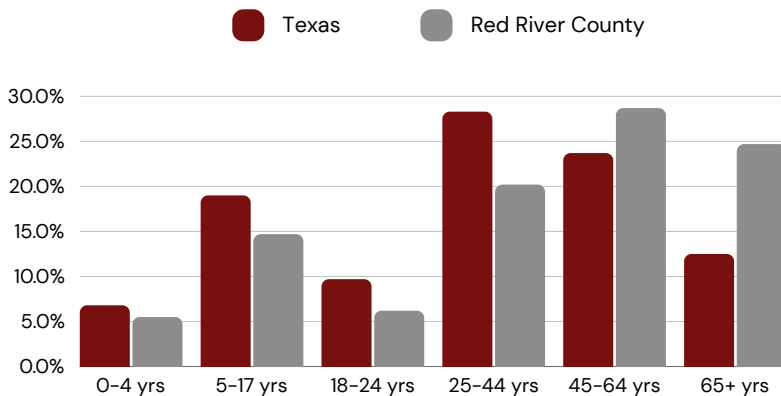


**Opportunity Zones**  
None

Red River County has experienced minimal decline through the last decade. The entire northern border is the Red River and the southern border is the Sulphur River. Mineral resources in the county include oil, gas, clay, industrial sand, and chalk. No Opportunity Zones are identified in Red River County.

## RED RIVER COUNTY POPULATION ESTIMATES

Total County Population: 11,685



**For other resources available in the county, click the links below:**

[Red River County](#)

[Clarksville EDC](#)

**Median Age: 48 years**

### ECONOMICS

Median Household Income:

[Click Here](#)

**21.4%** Estimated population below poverty level+

### HIGHER EDUCATION

- [PJC](#) is less than 40 miles from locations in Red River County.
- [TAMUT](#) is less than 70 miles from locations in Red River County.

\*Data from the 2021 American Community Survey;

# Titus County

**FOUNDED 1846 | COUNTY SEAT: MOUNT PLEASANT  
HONORABLE KENT COOPER**

Titus County has experienced a steady increase of population and employment since 2013. Their Chamber of Commerce and Visitors Council strives to “inspire business leadership, promote regional tourism, and enhance quality of life in Mount Pleasant and Titus County”. It should be noted that Titus county has the youngest median age in the NETEDD domain. By working with the Mount Pleasant Young Professionals and engaging an emerging group of young leaders who are committed to personal growth, career advancement, civic engagement, and service, the Chamber is enhancing the economic growth of Titus County.

**For other resources available in the county, click the links below:**

[Titus County](#)

[Mount Pleasant EDC](#)

[USDA Area Office Mount Pleasant Texas](#)

## HIGHER EDUCATION

- [Northeast Texas Community College](#)
- [TAMUT & TAMUC](#) are both less than 70 miles from locations in Titus County.

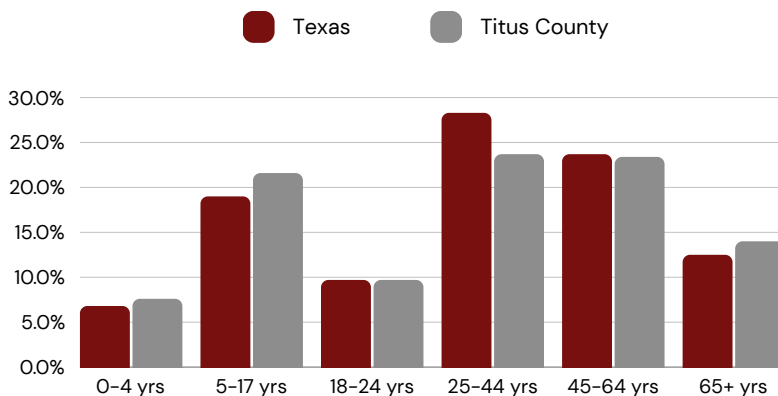


**Opportunity Zones**  
By Census Tract  
Mount Pleasant:  
484499503.00

**1**

## TITUS COUNTY POPULATION ESTIMATES

Total County Population: 31,327



**Median Age: 34 years**

## ECONOMICS

Median Household Income:

**[Click Here](#)**

**16.9%** Estimated population below poverty level+

\*Data from the 2021 American Community Survey; 46 of 133



# NETEDD Statistics & Data

- 24-month Average Unemployment Rate (BLS) period ending June 2023
- 2021 Per Capita Personal Income (BEA PCPI)

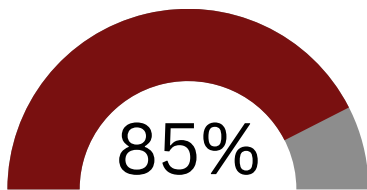
## ECONOMIC DISTRESS CRITERIA

Region	2021 Per Capita Mo 24 Month Unemployment	Threshold Calculation	BEA PCPI	Threshold Calculation	ACS 5-Year PCMI	Threshold Calculation
United States	4.61	0.75	\$48,869	76.2	\$27,066	71.9
Bowie County, TX	3.86	0	\$64,143	100	\$37,638	100
Cass County, TX	4.78	0.92	\$47,792	74.5	\$28,630	76.1
Delta County, TX	5.02	1.16	\$46,101	71.9	\$24,465	65
Franklin County, TX	4.37	0.51	\$47,471	74	\$30,315	80.5
Hopkins County, TX	3.52	-0.34	\$51,926	81	\$34,631	92
Lamar County, TX	3.75	-0.11	\$50,272	78.4	\$28,882	76.7
Morris County, TX	4.55	0.69	\$50,699	79	\$26,686	70.9
Red River County, TX	6.9	3.04	\$47,226	73.6	\$24,165	64.2
Titus County, TX	5.19	1.33	\$53,818	83.9	\$22,998	61.1
	4.51	0.65	\$48,007	74.8	\$22,855	60.7

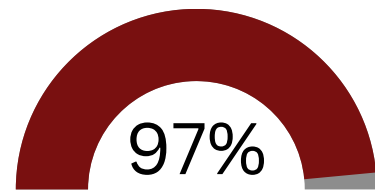
### Project Eligibility:

- An unemployment rate that is, for the most recent 24-month period for which data are available, at least 1% greater than the national average unemployment rate;
- Per capita income that is, for the most recent period for which data are available, 80% or less of the national average per capita income; or
- A Special Need, as determined by EDA.

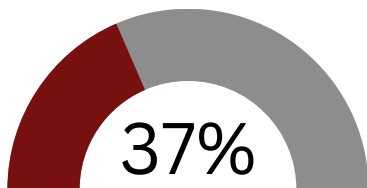
## Broadband/Internet Survey Key Findings



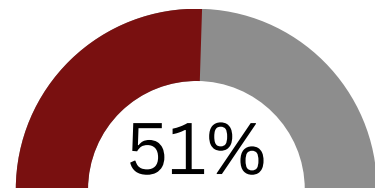
Interested in faster & more reliable Internet Services



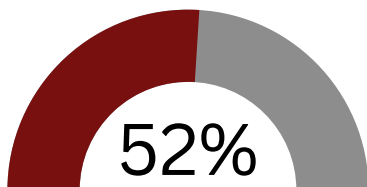
Said they believe the County government should help facilitate better broadband



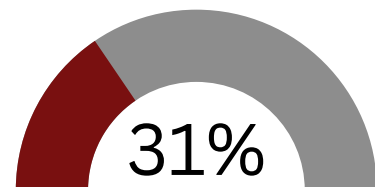
Have no other options for their internet service



Are "dissatisfied" or "very dissatisfied" with current Internet Speeds



Have 7 or more Internet-connected devices in their home



Indicate that availability of broadband Internet is effecting where they choose to live.



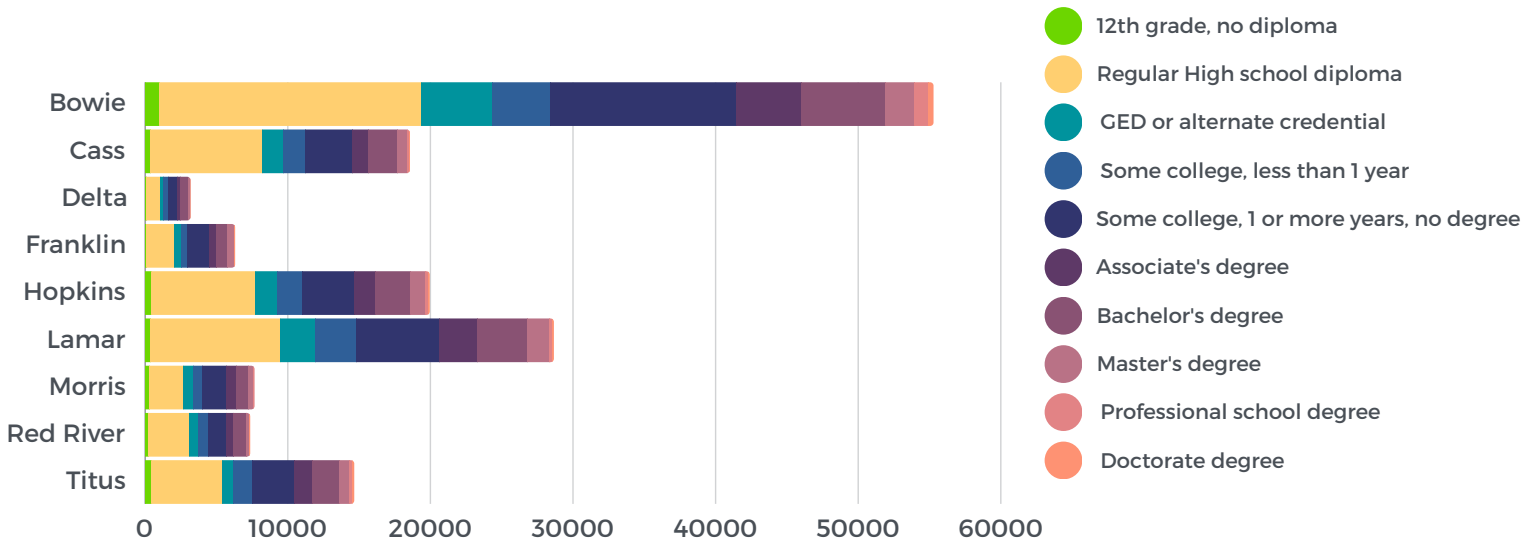


# NETEDD Statistics & Data

## Education Attainment Comparison

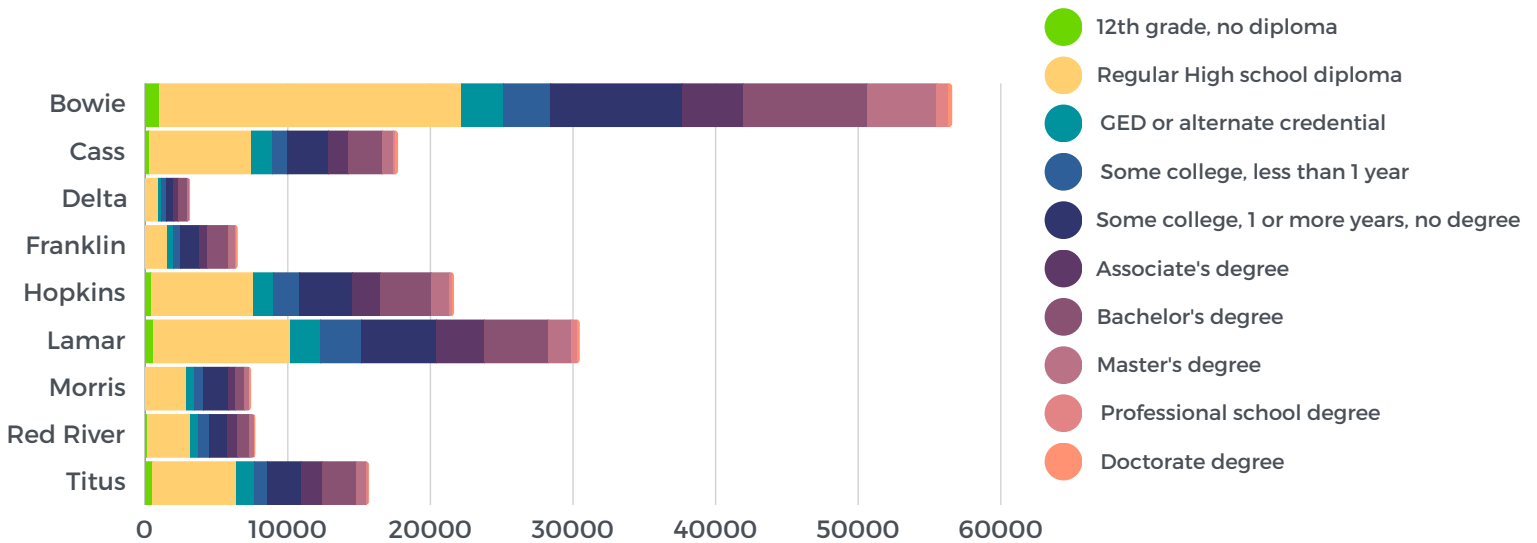
### Education Attainment 2015

NETEDD's Regional Education Attainment Breakdown for the year 2015.



### Education Attainment 2021

NETEDD's Regional Education Attainment Breakdown for the year 2021.

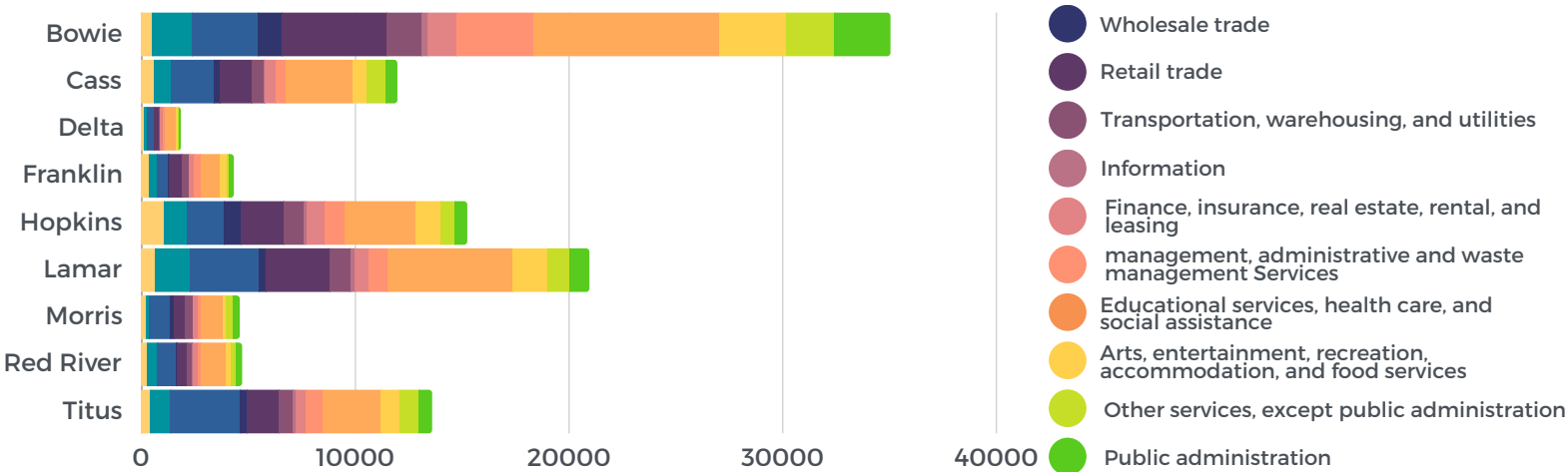


# NETEDD Statistics & Data

## Industry Comparison

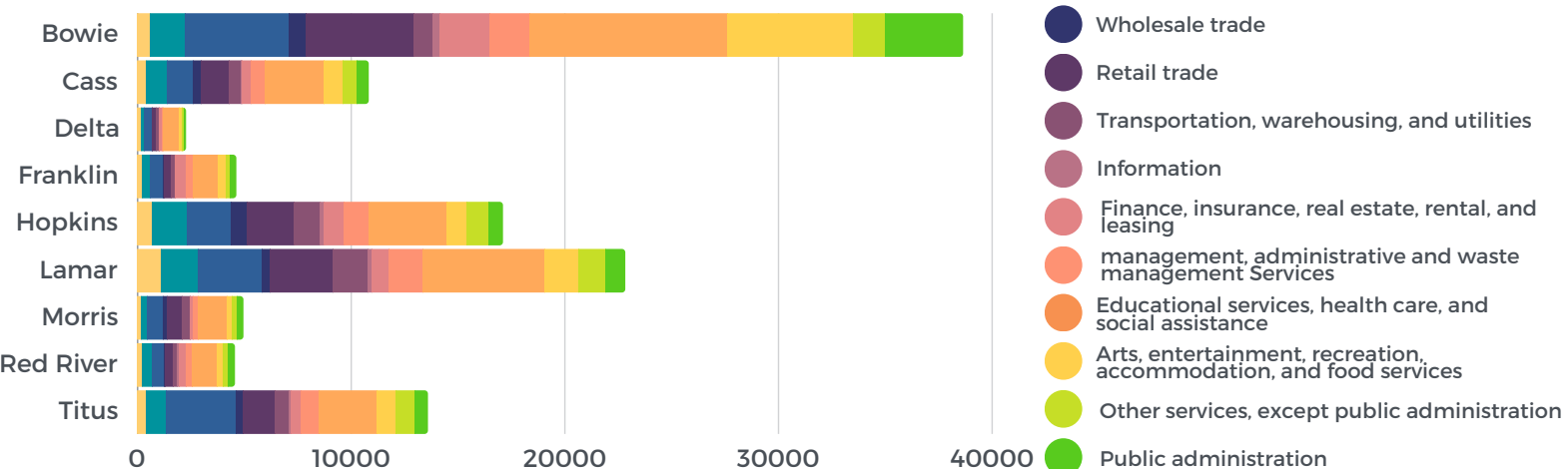
### NETEDD's Industry 2015

Civilian employed population 16 years and over.



### NETEDD's Industry 2021

Civilian employed population 16 years and over.

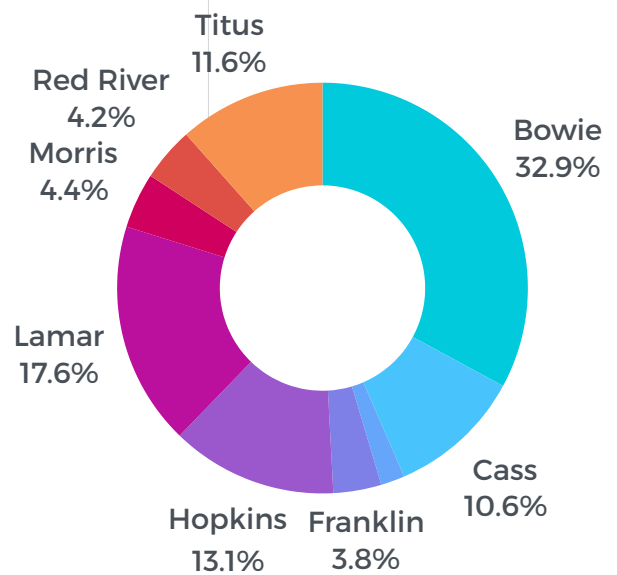
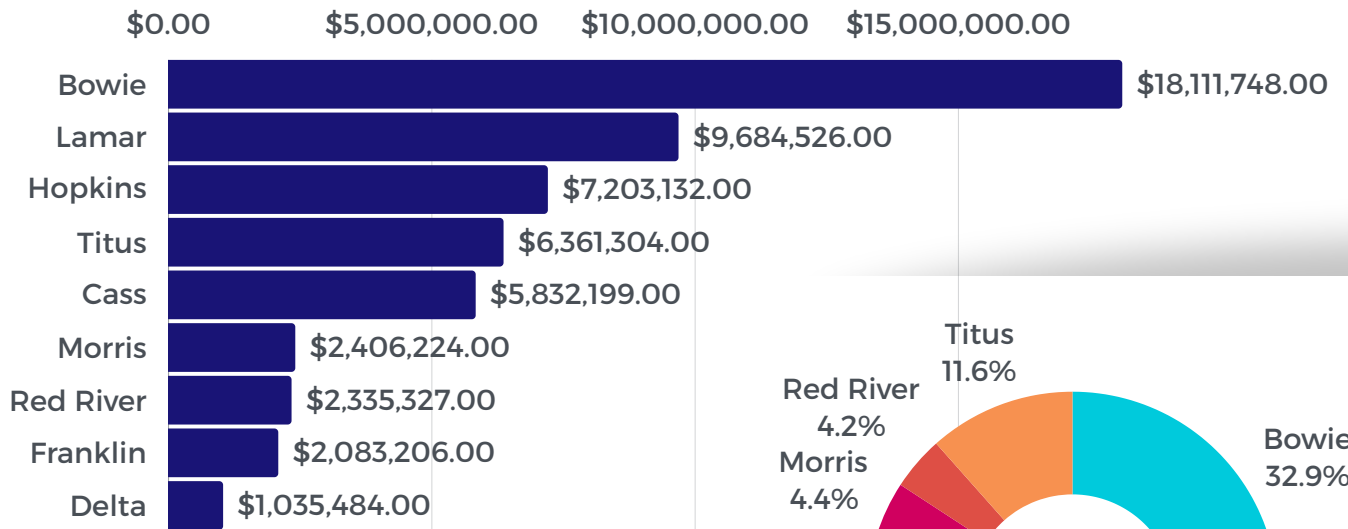




# NETEDD Statistics & Data

## American Rescue Plan Act (ARPA)

### American Rescue Funds (ARPA)



**\*Total estimate of American Rescue Plan Act of 2021 funds made available throughout our region was **\$93,264,572.00****

## Statistics & Data Disclaimer



Please feel free to use any information found in this document.

However, it must be noted that the **information listed may not be the most current information available**. Please utilize the [Helpful Links/Resources](#) page to find information for funding your city or county.

All information found throughout this document provided is free and open for use.

## Community & Private Sector Participation

Stakeholder Engagement meetings were conducted:

- March 22, 2023 @ 2:30 PM CDT
- March 24, 2023 @ 9:00 AM CDT
- April 10, 2023 @ 1:30 PM CDT
- April, 11, 2023 @ 11:30 AM CDT

Stakeholder surveys includes:

Visions & Plans Evaluation

SWOT Analysis (Regional & County)

In consideration of the size of the district, the Board and staff relied on a variety of resources and partners to obtain input into the 2023 CEDS. Virtual Stakeholder Engagement Meetings were used to springboard and evoke discussion of the economic development issues affecting the region. Regional stakeholders provide the information that is an integral part of this report.

The NETEDD is grateful for the following, including but not limited to:  
Elected official from the counties and cites;  
City Managers, Economic Development Administrators, Chambers of Commerce staff and Board members;  
Northeast Texas Workforce Commission staff and Board members;  
Local education organizations; and  
The Ark-Tex Council of Governments staff and Board members

The initial survey was sent out to the entire region to have a diverse group of committee members participating in the 2023-2028 CEDS. Many factors have impacted various parts of the NETEDD region during the past five (5) years with COVID-19 having a major impact on many businesses, closed venues, recreation sites that have not returned to full capacity, staffing issues, new businesses, shifts in population, housing, and others. the following is a list of regional volunteers that assisted with the CEDS:



# CEDS Volunteers

Bart Spivey	Business Development Project manager, Workforce NETX
Eric Voyles	VP & CEDO, TexAmericas Center
Keith Whitefield	City Manager, Daingerfield
Lisa Thompson	Economic Development, Texarkana
Miranda Johnson	Executive Director, Atlanta EDC
Nathan Tafoya	Executive Director, Mount Pleasant EDC
Rea Donna Jones	Director, Texarkana Metropolitan Organization
Robert Sitterly	President & CEO, Ar-Tx REDI
Roger Feagley	Executive Director, Hopkins Co-Sulphur Springs EDC
Tory Niewiadomski	Community Development Director, Sulphur Springs
Tim Wilson	Director, SBDC - Mount Pleasant
Bob McFarland	President, Franklin County Industrial Foundation
Kent Cooper	County Judge - Titus
Cathy Hardin-Harrison	County Judge - Miller
Darren Braddy	Mayor, Cooper
David Orr	City Manager, Texarkana, TX
Doug Bowers	City Manager, Nash
Janell Morton	Director, SBDC - Magnolia
Jennifer Johnston	Director, SBDC - Paris
Lee Elliot	Executive Director, Linden EDC
Maureen Hammond	Executive Director, Paris EDC
Paul Hines	EDC Administrator, Clarksville
Randy Reed	Executive Director, Workforce NETX
Billy Lindsey	Executive Director, De Kalb EDC
Tanner Crutcher	County Judge - Delta
Robert Bridges	County Judge - Red River
Bobby Howell	County Judge - Bowie
Scott Norton	President, TexAmericas Center
Travis Ransom	County Judge - Cass
Scott Lee	County Judge - Franklin
Doug Reeder	County Judge - Morris
Brandon Bell	County Judge - Lamar
Robert Newsom	County Judge - Hopkins
Ann Rushing	Mayor, City of Clarksville
John Sellers	Mayor Pro Tem, City of Sulphur Springs
Marc Reiter	Mayor, City of Hooks
Stan Wyatt	NETX Municipal Water District/Board of Directors

## Helpful Links/Resources

### Need help finding your current city/county statistics & data?

- Click here for step-by-step directions: [Census Website Guide](#)
- Click here for step-by-step directions: [Texas Labor Market Information Website Guide](#)

### American Rescue Information

- Fiscal Recovery Funds: [County Funding](#)

### Track Census & County Poverty Here

- EDA-Census Poverty Status Viewer: [Poverty Status Viewer](#)

### Partners & Advocates

- [U.S Economic Development Administration](#)
- [U.S. Department of Agriculture](#)
- [Small Business Administration](#)
- [Housing and Urban Development](#)
- [Environmental Protection Agency](#)
- [Homeland Security](#)
- [Ark-Tex Council of Governments](#)
- [Workforce Solutions Northeast Texas](#)
- [Texas Department of Economic Development](#)
- [Texas Office of Rural and Community Affairs](#)
- [Texas Department of Agriculture](#)



View resource websites by selecting their logo below.



## Connect with Us

4808 Elizabeth Street, Texarkana, TX 75503  
903.832.8636  
development@atcog.org





**NORTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT  
REVOLVING LOAN FUND PLAN**

**Created: July 1989**

**Revised: May 2018  
April 2020  
September 2020  
March 2021  
December 2021  
September 2022  
June 2024**

**Revised Postfor Defederalization**

## INTRODUCTION

Under Title IX of the Public Works and Economic Development Act of 1967, as amended, the Economic Development Administration, herein after called EDA, may assist distressed areas experiencing long-term economic deterioration or areas threatened or impacted by severe economic dislocation. *In March 2022 EDA released their federal interest in the RLF plan to allow the funds to be used for broader economic development purposes.*

## HISTORY

The NETEDD Revolving Loan Fund Plan was developed in accordance with EDA Directive No. 17.07. Award 08-57-02889 (effective March 30, 2020) originated by merging three (3) Central Texas Economic Development District (CTEDD) awards (08-39-02685 originally established in the amount of \$667,667.00 on 12/27/1989, 08-39-02685.01 added in the amount of \$1,333,334.00 on 08/24/1996, and 08-39-02685.02 added in the amount of \$2,000,001.00 on 07/02/1997) and three (3) North East Texas Economic Development District (NETEDD) awards (08-39-02502 originally established in the amount of \$466,667.00 on 08/13/1986, 08-39-02502.01 added in the amount of \$833,926.00 on 05/13/1993, and 08-39-02502.02 added in the amount of \$1,500,926.00 on 09/30/1996) for a total Value of \$4,245,289.12 after all adjustments and transfers. On March 17, 2022 EDA released Federal Interest in each of the Revolving Fund Awards (Defederalized).

As adopted, the RLF Plan has become the Standard Operating Procedure for the North East Texas Economic Development District, Inc., herein after called NETEDD in administering a revolving loan fund program in areas experiencing long-term economic deterioration, and/or severe economic dislocation. Both exemplified in part by high or excessive unemployment rates relative to surrounding areas and the state. The Revolving Loan Plan is divided into two parts. The first covers the strategy of the RLF Plan and the second covers the operational procedures.

## **PART I. THE REVOLVING LOAN FUND STRATEGY**

### **(i) Comprehensive Economic Development Strategy Overview**

The North East Texas Economic Development District (NETEDD) consists of nine counties in the “Right Corner of Texas” or the far northeastern part of the state. This nine-county region including Bowie, Cass, Delta, Franklin, Hopkins, Lamar, Morris, Red River and Titus counties, covers a geographical area of almost 5,732 square miles and is home to approximately 283,978 people. A merging of CTEDD and NETEDD RLF’s from EDA and an evaluation of distressed counties in the adjacent areas resulted in an additional twenty-one (21) counties added to our service areas. These additional 21 counties for EDA RLF funding include Bell, Bosque, Camp, Coryell, Eastland, Erath, Falls, Freestone, Gregg, Harrison, Hill, Johnson, Limestone, McLennan, Marion, Milam, Navarro, Panola, Somervell, Upshur in Texas, and Miller County in Arkansas. The aforementioned counties are served by five (5) different CEDS. In an effort to maintain the purpose of the funding, NETEDD staff will review the CEDS and annual updates for each of the areas covered.

~~In consideration of the size of the district, the Board and staff relied on a variety of resources and partners to obtain input into the 2018 Comprehensive Economic Development Strategy (CEDS) Report. Meetings with partners were used as a springboard to evoke discussion of economic development issues affecting the region. These partners provide the information that is an integral part of this report. In consideration of counties adjacent to the NETEDD RLF service area that have financial and/or business transactions within NETEDD, businesses that meet loan criteria are eligible for review and consideration for funding.~~

### **STRENGTHS**

~~The strengths that were reported for the NETEDD region in the 2013 CEDS Report continue in 2018 as strong attributes for the region:~~

- ~~● Affordable housing;~~
- ~~● Good water resources;~~
- ~~● Available land for development;~~
- ~~● Available workforce;~~
- ~~● Existing educational institutions such as universities, community colleges, and technical schools;~~
- ~~● Good natural resources;~~
- ~~● Location along transportation corridors/crossroads for major highways;~~
- ~~● Adequate hospitals and other medical facilities;~~
- ~~● Fairly good industrial diversity;~~
- ~~● Growth potential in agribusiness, logistics and ecotourism.~~

### **WEAKNESSES**

~~Many of the weaknesses that were reported in 2013 continue to plague the NETEDD region as well in 2018:~~

- ~~Relatively low wage levels,~~
- ~~Higher than state average mortality rates, illiteracy rates and poverty rates,~~
- ~~Aging population [According to Texas Dept. of Aging estimates, approximately 14% of those over the age of 60 live in poverty],~~
- ~~Unemployment rates are higher than state average,~~
- ~~Disability rates are higher than state average,~~
- ~~Per capita income is lower than state and nation,~~
- ~~Average value of owned homes is low,~~
- ~~Educational attainment rates are low,~~
- ~~Shortage of highly skilled labor,~~
- ~~Job growth is slow,~~
- ~~New business growth is low,~~
- ~~Infrastructure is aging and inadequate,~~
- ~~Public transportation and air transportation are inadequate,~~
- ~~There are environmental concerns in some areas.~~

*While these strengths and weaknesses have primarily withstood COVID 19, NETEDD recognizes the significant and permanent impacts on our economic climate. This will be further addressed in our 5-year CEDS update.*

### **NETEDD REGIONAL BACKGROUND ECONOMICS**

The overall economy in the NETEDD Region continues to grow slowly, but naturally at a higher momentum, in the more populated communities with interstate highway or corridor highway access. Communities with attributes such as Texarkana (Bowie County), Paris (Lamar County), Sulphur Springs (Hopkins County) and Mt. Pleasant (Titus County) have all seen the benefits of multiple industrial and retail expansions and relocations over the past five years. Unfortunately, many of the rural communities and rural portions of the NETEDD counties, which continue to be dependent upon agriculture and commuting to employment, are still plagued with high unemployment and stagnant population growth or population decline.

North East Texas has made changes and improvements but our vision remains to have a workforce that is competitive nationally, earn wages at the national average, and relieve the burden of poverty from as many residents as possible.

Goals	Measurable Outcomes	Objective
Increased involvement with local governments and businesses to promote economic development of the region.	Number of jobs created in measurable period and/or number of projects resulting in job retention; number of technical assistance visits made on job creation/retention projects; decreased unemployment in the region.	Assist local government in planning to support economic development and leadership development that results in lower unemployment and poverty rates in the local community and the region.

Development of higher educated, skilled and technological workforce ready to fill the employment needs of new and existing businesses.	Increase in per capita income, decrease in unemployment, and increase in skilled and semi-skilled jobs.	Raise standard of living for residents of the region by emphasizing higher education & technical skills as a route to higher wages.
Adequate infrastructure for residential, commercial, and industrial growth.	Increased accessibility & capacity of basic utilities, growth in industrial parks and other public works need.	Decrease in the number of residents living at or below the national poverty rate in substandard housing; increase per capita income through additional job creation and retention.
Assist governmental entities in region to promote economic development.	Number of EDA proposals submitted during fiscal year; number of technical assistance visits to communities during fiscal year; completed CEDS for region.	Provide planning and technical assistance to communities in the region that result in new businesses or expansion & job creation.
Make affordable financing available to businesses in the region for expansion.	Number of loans outstanding in NETEDD RLF, SBA-504, ETRAP RLF, Chapman RLF & Microloan portfolios.	Source of economic development finance programs for small businesses and local Economic Development Corporations.

**(ii) The Business Development Strategy**

Northeast Texas Economic Development District (NETEDD) will follow the guidelines of the Public Works and Economic Development Act program to assist communities to revitalize and expand their physical and economic infrastructure and also support the creation and retention of jobs for area residents by helping eligible recipients with their efforts to promote the economic development of their local economies. NETEDD will assist businesses in communities experiencing actual or threatened severe unemployment or adverse economic changes that may occur suddenly or over time, including but not limited to those caused by military base closures or realignments, depletion of natural resources, presidentially declared disasters or emergencies, etc.

Types following is a list of allowed activities:

The following are among those activities for which a loan may be made from the RLF:

- The establishment or expansion of businesses engaged in commercial, industrial or agricultural activities, such as farming, manufacturing, construction, sales, service;
- The establishment or expansion of cooperatives engaged in the production and marketing of farm products, equipment, or supplies; the manufacture and sale of industrial, commercial or consumer products; or the provision of various commercial services;
- Business or job retention;
- Small business development;

- Private sector job creation; and
- Promotion of economic diversification, e.g. targeting firms in growth industries that have not previously been part of a community's economic base

Prohibited and Unauthorized uses of NETEDD RLF capital:

- Acquire an equity position in a private business;
- Acquire an equity position in a private business (13 CFR section 307.17 (c)(1));
- Subside interest payments on an existing RLF loan (13 CFR section 307.17 (c)(2));
- Provide a loan to a borrower for the purpose of meeting the requirements of equity contributions under another federal agency's loan programs (13 CFR section 307.17 (c)(3));
- Enable borrowers to acquire an interest in a business either through the purchase of stock or through the acquisition of assets unless sufficient justification is provided in the loan documentation. Sufficient justification may include acquiring a business to save it from imminent closure or to acquire a business to facilitate a significant expansion or increase in investment with a significant increase in jobs. The potential economic benefits must be clearly consistent with the strategic objectives of the RLF (13 CFR section 307.17 (c)(4));
- Provide RLF loans to a borrower for the purpose of investing in interest-bearing accounts, certificates of deposit or any investment unrelated to the RLF (13 CFR section 307.17 (c)(5));
- Refinance existing debt, unless:
  - (1) The RLF Recipient sufficiently demonstrates in the loan documentation a "sound economic justification" for the refinancing (e.g., the refinancing will support additional capital investment intended to increase business activities; for this purpose, reducing the risk of loss to an existing lender(s) or lowering the cost of financing to a borrower shall not, without other indicia, constitute a sound economic justification);  
or
  - (2) RLF cash available for lending will finance the purchase of the rights of a prior lien holder during a foreclosure action, which is necessary to preclude a significant loss on an RLF loan. RLF funds may be used for this purpose, only if there is a high probability of receiving compensation from the sale of assets sufficient to cover an RLF's costs plus a reasonable portion of the outstanding RLF loan within a reasonable period of time, following the date of refinancing RLF (13 CFR section 307.17 (c)(6));
- Serve as collateral to obtain credit or any other type of financing without EDAs prior written approval (13 CFR section 307.17(c)(7));
- Support operations or administration of the RLF recipient (13 CFR section 307.17(c)(8));
- Finance gambling activity, performances or products of a prurient sexual nature, or any illegal activity, including the cultivation, distribution, or sale of marijuana that is illegal under federal law.
- Finance Rolling Stock unless incorporated as part of larger project including fixed assets and/or real estate (exceptions considered on an individual basis) (Special consideration due to hazard risk and asset depreciation).

~~The business development strategy is already well documented in the NETEDD CEDS Report and the Ark Tex Regional Development Company (ATRDC) Annual Report (SBA Certified Development Company). The NETEDD staff has a close working relationship with the business sector in designing and implementing the business development strategy that initially enabled~~

NETEDD to determine the need for an RLF and define the types of RLF investments that would be most effective in complementing other types of business assistance in supporting the objectives of the CEDS program.

A priority objective is to provide technical assistance and financing to help small & medium sized manufacturing plants start up, expand, or increase productivity. Increased use of technology and expansion of markets through exporting are strategic objectives to help keep local firms competitive.

Types of assistance identified and targeted in Northeast Texas include: 1) Management & business assistance from Small Business Development Centers (including ATRDC/NETEDD); 2) Production and Engineering assistance from Texas Manufacturing Assistance Center network stationed in Longview; 3) Seminars in International Trade co-sponsored by NETEDD and the North east Texas Economic Developers Roundtable; and 4) Financial assistance provided by NETEDD/ATRDC.

The following are among those activities for which a loan may be made from the RLF:

- The establishment or expansion of businesses engaged in commercial, industrial or agricultural activities, such as farming, manufacturing, construction, sales, service;
- The establishment or expansion of cooperatives engaged in the production and marketing of farm products, equipment, or supplies; the manufacture and sale of industrial, commercial or consumer products; or the provision of various commercial services;
- Business or job retention;
- Small business development;
- Private sector job creation; and
- Promotion of economic diversification, e.g. targeting firms in growth industries that have not previously been part of a community's economic base

Prohibited uses of RLF capital are listed below. *See 13 CFR 307.17(b).*

Acquire an equity position in a private business;

- Subsidization of interest payments on an existing RLF loan;
- Provide for borrowers' required equity contributions under other Federal Agencies' loan programs;
- Enable borrowers to acquire an interest in a business either through the purchase of stock or through the acquisition of assets, unless sufficient justification is provided in the loan documentation. Sufficient justification may include acquiring a business to save it from imminent closure or to acquire a business to facilitate a significant expansion or increase in investment with a significant increase in jobs. The potential economic benefits must be clearly consistent with the strategic objectives of the RLF;
- Provide RLF loans to a borrower for the purpose of investing in interest bearing accounts, certificates of deposit or any investment unrelated to the RLF; or
- Refinance existing debt, unless:
- The RLF Recipient sufficiently demonstrates in the loan documentation a “*sound economic justification*” for the refinancing (e.g., the refinancing will support additional capital investment intended to increase business activities). For this purpose, reducing the

~~risk of loss to an existing lender(s) or lowering the cost of financing to a borrower shall not, without other indicia, constitute a sound economic justification; or~~

~~➔ RLF Capital will finance the purchase of the rights of a prior lien holder during a foreclosure action which is necessary to preclude a significant loss on an RLF loan. RLF Capital may be used for this purpose only if there is a high probability of receiving compensation from the sale of assets sufficient to cover an RLF's costs plus a reasonable portion of the outstanding RLF loan within a reasonable period of time, as determined by EDA, following the date of refinancing.~~

### (iii) **The Financing Strategy**

Banking institutions throughout the NETEDD generally have conservative lending policies. Financial institutions almost uniformly showed gains in deposits and these statistics contrasted to other area economic indicators; viz., excessive unemployment rates and losses in personal income, and loan to deposit ratios generally in the fifty percent (50%) range indicate conservative lending policies.

In general, area lenders are reluctant to participate in high risk ventures or provide needed long term financing. Normally, local lending institutions require a 20 percent to 30 percent equity investment for applicants in a relatively strong financial position and with sufficient managerial experience in the industry or business. For new ventures and closely held companies, the equity requirement may be as much as 50 percent, if the loan is considered at all. Specialized equipment and technology based loans for manufacturers needing to upgrade to remain globally competitive are hard to finance conventionally. The NETEDD RLF in conjunction with the area banks has been successful in filling this need.

Most of the area lending institutions are innovative and utilize applicable loan supplement programs as needed; SBA-7 (a), SBA-504, and loan guarantee programs from the SBA and the USDA. The NETEDD RLF has proven to be another valuable financial tool that helps marginal projects become more attractive to private lenders by reducing the amount of exposure.

The utilization of the NETEDD RLF has strengthened the economic base of the areas within the District which suffer from severe economic distress. The NETEDD RLF Plan has worked with local economic development organizations with emphasis on Bowie County to help diversify away from defense facilities and recover from associated job losses.

Some areas have more on-going economic development activities than others, but the problems causing economic distress are present in all areas. This economic distress is reflected by out-migration, unemployment and underemployment, loss of personal income, lack of industrial diversification and lack of facilities and capital to stimulate and sustain economic development. It must be noted that the levels of distress are chronic and fluctuate directly with the rise and fall of economic activity within NETEDD's major industries; hospitality, defense and related industries.

The following financial policies are presented to serve a standard by which individual loans are tested and evaluated in order to achieve the goals and objectives of this plan:

1. Working capital loans will not exceed 50% of the total amount of loans in the RLF

Portfolio;

2. Loan size - Minimum \$10,000 up to a Maximum of \$500,000;
3. [Loan terms – For real estate, terms may be set up to twenty-five \(25\) years. For equipment, terms will be set in accordance with useful life as determined by accountant or IRS guidance.](#)
- 3.4. In general, principal and interest will be amortized over the life of the loan. However, in order to encourage participation in a direct fixed asset loan by other lenders and investors, the RLF loan principal may be payable after other loans made in connection with the project have been repaid in full. It must be noted that each loan will be negotiated on an individual basis in order to generate maximum impact;
- 4.5. The interest rate on RLF loans will follow the rates allowed by the RLF grant. The minimum interest rate will be limited to four (4) percentage points below the current money center prime rate quoted in the Wall Street Journal or the maximum interest rate allowed under State law, whichever is lower, but will not be less than four (4) percent. However, should the prime interest rate exceed fourteen (14) percent, the minimum RLF interest rate may be limited to ten (10) percent if this would compromise the ability of the RLF to implement the overall financing strategy. The target rate will be the amount current money center prime rate fixed over the life of the loan;
- 5.6. Moratoriums on RLF principal may be established for the short run as needed in order to meet the credit needs of the borrower and further the goals and objectives of the RLF Program;
- 6.7. Wherever possible, the NETEDD will always strive to take a superior lien position. However, the Board may take a lien position for the RLF which may be subordinate and made inferior to lien or liens securing other loans made in connection with the project, in order to achieve the RLF goals. In determining the collateral requirements, NETEDD, in conjunction with participating lending institutions, will consider the merits and potential economic benefits of each individual loan request. RLF loans will be secured by liens and/or assignments of rights and benefits of the mortgagor. In projects involving fixed asset loans, the RLF will normally require collateral such as liens on the fixed assets, evidenced by loan documents to include but not be limited to notes, mortgages and deeds of trust, and security in interest;
- 7.8. A loan origination fee of 1.5% targeted for each loan [\(may be paid via one \(1\) time payment or added to amount being financed\).](#)

The following items are needed for standard loan application and processing:

- Financial Information and Credit Report Authorization and Release Form
- [Company Formation Documents and Company Agreement](#)~~CAIVRS Disclosure Form~~
- SAMS Clearance
- Personal History Form
- Personal Financial Statement Form
- Standard Loan Application
- [Business Financials and/or projections \(as needed\)](#)
- [Other documents as required](#)

### ***Civil Rights Requirements***



The NETEDD RLF will comply with all Department of Commerce and Economic Development Administration regulations under Title VI of C.R. Act of 1964, Section 112 of Public Law 92-65, Section 504 of the Rehabilitation Act of 1973, and Age Discrimination Act of 1975 all as amended. Any other applicable non-discrimination law(s). NETEDD RLF will require the same Assurances of Compliance from all loan recipients.

All applicants will be required to submit a policy statement that such applicant shall not discriminate against employees or applicants for employment on the basis of race, creed, religion, national origin, [gender identity](#), sex, handicap, or political belief or affiliation. Applicants will be required to post a non-discrimination notice in areas where such notice will be seen by employees and applicants. Such notice will provide information for persons to report such discrimination who feel they have been discriminated against by the applicant. Loan recipient compliance will be monitored semi-annually and will require corrective action as necessary. Corrective action may require applicants to submit a work force analysis showing hiring patterns of affected groups and projected employment figures aimed at remedying underutilized minorities.

The NETEDD RLF shall not discriminate against loan applicants on the basis of race, color, national origin, religion, or sex. All applicable statutes, executive orders, requirements, and regulations pertaining to non-discrimination will be adhered to by NETEDD RLF.

The NETEDD RLF will require assurance in writing from loan recipients that affirmative action in the area of contracting will be taken to involve minority and/or female owned businesses.

The NETEDD RLF will work to further the cause of minority business development by encouraging applicants for funding by NETEDD RLF. The NETEDD RLF will work with minority business organizations, such as the Texarkana Black Chamber of Commerce, the local Service Corps of Retired Executives (SCORE) and the local Small Business Development Center, and other organizations working for minority business development, and encourage their referrals of potential loan applicants.

Monitoring of loan recipients on a regular basis will be used to ensure compliance. If patterns of discrimination are found with a loan recipient, and efforts to force corrective action are unsuccessful, the loan will be classified as a problem loan and if corrective action is not taken the loan may be declared in default of loan covenants.

The standards outlined below reflect the expected achievement of the RLF portfolio. Individual loans will generally conform to these standards but may vary depending on the economic benefits, both direct and indirect, to be achieved by each loan as long as cumulative results of the portfolio generally meet specified standards.

- The overall cost per job is targeted at the SBA rate of one job created for every [\\$765,000](#) loaned though in some instances cost per job will be less than the indicated amount. This amount will be adjusted periodically to coincide with the SBA job creation requirement. The cost per job requirements tended to focus on the quantity of jobs rather than the quality of jobs. Increased costs of upgrading plant and equipment to keep pace with advances in technology to remain competitive makes the job retention a worthy public

policy objective. the maximum loan to any single borrower is set at \$~~53~~00,000. ~~with EDA approval.~~

- Due to the high level of long-term unemployed and underemployed workers in the NETEDD area, 50% of the new jobs created will be targeted at the long-term unemployed and/or underemployed workers.
- The RLF will continue to focus on economic base jobs or basic value-added jobs. These type of jobs tend to have a more positive impact on the area than do service jobs. A manufacturing job usually generates additional cash flow which creates market demand and generates additional supplier and service jobs. Most of the dislocated workers in NETEDD filled basic job slots and were classified as semi-skilled and skilled industrial workers. RLF loan activity will be targeted but not limited to replenishing these types of jobs which will have the most economic impact on the area. The target ratios for semi-skilled and skilled workers are: Industrial - 60%, Commercial - 40%, Entry level -25%, Semiskilled -25%, Skilled - 50%.
- There is a gap in the lending practices of the local lending institutions for commercial loans less than \$~~1025~~,000. The local lending environment generally views the smaller loans as unprofitable ventures due to the cost of servicing the loans. The revolving loan fund will be used to address this weakness in the local lending environment while keeping the same priorities as larger loans. However, since the local lending institutions have an aversion to making the smaller loans, there will probably not be any private leveraging of the RLF funds. This will probably result in the RLF financing 100% of the project. This leveraging shortfall will be made up by leveraging the larger loans in an amount that should make the overall portfolio average in the 3 - 5:1 range.
- The rates of private sector dollars to be leveraged by the RLF Portfolio will be set at an overall average of two to one (2:1). It is expected a majority of the loans will leverage private sector funds in the 3-5:1 range.
- All loan applications will be analyzed with maximum positive impact on the economy considered the primary factor. As such, the ratio of public/private borrowers and locally owned or outside concerns are irrelevant. RLF loans must be used for purposes which result in private sector job creation or retention and contribute to the economic development of the area. Loans will normally finance industrial or commercial activities including light manufacturing and service industries where opportunities for private sector jobs are the greatest, and will emphasize direct job creation or retention, location or expansion of established business, new start-up or the retention of business. In some instances, indirect job creation may be considered on a low priority basis, but only with significant impact on the economy.
- Proclamation of the RLF will insure that the program is known to all potential loan applicants including minorities and women. Through the judicious use of the RLF, financing can be provided to those businesses and industries that indeed offer the most long-term gains for the area. The NETEDD can insure maximum gains for various areas

by tailoring to meet the different needs of each locale.

- In small rural areas, revolving loan financing would most likely be to labor intensive industries offering the quickest relief to severe unemployment problems. In the larger, more urbanized areas, financing would be targeted at developments which would leverage major business expansions and start-ups providing a continuing source of new jobs. Every effort will be made to insure that the loan portfolio will increase the tax revenues in all eligible areas involved with the RLF program.
- The NETEDD Loan Committee and the loan candidate will be appraised of the state and federal statutes concerning civil rights and environmental regulations. Loan reviews and applications will require statutory compliance as a part of the terms and conditions of the loan.

The required selection criteria that financing is not otherwise available will be applied to all loans. The economic impact criteria are that the business be classified as a basic industry or other value-added business or support to a value-added business.

The staff will make an annual report to the NETEDD RLF Committee to assess the performance of the RLF in accomplishing its stated economic adjustment objectives and to modify the RLF Plan as needed and recertify the plan.

## **PART II. OPERATIONAL PROCEDURES**

### **(i) Administrative Procedures**

Staff of NETEDD, including contract labor, will be responsible for the identification and development of appropriate financing opportunities, providing business and financial counseling, performing environmental review compliance, and loan management. NETEDD staff will also render loan servicing functions which will include, but not be limited to, performing credit analysis, loan write-ups and recommendations to the Committee, loan processing, collections and servicing, handling defaulted loans and foreclosures, and compliance with grant requirements. Loan closings and foreclosures will be handled by outside legal counsel. Loan procedures and documents are in compliance with the RLF Administrative Manual.

The NETEDD RLF loan committee is composed of the NETEDD President and some of the ATRDC Executive Board (which also reviews SBA 504 program loans). This structure allows for administrative efficiency and competency in loan reviews. This loan committee is composed of five members who are representative of the public and private sector as well as minority representation. Members with business experience that might have a conflict of interest on a particular project must abstain from voting on that project. The board has members with bank lending experience and at least one of those members must be present for each loan decision. Quorum is set at three members and there must be a quorum to vote on a project.

The staff of the NETEDD will serve as the initial contact person for all NETEDD RLF applicants. If a prospective applicant appears to meet the criteria for a loan, the staff shall provide the prospect with a loan application packet, and assist them as necessary to comply with the requirements of the application. When completed the application and all supporting documentation will be returned

to the NETEDD office where the staff will examine it for completeness as well as further eligibility screening.

### ***Credit Reports***

The credit analysis of the loan application is a process designed to determine whether the loan applicant has adequate financial resources to repay the loan as outlined in the application. NETEDD utilizes the generic loan application used by the Ark-Tex Regional Development Co., Inc., (an SBA chartered Certified Development Company), to obtain all of the information needed for a thorough credit analysis of the proposed project. The credit analysis of this information will answer the following questions:

- Is cash flow sufficient to repay the loan?
- Is working capital adequate, or have adequate sources of working capital been identified?
- Is the balance sheet satisfactory?
- Do trends and projections support the loan request?
- Is the loan being recommended?

All information submitted to commercial financial institutions will be made available to NETEDD to ensure completeness, and when necessary NETEDD may use outside credit analysts to supplement analysis done by the staff. It is anticipated that the assistance of the RLF Committee members with loan experience will greatly enhance the analysis of each loan, and these individuals will be asked to take an active role in this phase of the loan process.

### ***Appraisal Reports***

Appraisal reports commissioned by the participating financial institutions shall generally be used by the RLF. If the financial institution does not need a formal appraisal and the RLF feels one is needed for its protection, a licensed appraiser shall be utilized.

#### **(ii) Environmental Review**

NETEDD will require written certification and conformance with all applicable state and federal guidelines concerning environmental review. NETEDD will develop and implement an environmental review process in accordance with the intent of the National Environmental Policy Act of 1969, as amended (P.L. 91-190), as implemented by the "Regulations" of the President's Council on Environmental Quality (40 DFR Parts 1500-1508). An Environmental Review Record (ERR) will be established for each loan, and the applicant or borrower must comply with all RLF environmental requirements.

In administering the RLF, NETEDD will maintain procedures to comply with applicable environmental laws and statutes including, but not limited to, the following:

- The Clean Air Act, as amended (42 U.S.C. 7401 et seq.).
- The Federal Water Pollution Control Act, as amended (U.S.C. 1251, et seq.).
- The Coastal Zone Management Act of 1972, P.L. 92-583, as amended (16 U.S.C. 1451, et seq.).

- Executive Order 11988, Floodplain Management (May 24, 1977), and regulations and guidelines issued thereunder by the Economic Development Administration.
- Executive Order 11990, Protection of Wetlands (May 24, 1977).
- The Endangered Species Act of 1973, P.L. 93-205, as amended (16 U.S.C. 300f et seq.).
- The Safe Drinking Water Act, P.L. 93-523, as amended (42 U.S.C. 300f-300j-9).
- The Wild and Scenic Rivers Act, as amended (16 U.S.C. 1271, et seq.).
- The Resource Conservation and Recovery Act of 1976
- The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), P.L. 96-510, as amended by Superfund Amendments and Reauthorization Act of 1986 (SARA0942 U.S.C. 6091, et seq.)
- The National Historic Preservation Act P.L. 89-665 (16 U.S.C. 470, et seq.), (36 CFR Part 800).
- All state and local environmental requirements will be applicable along with Federal standards.

Reasonable assurances must be provided by the applicant that the loan proceeds will not be used to substitute for private capital. These assurances will include execution of the Bank Commitment Letter and Bank Certification of Surplus Asset Unavailability. In addition, personal financial statements will be reviewed in order to determine the availability and accessibility of private capital.

In determining collateral requirements for each loan the Board will give consideration to each project's individual merits and the economic benefits derived from the project. The Board shall generally follow the guidelines listed below in making this determination.

- Fixed asset loans shall be limited in duration to the useful life of the fixed asset or the collateral securing the loan
- The equity requirement for each project will generally be 20% of the total project cost.
- In order to encourage the participation of other lenders in a fixed asset loan the NETEDD may take a subordinate position to others loans made in connection with the project.
- Loans for working capital will normally be secured by liens on inventories, receivables, or other assets available. Such liens may be subordinate only to existing liens of record and other loans involved in the project.
- In addition to the above types of security NETEDD may also require security in the form of assignment of patents and licenses, the acquisition of hazard insurance, and any other form of security deemed appropriate by the NETEDD RLF Board.
- If determined appropriate the NETEDD RLF Board may require life insurance on key persons be assigned to NETEDD RLF loan. Personal guarantees will also be required from principal owners.

The equity requirement for each project involving a new company will generally be 10% to 20% of the total project cost either for working capital or fixed asset loans. Equity requirements for existing companies may be lower if the company has a substantial equity position.

When determination is made concerning eligibility the staff will prepare a written and oral report for the NETEDD RLF Loan Committee covering:

- Eligibility
- Credit worthiness
- Collateral recommended
- How prospective loan will help NETEDD RLF meet program objectives
- How prospective loan will fit with loan portfolio guidelines
- Any special Loan conditions that are recommended
- Any other information deemed pertinent to the review process
- Recommendation on approval or disapproval of the application

If the loan is recommended for disapproval, the report should also indicate how the loan might be modified to make it an acceptable package for the NETEDD RLF Loan Committee to approve. The report should also indicate other potential sources of funding if the loan is denied, and what steps the staff will take to assist the applicant in these alternative processes.

The loan write-up is presented to the NETEDD RLF Loan Committee along with an oral staff presentation and recommendation. Following the presentation, the Committee will consider each application and vote on the recommended action. Minutes are kept of all Committee meetings. Loan applicants are notified of the decision immediately following the meeting and a written confirmation will follow.

A copy of a bank deposit slip will be required to document any equity requirement of the applicant. A loan commitment letter from the participating financial institution will be required for closing. Where applicable, the following documents must be provided at or prior to closing any loan:

**Borrower Provides to NETEDD:**

- Articles of incorporation and bylaws for borrower
- Formation documents and Company agreement
- Proof of SAM registration
- Corporate resolution authorizing borrower's President to execute loan documents
- Certificate of Good Standing from the Comptroller of Public Accounts
- Certificate of Existence from Secretary of State
- Lease agreement with property owner
- Landlord's lien waiver
- Legal description of property occupied by owner
- Life insurance on borrower in the amount of the loan (to be assigned to NETEDD-RLF as additional collateral for the loan)
- List of current employees by name and job title for job certification
- Evidence of equity injection
- Disclosure agreement letter
- Appropriate fire, extended coverage or liability insurance (policy or binder) on equipment, materials to be purchased with loan proceeds listing NETEDD-RLF as Loss Payee.
- Funds sufficient to cover processing fee, closing costs including, but not limited to, legal/attorney fees, filing fees, lien searches, other fees included in closing costs such as appraisal fees or environmental assessment fees

## Loan Disbursement

After addressing loan requirements and securing collateral (as necessary for each individual loan), loan disbursement is paid out in the form of a single lump sum payment via check and delivered to the borrower or sent via FedEx with signature required.

The NETEDD-RLF is responsible for the administration, monitoring, compliance, and the servicing of the total loan project from loan inception through full payment. The NETEDD-RLF has general collection, investing, disbursing, individual loan accounting and reporting responsibilities. The NETEDD-RLF also has responsibility for monitoring, administration, and overall reporting requirements. The NETEDD-RLF is responsible for taking whatever steps are necessary to bring delinquent loans current, and to take any other steps necessary to protect NETEDD-RLF capital.

The NETEDD-RLF is responsible for all aspects of administration, monitoring and servicing. This will include the following tasks:

- Periodic visits to the borrower to review the condition and maintenance of the collateral as well as compliance with any special provisions.
- Obtain and analyze the borrower's annual financial statements and review the results with the borrower.
- Monitor the loan agreement for defaults in covenants.
- Negotiate with the borrower if changes in terms, conditions, or covenants of the loan become necessary.
- Notification of default and initiating foreclosure proceedings and taking whatever steps are necessary to safeguard collateral.

It is the intent of the NETEDD-RLF to work with each borrower to ensure fulfillment of the loan obligations and to protect the interests of the NETEDD-RLF.

Borrowers are required to submit reports as requested to prove job creation in line with the RLF commitment. The borrower is required to submit Financial Statements in accordance with each borrower's loan terms and conditions. The NETEDD-RLF staff makes periodic on-site visits to check the status of collateral. The NETEDD-RLF staff also contacts the borrower periodically to identify any potential problems the business might be having.

The NETEDD-RLF staff shall make periodic monthly reports to the Loan Committee concerning each outstanding loan. The reports shall show the current payment status of each loan. The following procedures will be followed when accounts become past due:

- Accounts become past due when a scheduled payment is ~~twentyten (2010)~~ twentyten (2010) days past due. A late charge of five percent (5%) ~~may will~~ may will be charged ~~on accounts more than fifteen (15) days delinquent.~~



- When a loan becomes ~~twenty-five ten~~ (2510) days past due, a late notice will be sent with invoice by the staff.
- When a loan becomes ~~thirty twenty~~ (3020) days past due, the staff will make a personal contact and attempt to determine the reason for the delinquency.
- Loans will be classified as problem loans when a payment is not made, when a default on a loan covenant has occurred, or when the borrower's financial statements reveal an adverse change which at some point could cause either non-payment or default.

In working with a borrower to keep the loan in good standing, the NETEDD-RLF staff will maintain frequent contact with each borrower. Any problems and concerns in the above listed areas will be discussed in depth to determine feasible solutions. The Executive Director Loan Administration Board will be kept fully informed at all times of the status of problem loans and the actions taken by NETEDD-RLF personnel to rectify the problem. If a change in the loan terms can save the loan, the Executive Director Committee is authorized to make any changes necessary that are in accordance with the NETEDD Plan. EDA guidelines.

When a loan becomes ninety (90) days past due and all efforts to find an alternative solution have failed, a loan will be considered in default. Because of the intricacies involved in foreclosures and liquidation proceedings and because of the legal consequences involved, the NETEDD RLF Executive Director Loan Committee may choose to retain an attorney who specializes in this field to handle this process.

The following procedures will also be followed:

- A meeting will be held with the borrower to explain the liquidation procedures.
- Following the meeting, a letter of intent will be sent to the customer and all creditors that there is a delinquency, balance of the loan, interest accrued, etc.
- During the twenty-day waiting period the NETEDD-RLF will make arrangement to either move the collateral or arrange for a public foreclosure on premises. Lien searches will also be initiated to confirm NETEDD-RLF's lien position. If necessary, an appraisal would be requested at this time. Taxing authorities would be contacted to determine the amount of taxes due, if any.
- It should be noted that the NETEDD-RLF will try to reach a solution short of liquidation if at all possible. While the NETEDD-RLF must protect the capital in the Fund, it also does not wish to initiate proceedings which may result in the loss of jobs to the community. To the extent that a loan may be restructured or an acceptable alternative arrangement may be reached between the borrower and the NETEDD-RLF, liquidation will be considered a last alternative.

Where applicable, the following documents will be included with each loan file:

1. All loan documents
2. Evidence of equity injection
3. Articles of incorporation
4. Bylaws
5. Charter
- 5.6. Company agreement
- 6.7. Corporate resolution authorizing execution of loan documents

- ~~7.8.~~ Certificate of good standing
- ~~8.9.~~ Lease agreement
- ~~9.10.~~ Landlord's lien waiver
- ~~10.11.~~ Legal description of property

- ~~11~~.12. Application Package:
  - a. Loan application
  - b. Business Plan
  - c. Personal Financial Statement
  - e.d. [Proof of SAM registration](#)
  - ~~d.e.~~ Previous three years' business financial statements
  - ~~e.f.~~ Environmental assessment
  - ~~f.g.~~ Lender commitment letter
- ~~12~~.13. UCC lien searches
- ~~13~~.14. UCC filings
- ~~14~~.15. Disclosure agreements
- ~~15~~.16. Lender subordination agreement
- ~~16~~.17. Minutes of NETEDD-RLF board action
- ~~17~~.18. Life insurance policy
- ~~18~~.19. Liability insurance policy
- ~~19~~.20. Fire insurance policy
- ~~20~~.21. Employment base certification
- ~~21~~.22. Copy of letter to applicant summarizing terms and conditions
- ~~22~~.23. Staff Report
- ~~23~~.24. Invoices for equipment purchased with loan proceeds

## Administrative Procedures

Accounts (maintained in a separate bank account for the EDA RLF portfolio) are established within the accounting system in order to clearly identify and audit repayments and interest income from the RLF funds. Monthly general ledgers are prepared for account status. The accounting system allows easy preparation of the reports as required by the EDA. Standard accounting procedures are used to maintain the accounts. The NETEDD-RLF is audited annually to ensure compliance with generally accepted accounting principles (GAAP) and EDA requirements per 13 CFR 301.15(a).

Administrative Costs within acceptable EDA percentages are incurred by staff working to initiate, review and service RLF loans as well as to provide required reporting to the EDA per 13 CFR 307.12. In addition, legal fees may be reimbursed for RLF related services performed. Charges associated with RLF admin costs are reflected on time tracking forms. Actions in compliance with 13 CFR 307.13(b).

### Allowable Cash Percentage

NETEDD RLF utilizes finance staff to review the portfolio to ensure compliance with allowable cash percentage standards per 13 CFR 301.17(b).

### EDA Reporting

The RLF Plan acknowledges that [Defederalization of the NETEDD RLF in 2022](#) ~~EDA~~ requires [periodic reporting only as requested by EDA. regular reporting based on the scoring of recipient data either annually or semi-annually. Recipient certifies as a part of the report that the RLF is operating in accordance with the RLF Plan and that the information provided is complete and accurate in compliance with 13 CFR 307.14.](#)

## Deferment

Deferments are employed as a solution to a temporary problem impacting a borrower's ability to make loan payments, generally during a “verified disaster”. Deferment is only available if loans are current, a Borrower is experiencing a temporary cash flow problem, and a deferment will not harm the Borrower or NETEDD. The goal of deferment is to save jobs and keep the business moving forward.

### A. General Requirements

Prior to granting a deferment, NETEDD must obtain, review, and analyze the following documents in order to determine whether the Borrower’s cash flow problem is temporary or a “verified disaster” has occurred that has created the temporary cash flow.

1. A written statement from Borrower outlining the reason(s) for its cash flow problem as well as the reason(s) why the Borrower believes that it is a short-term, rather than a long-term problem.
2. The Borrower's financial statements for the past 3 months to prove financial stability prior to cash flow deficit or “verifiable disaster”
3. Management’s review of Borrower's current payment status.
4. Documentation from management that Borrower qualifies for deferment.

### B. Deferment

When a deferment is approved by management, the following options are available:

1. Interest only payments for a period of 3 months, re-evaluated for additional time at the end of 3 months. Principle added to the end of the loan.
2. Re-amortization of loan with reduced interest to lowest interest rate (4%) carried out for maximum of additional seven (7) years.
3. Re-amortization of loan with reduced interest to lowest interest rate (4%) carried out for maximum of additional seven (7) years and interest only payments for a period of 3 months. Principle added to the end of the loan.
4. Businesses with a complete shut down for a period of time due to “verified disaster” may qualify for a short term deferment to be determined by management and a pay-back schedule of interest calculated into loan payments when they resume.
  - a. Monthly payments will be increased to pay back the deferred interest
  - b. Additional interest payments may be paid during the pay-back period
  - c. The deferred interest may be paid in a lump sum at the end of the deferment period
  - d. Deferred principal will be paid at the end of the loan
5. Coordinate with Bank for any Borrower that has a 504 loan in conjunction with a RLF loan to align the deferment processes.

*See RLF deferment process*

## Audits

The RLF Plan acknowledges that ~~EDA RLF~~ funds are subject to ~~an annual~~ audit requirements as per defederalization guidelines. ~~and the full value of the RLF must be shown every year on the Recipient's Schedule of Federal Expenditures.~~ If the dollar amount of the RLF qualifies the RLF as a major Federal program, the Recipient must ensure that the auditor performs the required Federal audit procedures. *See 13 CFR 307.12(b)(3) and RLF Standard Terms and Conditions Part I.F.*

### (iii) Conflict of Interest

1. NETEDD shall not make loan or grant funds available to a business entity if the owner of such entity is related by blood, marriage, law or business arrangement to any officer or employee of NETEDD or any member of the NETEDD Board of Director's, or a member of any other committee which advises, approves, recommends or otherwise participates in decisions concerning loans or the use of grant funds (hereinafter referred to as "Other Committee").
2. No officer, employee, or member of the NETEDD Board of Directors or Other Committee, or person related to the officer, employee, or member of the Board by blood, marriage, law or business arrangement shall receive any benefits resulting from the use of loan or grant funds, unless the officer, employee, or Board member affected first discloses to NETEDD on the public record the proposed or potential benefit and receives NETEDD's written determination that the benefit involved is not so substantial as to affect the integrity of NETEDD's decision process and of the services of the officer, employee or board member.
3. An officer, employee, committee member or board member of NETEDD shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment or any other thing of monetary value, for themselves or for another person, from any person or organization seeking to obtain a loan or any portion of the grant funds,

Former board members, committee members and/or officers are ineligible to apply for or receive loan or grant funds for a period of two years from the date of termination of his/her services.

This certification agreement is to be executed by all board members upon their joining the board and prior to their first meeting.

## SPECIAL CONSIDERATIONS

### COVID-19 and/or Other Pandemic Events or Natural Disasters

#### ~~COVID-19~~ Loan Program Addendum

Due to Special Considerations, ~~COVID-19~~, NETEDD is requesting the following additions remain in be made to our NETEDD RLF Plan. The Board approved revisions to the Plan on *09/24/2020*. *The changes are as follows:*

#### **Justifications for the EDA RLF Management Plan changes:**

With the outbreak of COVID-19 across the nation, many businesses are currently and potentially facing revenue shortfalls that compromise their ability to cover operating expenses like payroll, inventory, rent, loan payments, utilities, etc.

Along with the mandated Federal and State closures businesses are currently working in a fear/unknown environment. Efforts are being made to ensure that measures are in place to protect their communities against COVID-19. This has created a need for restructuring existing businesses to meet protective measures.

NETEDD has been contacted by several businesses from our loan portfolios and within the approved lending area with questions, concerns, and request for assistance in the area of refinancing to continue operations, save or increase jobs, and maximize community protection.

This program is to provide financial assistance to the eligible businesses to aid in economic recovery.

#### **COVID-19 Loan Program Borrower Description:**

NETEDD would like to offer low-interest COVID-19 loans for working capital to small businesses located in the following counties: *Bell, Bosque, Bowie, Camp, Cass, Coryell, Delta, Eastland, Erath, Falls, Franklin, Freestone, Gregg, Harrison, Hill, Hopkins, Johnson, Lamar, Limestone, Marion, McLennan, Milam, Morris, Navarro, Panola, Red River, Somervell, Titus, and Upshur Counties in Texas, and Miller County in Arkansas*, (1) suffering substantial economic injury as a result of the COVID-19 pandemic; (2) opening a business that is designed to “Prevent, Prepare For, and Respond to Coronavirus” pandemic; or (3) Refinancing an Existing Businesses that has suffered as a result of COVID-19 and restructuring will save jobs and support the economy.

Small businesses that have been financially impacted as a direct result of the COVID-19 pandemic may qualify for a “*Short-Term, Personal Guarantee COVID-19 Loan*” to help meet financial obligations and operating expenses which could have been met had the disaster not occurred.

“New” small businesses that are designed to Prevent, Prepare For, and Respond to COVID-19 pandemic may qualify for a *low-interest RLF* to help promote the economic needs of their community as it relates to the pandemic.

“Existing Businesses” that have been impacted as a direct result of the COVID-19 pandemic may qualify for a Refinancing loan to restructure, saving jobs and mitigating damage to the local economy. **FUNDING SUBJECT TO AVAILABILITY.**

**(1) Short-Term, Personal Guarantee COVID-19 Loan:**

**Loan:**

- Lower Loan Minimum to \$5,000 (Current minimum is \$10,000.)
- ~~\$25,000~~50,000 Maximum Loan (Current maximum loan is \$300,000.)
- No Loan Fee (Current is 1.5% Loan Fee.)
- Use Personal Guarantees as Collateral (Current is liens on project collateral.)
- Allow for Executive Management Staff Approval on Loans ~~\$25,000~~50,000 and below. (No Loan Committee Approval.)

**Criteria:**

- Operating Company (business) in business for at least two years.
- Provide 2019 Tax Return (CPA prepared financials) showing positive earnings (Profit) (or 2018 and additional supporting financials)
- Potential to save existing jobs.
- Verified thru SAM.gov

**Terms:**

- Payments deferred for three (3) months as requested.
- Interest Rate 2.5% (Current established is a 4%)
- *Five (5) to Seven (7) Year Repayment Period* Preferred but up to Ten (10) based on circumstances.
- No prepayment penalty

**(2) “New” Small Business COVID-19 Loan (follows RLF procedures for approval):**

**Loan:**

- Current minimum is \$10,000 - Current maximum is \$300,000.
- Lien(s) for project collateral
- NETEDD loan Committee Approval

**Criteria:**

- Business emphasis relating to deficits identified in the area during COVID-19 and/or identified in the area CEDS that prevents, prepares for, and or responds to the coronavirus epidemic.
- Potential to create jobs.
- Meets requirements of RLF
- Verified thru SAM.gov

**Terms:**

- Payments deferred for three (3) months as requested.
- Interest Rate 2.5% (Current established is a 4%)
- *Up to Twenty (20) Year Repayment Period for maximum loan*
- No prepayment penalty

**(3) “Existing” Small Business Refinancing COVID-19 Loan (follows RLF procedures for approval):**

***Loan:***

- Current minimum is \$10,000 - Current maximum is \$300,000.
- Lien(s) for project collateral
- NETEDD loan Committee Approval

***Criteria:***

- Business emphasis relating to deficits identified in the area during COVID-19 and/or economic impact related to COVID-19 and the community.
- Potential to save and/or create jobs.
- Meets requirements of RLF
- Verified thru SAM.gov

***Terms:***

- Payments deferred for three (3) months as requested.
- Interest Rate 2.5% (Current established is a 4%)
- Up to Twenty (20) Year Repayment Period for maximum loan
- No prepayment penalty



**MINUTES**  
**ARK-TEX COUNCIL OF GOVERNMENTS**  
**BOARD OF DIRECTORS MEETING**  
**April 25, 2024**

The Ark-Tex Council of Governments (ATCOG) Board of Directors met at 10:00 a.m., Thursday, April 25, 2024, at the Northeast Texas Small Business Development Center, located at 105 North Riddle, 2<sup>nd</sup> Floor, Mount Pleasant, Texas, and via videoconference.

Item 1. Bobby Howell, Judge, Bowie County, called the meeting to order.

Item 2. Travis Ransom, Judge, Cass County, gave the invocation.

Item 3. Public Comment.

No member of the public made a comment.

Item 4. Ms. Mary Beth Rudel presented for review and consideration approval of the consent agenda items.

- Approval of the minutes as submitted for the ATCOG Board of Directors Meeting held Thursday, December 7, 2023.
- Acceptance of the minutes as submitted for the Ark-Tex Area Agency on Aging Regional Advisory Council meeting held Thursday, March 14, 2024.
- Acceptance of the minutes as submitted for the ATCOG Regional Criminal Justice Advisory Committee meeting held on Tuesday, April 2, 2024.

Motion to approve was made by Judge Ransom and seconded by Scott Lee, Judge, Franklin County. It was approved.

**Regular Business**

Item 5. Ms. Mary Beth Rudel presented the Executive Director report for information only. She reviewed the reports and provided updates to the Board. Ms. Rudel requested feedback and guidance from the Board for any of the quarterly reports presented.

Ms. Rudel presented the 2023 Threat and Hazard Identification and Risk Assessment (THIRA), Stakeholder Preparedness Review (SPR), and THSSP Implementation Plan (IP) report for information only. The ATCOG Homeland Security Coordinator received an assessment score of 47 out of a possible score of 45 points in this report. The report states that ATCOG's work continues to be at the gold standard level.

Ms. Rudel acknowledged Ms. Whitney Fezell, ATCOG's Homeland Security Coordinator, and all county emergency management staff for compiling the report. She also mentioned that Ms. Fezell's template is being used throughout the state.

Item 6. Mr. Chris Pruitt of Patillo, Brown, & Hill, L.L.P., presented for review and consideration approval of the ATCOG Financial Statement and Auditor's Report for the fiscal year ending September 30, 2023.

Ms. Melinda Tickle introduced Mr. Pruitt to present the Financial Statements and Auditor's report. The auditor's review depicted an unmodified opinion with no findings. ATCOG financials are free of material misstatement and can be relied upon by a 3rd party; this is the highest opinion an auditor

can provide.

Motion to approve was made by Robert Newsom, Judge, Hopkins County, and seconded by Judge Ransom. It was approved.

Item 7. Ms. Mary Beth Rudel presented for review and consideration approval of public input and approval of the 2025-2026 TxCDBG Community Development Fund Regional Project Priority Scoring for the ATCOG State Planning Region.

Ms. Rudel stated that the Unified Scoring Committee met, and Lowell Walker, Mayor of the City of DeKalb, attended as the ATCOG representative.

The Community Development (CD) Fund is the largest TxCDBG funding category. The CD Fund is available on a biennial basis for funding through an application competition in each of the twenty-four state planning regions. The CD Fund application cycle will be based on a scoring methodology that considers objective factors for the selection and ranking of applicants for funding.

The maximum score for a CD Fund application will be 200 points in all regions. These points are assigned in three ways:

- 65% of the points are assigned based on objective factors adopted by the Unified Scoring Committee.
- 25% of the points are assigned based on the Regional Project Priorities selected by the governing board or a designated committee of each state planning region.
- 10% of the points are assigned based on State Scoring factors adopted by TDA.

The Board recommended the following 2025-2026 TxCDBG Community Development Fund Regional Project Priority Scoring for the ATCOG State Planning Region:

- First Priority: Water/Sewer; Yard lines; Streets/roads and bridges; Drainage; Septic tanks
- Second Priority: Housing
- Third Priority: all other eligible activities

Motion to approve was made by Judge Lee and seconded by Judge Ransom. It was approved.

Item 8. Ms. Leslie McBride presented for review and consideration approval of revisions to the ATCOG Policies and Procedures Manual.

The following revisions to the policy and procedures manual are being proposed:

- 3.02 Professional Appearance. This revision reflects the change made to provide guidance to staff on allowable and unallowable dress.
- 5.05 Payday. This revision moves ATCOG paydays from Monday to Friday. This is beneficial due to the number of bank holidays that occur on Mondays.
- 9.03 Official Payroll Payday. This revision moves ATCOG paydays from Monday to Friday. This is beneficial due to the number of bank holidays that occur on Mondays.
- 17.00 Travel and Subsistence. Revisions throughout this policy support current travel processes.

Upon Board approval, the policy revisions will be distributed to all employees and added to our Policies and Procedures Manual.

Motion to approve was made by Ann Rushing, Mayor, City of Clarksville, and seconded by Brandon Bell, Judge, Lamar County. It was approved.

- Item 9. Ms. Whitney Fezell presented for review and consideration approval authorizing the Executive Director to enter into a contract with Continental Wireless, Inc., to purchase a communications tower and equipment for Delta County.

Emergency management coordinators in Delta and Franklin County evaluated their communication systems and determined what radio infrastructure equipment was needed to enhance/sustain them.

ATCOG Homeland Security Program utilized The Interlocal Purchasing System (TIPS) to obtain a quote from Continental Wireless, Inc. for purchasing and installing a 195 FT Self-supporting tower with antenna, repeater, lighting kit, and additional accessories.

The total estimated cost of the project is \$194,698.21. The grant will cover approximately \$192,461 of the expenses, and the remaining costs will be the responsibility of Delta County. The start and completion of this project is contingent upon Delta County Commissioner's Court approving and agreeing that Delta County will pay any and all costs over the grant allocated amount.

Motion to approve was made by Judge Lee and seconded by Tanner Crutcher, Judge, Delta County. It was approved.

- Item 10. Ms. Mary Beth Rudel stated that the review and consideration authorizing the Executive Director to enter into a contract with Airwaves Communications, Inc., to purchase a communications tower and equipment for Lamar County will not be considered at this time.

- Item 11. Ms. Toni Lindsey presented for review and consideration approval of the submission of an application to the U.S. Environmental Protection Agency (EPA) for FY25 Brownfield Coalition Assessment Grant Funds and Revolving Loan Funds.

The EPA Revolving loan fund application is available every two (2) years and will be available in the 2025 cycle. The grant opening is expected in August 2024 with an estimated 2-month application completion time frame. ATCOG requests Board approval to apply for \$1 million in Revolving Loan Funds and \$1.5 million for Coalition Assessment Funding to be utilized in eligible rural areas of the ATCOG region.

The ATCOG Environmental Coordinator will assess brownfield sites for site eligibility for coalition application inclusion.

Motion to approve was made by Judge Ransom and seconded by Scott Norton, Executive Director/CEO, TexAmericas Center. It was approved.

- Item 12. Ms. Patricia Haley presented for review and consideration approval of the priorities/recommendations established by the RCJAC concerning projects being submitted to the Office of the Governor Criminal Justice Division for funding consideration.

The RCJAC met on April 2, 2024, and applicants gave a brief presentation about their projects. RCJAC members had the opportunity to ask presenters questions regarding their applications/projects. Applications were scored, and the RCJAC had a follow-up meeting on April 11, 2024, to review and discuss the scoring results to determine funding recommendations for all funding categories. Ms. Haley presented the projects and their scores.

Motion to approve was made by Mayor Rushing and seconded by Judge Bell. It was approved.

Item 13. Mr. Mark Compton presented for review and consideration approval of the submission of an application to the United Way of Lamar County (UWLC) for the Paris Metro Bus System.

The UWLC Transportation grant aims to enhance mobility for seniors, persons with disabilities, and those who need transportation. UWLC has contributed grant funds for Paris Metro for the past eight (8) years. ATCOG is requesting \$25,000 for FY2025. As part of the grant agreement, UWLC receives advertising space on Paris Metro buses and two Paris Metro shelters.

Motion to approve was made by Mayor Rushing and seconded by Scott Norton. It was approved.

Item 14. Ms. Jenny Butler presented for adoption of a resolution authorizing recognition of Older Americans' Month.

The President of the United States has historically acknowledged May as Older Americans Month.

Motion to approve was made by Judge Bell and seconded by Judge Ransom. It was approved.

Item 15. Ms. Patricia Haley presented for adoption of a resolution authorizing recognition of National Police Week.

The President of the United States has historically acknowledged May 15 of each year as Peace Officers Memorial Day and the week in which it falls as National Police Week. National Police Week will be recognized May 12–18, 2024.

Motion to approve was made by Judge Lee and seconded by Judge Crutcher.

### **Other Business**

Item 16. Ms. Patricia Haley presented the Computerized Criminal History (CCH) update for information only.

Item 17. Ms. Rea Allen presented Mr. Joe Shadbolt, 9-1-1 Dispatch Operator of the Franklin County Sheriff's Department, with the ATCOG Telecommunicator of the Year Award. Sheriff Ricky Jones of the Franklin County Sheriff's Department attended, supporting Mr. Shadbolt's recognition as the ATCOG Telecommunicator of the Year.

### **Announcements**

Judge Howell announced that a Workforce CEO meeting would be held immediately following this meeting. Judge Howell asked that the Judges reconvene at the front of the room or remain on Zoom. All others were asked to move into the hallway or exit the Zoom meeting.

Judge Howell announced the next Executive Committee meeting will be held on Thursday, May 30, 2024, at 10:00 a.m., at the Northeast Texas Small Business Development Center (SBDC), 2nd Floor, located at 105 North Riddle Avenue, Mt. Pleasant, Texas, and via videoconference.

Ms. Rudel announced that ATCOG will co-host the Northeast Texas Transportation Summit at the Sulphur Springs Country Club on Friday, May 10, 2024. It is an invitation-only event; therefore, look for your invitations via email.

Ms. Rudel announced that Paris Transportation operations moved into their new facility on Monday, April 22, 2024. A ribbon-cutting ceremony is soon to come.

Judge Ransom announced that Cass County will be sponsoring a Prison Reentry Simulator. The

interactive simulation is designed to help individuals understand and experience the challenges of reentering society after being incarcerated. It will take place at the Law Enforcement Training Center, 1031 CR 1913, Linden, Texas, on Wednesday, May 29, 2024, from 8:30 a.m. to 12:00 p.m. Judge Ransom asked that the Board share the event information.

With no further business to discuss, Judge Lee made a motion to adjourn, and Judge Bell seconded the motion. It was approved.

#### EXECUTIVE COMMITTEE MEMBERS PRESENT

Bobby Howell, Judge, Bowie County  
Scott Norton, Executive Director/CEO, TexAmericas Center  
Travis Ransom, Judge, Cass County  
Scott Lee, Judge, Franklin County  
Brandon Bell, Judge, Lamar County  
Kent Cooper, Judge, Titus County  
Tanner Crutcher, Judge, Delta County  
Robert Newsom, Judge, Hopkins County  
Doug Reeder, Judge, Morris County  
Ann Rushing, Mayor, City of Clarksville

#### ATCOG BOARD MEMBERS PRESENT

Juan Duenez, Mt. Pleasant Independent School District  
Mandeep Chatha-Homer, Paris Independent School District  
Rosina Duckworth, Mayor Pro-Tem, City of Cumby  
Laney Harris, Director Ward 6, City of Texarkana-AR  
Ronald Humphry, Mayor, City of New Boston  
Joe T. Kelsey, Chairman, Red River Appraisal District  
Shannon McGuire, Board of Regents, Paris Junior College  
Harold Nash, Sr., Mayor Pro Tem, City of Sulphur Springs  
Gary Spraggins, Councilmember, City of Sulphur Springs  
Lowell Walker, Mayor, City of DeKalb

#### GUESTS PRESENT

Robbin Bass, Office of United States Congressman Nathaniel Moran  
Gaye Beard, Office of United States Representative Pat Fallon  
Kathy Boyles, KBB Consulting  
ReaDonna Jones, Texarkana MPO  
Ricky Jones, Sheriff, Franklin County  
John McElfish, GrantWorks  
Dianne Olgesby  
Kelle Odom, GrantWorks  
Chris Pruitt, CPA/Audit Partner, Patillo, Brown, & Hill, L.L.P.  
KiAnn Richardson, Northeast Texas Workforce Solutions  
Randy Reed, Northeast Texas Workforce Solutions  
Joe Shadbolt, 9-1-1 Dispatch Operator, Franklin County Sheriff's Department  
Bart Spivey, Northeast Texas Workforce Solutions

#### STAFF MEMBERS PRESENT

Mary Beth Rudel, Executive Director  
Leslie McBride, Deputy Director  
Rea Allen, 9-1-1 Director  
Jenny Butler, AAA Director  
Mark Compton, Transportation Director  
Samantha Davis, 9-1-1 Program Specialist

Patricia Haley, Criminal Justice Coordinator  
Melody Harmon, Economic Development Director  
Whitney Fezell, Homeland Security Coordinator  
Toni Lindsey, Regional Development Director  
Marla Matthews, Executive Assistant  
Holly Pfister, Economic Development Specialist  
Paul Prange, Environmental Resources Coordinator  
Debbie Purifoy, Compliance and Purchasing Officer  
Melinda Tickle, Finance Director

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Bobby Howell, President  
Ark-Tex Council of Governments

ATTEST:

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**MINUTES**  
**ATCOG Solid Waste Advisory Committee Meeting**  
**June 18 2024**  
**10:00 a.m.**  
**Hopkins County Ag. Extension Office**  
**1200B Houston Street, Sulphur Springs, TX 75482 and**  
**Via Webinar/Teleconference**

1. The Solid Waste Advisory Committee (SWAC) met on June 18, 2024 at 10:00 a.m. at the Hopkins County Ag. Extension Office and via webinar. ATCOG SWAC Chairman, Mario Villarino, called the meeting to order at 10:08 a.m.
2. Mario Villarino turned the meeting over to ATCOG staff member Paul Prange, who asked for approval of the minutes from the October 12, 2023, SWAC meeting. A motion was made by Robert Murray to approve the minutes as written and Gene Keenon seconded the motion. The motion carried unanimously.
3. Mario Villarino turned the floor over to Paul Prange to consider the appointment of a new Vice Chairman, to replace Jon Dalzell, the former Vice Chairman. Mario Villarino announced that Jon Dalzell passed away in October of 2023 from cancer and stated that he was highly involved with the SWAC for many years. Paul Prange stated that he greatly appreciated his service throughout the region. Paul Prange announced that Robert Murray expressed an interest to serve as Vice Chairman and brief discussion took place among the committee. The motion to appoint Robert Murray as Vice Chairman was made by Mario Villarino and seconded by Gene Keenon. The motion carried unanimously.
4. Mario Villarino opened the floor up for other business and Paul Prange announced that the FY25 solid waste projects would begin in September of 2024, and the exact funding amount will be determined in August of 2024. Paul Prange stated that he would contact each county judge prior to executing contract for the FY25 projects to determine the number of participants. Paul Prange briefly discussed the regional flood planning grant and the air quality PM2.5 grant that ATCOG is administering. No other business was discussed.
5. Mario Villarino thanked the SWAC members for attending the meeting and adjourned the meeting at 10:28 a.m.

**COMMITTEE MEMBERS PRESENT**

Mario Villarino, Chairman

Robert Murray

Gene Keenon

**REPRESENTING**

Hopkins County

MTG Engineers

Republic Services

**ATCOG STAFF PRESENT**

Paul Prange, Environmental Resources Coordinator

ATCOG



## **POLICY STATEMENT**

It is the intent of the Board of Directors of the Ark-Tex Council of Governments to abide by the Accounting Procedures Manual that was written in accordance with 2 CFR 200, which replaces OMB Circulars A-87, A-122, and A-133, to ensure that:

1. Public funds under the control of ATCOG are used efficiently and prudently, and
2. A full accounting is available and given for all transactions, and
3. All transactions are carried out in accordance with the highest ethical standards.

# ACCOUNTING CONCEPTS AND PRINCIPLES

## BASIC CONCEPTS OF ACCOUNTING

Financial accounting is the process of recording, classifying, and summarizing, in quantitative terms, the economic events of a business. The result of this process is a compilation of information which reports the financial position of a business at a certain point in time and the results of its operations during a period of time. A basic objective of financial statements is to provide reliable and relevant financial information for the evaluation of a business.

The accounting process records the economic events of an organization by making additions to and removals from accounts. There are five general types of accounts: assets, liabilities, fund balance, revenues, and expenditures.

Assets are resources over which an organization has control and ownership such as cash, accounts receivable, buildings, land, equipment, etc. Liabilities are economic obligations of the organizations such as taxes, accounts payable, leases, and other debts. Fund balance represents the excess of assets over liabilities of an organization.

The two remaining types of accounts, revenues and expenditures, are used to record the ins and outs of the financial resources of an organization during a specific period of time. Total revenues over expenditures are compared at the end of each accounting period and the excess is accumulated throughout the year. This amount is referred to as the Change in Net Position (Fund Balance). At the end of the fiscal year, this amount is combined with the fund balance and the total fund balance will be carried forward to the next fiscal year. If expenditures exceed revenues, then a reduction is recorded.

## FISCAL YEAR

ATCOG has adopted the federal fiscal year which begins on October 1 and ends on September 30, although many of our grants and programs have a different fiscal year. ATCOG reports on the fiscal period required by each funding agency in compliance with grants and contracts. ATCOG's audited and financial statements will be prepared on ATCOG's fiscal year.

## MODIFIED ACCRUAL BASIS ACCOUNTING

ATCOG incurs a wide variety of expenditures throughout the year that are mostly paid from grants and contracts. Revenues are earned as the expenditure is incurred, on a reimbursement basis. Because of this, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

## FUND ACCOUNTING

ATCOG uses a fund concept of accounting. Grants and contracts are set up as funds, enabling reporting on each individually.

## RECORDING OF DIRECT AND INDIRECT COSTS

The recording of direct costs is the process of identifying and assigning costs directly to the project cost center generating those costs. The recording of indirect cost is the process of identifying indirect costs for facilities, administration, and support services and allocating these costs to the appropriate cost centers that benefit from the administration and support services

## DIRECT COSTS

Direct costs include those costs that are incurred and can be specifically associated with a specific program. These costs are charged exclusively to that program. The cost will be coded with the appropriate account number to reflect the program benefitting the particular program.

All employees are required to complete electronic timesheets with their hours charged to project numbers that are associated with the program or project on which the hours were worked.

## INDIRECT COSTS

Indirect costs are those costs that have been incurred but cannot be readily identified with a particular grant or program. Indirect costs shall be allocated to benefiting grants through the use of an indirect cost rate.

Per Federal guidelines, each grant will be charged its share of costs. Any costs not directly charged to a particular funding source will be allocated across all funding streams, Federal, State, and Local, on an equitable basis.

## INDIRECT COST RATE

An indirect cost budget is developed each year, presented to, and approved by the Board of Directors. An indirect cost rate worksheet is completed and submitted to the appropriate agency and the rate is negotiated from that.

ATCOG's auditors reconcile the variance between the indirect cost rate charged and the actual indirect costs. These differences are included in the cost rate negotiation.

## EMPLOYEE BENEFIT RATE

Each year a benefit rate is calculated using the estimates for the following employee expenses:

FICA	Unemployment Insurance
Worker's Compensation	Health, Dental, & Life Insurance
Longevity Pay	Accrued Annual Leave
Used Sick Leave	Holiday Pay
Contributions to Retirement Plan	

A Benefit Rate is developed as a percentage of salaries and approved by the Board of Directors each year. This rate is the amount of the benefit cost charged to grants and projects. The allocation is automated through the Accounting software.

Like the indirect costs, the benefits costs are reconciled annually and actual to allocated adjustments are carried forward to the following year.

## INTERNAL CONTROLS

Internal control is comprised of the plans, policies, and procedures of ATCOG and all coordinate methods and measures adopted to safeguard the assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial directives. The following are general characteristics of a satisfactory internal control system:

1. An organizational plan that provides for appropriate separation of duties
2. Personnel of a quality that will commensurate with responsibilities
3. Sound practices to be followed in the performance of duties and functions of each of the departments
4. A system of authorization and recording procedures sufficient to provide reasonable accounting control over assets, liabilities, revenues, and expenses

These emphasize both the organizational structure and the systems of procedures to be used in ATCOG operations. Within the framework, internal control can be divided into two types of control: Accounting and Administrative

### Accounting Control

Accounting controls are procedures implemented to ensure the reliability of recorded financial data and the maintenance of an appropriate level of the transaction review and authorization. The controls provide for:

1. Transactions are recorded as necessary to permit preparation of financial statements consistent with applicable accounting principles and to maintain accountability of assets
2. Access to assets is permitted only in accordance with management authorization

3. Physical inventory of assets is compared to the recorded accountability of assets

This definition of accounting controls envisions reasonable, not absolute, assurance that the objective expressed will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefit relationships of varying levels of control procedures made by management. Management will select the procedures which are appropriate in the circumstances.

Administrative Control

Administrative controls are primarily designed to promote operational efficiency and adherence to managerial policies. Administrative controls include the Work and Financial Plan, the procedures concerned with the decision-making process, operational efficiencies, and quality control considerations of services rendered.

The communication of the financial and service goals is essential to all supervisory personnel. Strong internal controls require that ATCOG's structure be formally established with clearly defined areas of responsibility and authority. This formal plan should be in writing and include such items as organizational charts, job descriptions, and internal policy manuals. A formal budgeting system with periodic comparison of actual to forecasted results is also a useful tool for internal control.

## **INTRODUCTION TO ACCOUNTING PROCEDURES**

The primary objectives in accounting for grant activities are to (1) ensure that the recordkeeping system identifies separately the receipts, disbursements, assets, liabilities, and fund balance for each grant; and (2) provide a summary of financial information that will enable the preparation of periodic reports required by the federal and/or state agency.

The Accounting Procedures Manual is intended to be a guide that addresses both the common elements of accounting and program specific requirements, if necessary.

## SEPARATION OF DUTIES

### CASH RECEIPTS

1. The Receptionist receives all cash and checks through the mail, or by in person drop off
2. Accounting ~~Assistant~~ Specialist processes items to be deposited, either with remote deposit or preparing a deposit to be taken to the bank.
3. Receptionist banks deposits not made remotely.
4. Finance Director or designated Finance staff codes the deposits
5. Accounting Clerk or Assistant enters the coded deposits into the system

### CASH DISBURSEMENTS

1. Invoices, Requisitions, and Requests for Purchase Orders are received by the Accounting Assistant entered into Microix by a designated staff member in each department. ~~Those that are grant specific are distributed to the appropriate Accounting Specialist for Voucher Preparation; the Accounting Assistant prepares vouchers for monthly bills. The Finance Director approves all Disbursement Vouchers.~~ Monthly invoices are entered by the Accounting Clerk. Each department has Workflows specific to their department, ensuring the documents are routed correctly.
2. After the documents have been coded and approved by the appropriate staff, they are routed to the Finance Director for approval. Then they are sent to the Accounting Clerk who reviews and processes them into MIP, either as an API ready to be paid, or as an encumbrance, waiting for an invoice.
3. The Executive Assistant provides the blank checks after recording beginning and ending numbers
4. The Accounting Clerk prints the checks and prepares the EFT file for Direct Deposit
5. The Accounting Clerk takes the checks and EFT vouchers with the backup documentation to the Executive Director for signature
6. The Deputy Director or Compliance/Purchasing Officer signs the checks and initials the EFT vouchers in the absence of the ED
7. The checks and vouchers are returned to the Accounting Clerk who then prepares the checks for mailing and creates an EFT file to be sent to the bank
8. The EFT file is reviewed by the Finance Director and sent to the bank
9. The bank notifies the appropriate staff that the file is ready to be reviewed and approved. Staff approved the file.
10. The Accounting Clerk mail the checks

## PAYROLL

1. The Human Resource Director prepares Personnel Action Notices from Position Requests approved by the Executive Director
2. The Accounting ~~Technician~~ Specialist enters notices into the HR Management software
3. Time entered by employee into the EWS system is reviewed and approved by the Department Head
4. Electronic timesheets are approved by the Executive or Deputy Director
5. The Accounting ~~Technician~~ Specialist reviews timesheets and sends report to Accounting Specialists for coding approval
6. The Accounting ~~Technician~~ Specialist moves the payroll file to the Accounting software to be processed
7. The direct deposit file is created, reviewed, and sent to the bank by the Finance Director
8. Notice is sent by the bank to approving staff to review and approve the file

## JOURNAL VOUCHERS

1. The Accounting Specialists or the Accounting Technician prepare Journal Vouchers
2. The Finance Director approves the Journal Vouchers
3. The Accounting Clerk or Assistant enters the Journal Voucher into the system



## **COST PRINCIPLES**

### **ALLOWABLE COSTS**

1. Must be necessary and reasonable
2. Must conform to limitations or exclusions set forth in the CFR
3. Must be consistent with policies and procedures in both federal and non-federal programs
4. Must be accorded consistent treatment
5. Must be determined in accordance with generally accepted accounting principles
6. Must not be included as a cost or used to meet cost sharing or matching requirements of another federal program
7. Must be adequately documented

### **REASONABLE COSTS**

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-federal entity is predominantly federally funded. In determining reasonableness of a given cost, consideration must be given to:

1. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-federal entity or the proper and efficient performance of the federal award
2. The restraints and requirements imposed by such factors as: sound business practices; arm's length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of the award
3. Market prices for comparable goods or services for the geographic area
4. Whether the individual concerned acted with prudence in the circumstances considering their responsibilities to the non-federal entity, its employees,

- where applicable its students or membership, the public at large, and the federal government
5. Whether the non-federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal awards cost

## ALLOCABLE COSTS

1. A cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
  - A. Is incurred specifically for the federal award
  - B. Benefits both the federal award and other work of the non-federal entity and can be distributed in proportions that may be approximated using reasonable methods
  - C. Is necessary to the overall operation of the non-federal entity and is assignable in part to the federal award in accordance with this subpart
2. All activities which benefit from the non-federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-federal entity or third parties, will receive an appropriate allocation of indirect costs
3. Any cost principle allocable to a particular federal award under the principles provided for in this part may not be charged to other federal awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or terms and conditions of the federal awards, or for other reasons. However, this prohibition would not preclude the non-federal entity from shifting costs that are allowably under two or more federal awards in accordance with existing federal statutes, regulations, or the terms and conditions of the federal awards.
4. Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, the notwithstanding paragraph 3 in this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a federal award, the costs are assignable to the federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

5. If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions of the section.

## **BANK RECONCILIATION**

The Payroll Specialist, who has no cash handling duties, will be responsible for reconciling the bank accounts to the general ledger monthly.

A reconciliation is prepared as follows:

1. Each entry in the bank statement is compared to the corresponding check register in the bank reconciliation module
2. Compare outstanding checks, deposits in transit, and suspended items
3. Mark items as cleared in the system
4. Print the bank reconciliation reports
5. Attach the reports to the corresponding bank statement
6. Prepare journal vouchers resulting from the reconciliation and submit to the Finance Director for review and approval
7. Forward the completed reconciliation to the Finance Director for review and approval
8. File the bank reconciliation

## **INVESTMENT POLICY**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The strategy of the pool is to assure cash flows are matched with adequate liquidity.

The primary objectives, in priority order, of ATCOG's investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital
2. **Liquidity:** Investments will remain sufficiently liquid to enable ATCOG to meet all operating requirements which might be reasonably anticipated
3. **Yield:** ATCOG's investments will be limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed

ATCOG's Finance Director is the Investment Officer. The Investment Officer shall be responsible for adherence to the Investment Policy. The Investment Officer shall attend at least one training session within twelve months of assuming duties and attend training every other year thereafter. The Investment Officer is granted authority to deposit, withdraw, invest, and manage the program.

Investments may be in:

1. Interest Bearing Accounts
2. Eligible Investment Pools

3. Such other investments as the governing body may authorize that are in accordance with federal and state laws and local statutes

## **ACCOUNT CODES**

1. Grant
2. Source
3. Program
4. Year
5. Object – Codes beginning with 1 represent an asset; 2 represents a liability; 3 represents fund balance; 4 represents a revenue; and 5 represents an expense
6. Cost Center

## **DEBT COLLECTION**

Periodically, situations are identified which result in the required repayment of funds to the ATCOG. Some of these situations are as follows:

1. A Section 8 tenant's income changes and the tenant does not notify the Housing Specialist resulting in the housing subsidy payment to the landlord being overpaid as well as a possible utility overpayment to the tenant. The tenant, not the landlord, owes the overpayment.
2. A Section 8 tenant moves at the end of the month and the Housing Specialist is notified by the landlord too late to cancel the next month's payment. The landlord owes the overpayment.
3. A Section 8 tenant moves and the landlord does not notify ATCOG until the next housing inspection is made.
4. A check amount is altered.
5. A Section 8 tenant falsifies program eligibility documentation.

All of the above require the repayment of funds to ATCOG

## PROCUREMENT POLICIES

These procurement policies apply specifically to the purchase of goods and services that support the functions of the Ark-Tex Council of Governments in carrying out its responsibilities as a grantee of state and federal financial assistance programs.

It is the adopted policy of the Ark-Tex Council of Governments that all procurement activities shall be conducted in manner consistent with the standards set forth in 2 CFR 200 and applicable laws and regulations of the federal government and the States of Texas and Arkansas. Accordingly, that policy states:

1. No employees, officers, or agents of ATCOG shall participate in the selection, award, or administration of a contract in which public funds are used where to their knowledge, they or their immediate families or partners or organization in which their immediate families or partners have a financial interest or with whom they are negotiating or have any arrangement concerning prospective employment.
2. ATCOG's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from potential or existing contractors or vendors. On a case-by-case basis, the Executive Director may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open, and free competition. In order to ensure objective contractor/vendor performance and eliminate unfair competitive advantage, ATCOG solicitation instruments (RFP's, RFB's, etc.) shall be excluded from competing for such procurement.
4. Awards shall be made to the contractor/vendor whose offer is responsive to the solicitation and is most advantageous to ATCOG, price and other factors considered.
5. Solicitations shall clearly set forth all requirements that the contractor/vendor must fulfill in order for the offer to be evaluated. Any and all offers may be rejected when in the best interest of ATCOG to do so.

6. Written procedures implementing these policies have been developed in compliance with applicable federal and state laws and regulations. These procedures are compiled in the ATCOG Procurement Policy and Procedures Manual.

## REVENUES AND CASH RECEIPTS

### REVENUE RECOGNITION

ATCOG receives revenue from different types of transactions. Revenues are recognized in the following manner:

1. Grant Income – Monthly or quarterly based on billings for cost reimbursement awards or based on other terms of an award (fixed price, unit of service, and any other type).  
ATCOG performs a one-time accrual at the end of each fiscal year to ensure all revenues are attributed to the correct accounting fiscal year.
2. In-Kind Contributions – Recognized as revenue when it is received.
3. Program Income – Includes income generated from the grant activities, and is recognized when received.
4. Other Income – Includes cash received from non-grant related activities, such as dues, interest income, and some contracts.

Immaterial categories of revenue may be recorded on the cash basis of accounting, recorded when received, as deemed appropriate by the Finance Director.

### CASH RECEIPTS

#### PROCESSING OF CHECKS AND CASH RECEIVED IN THE MAIL

1. The receptionist logs all checks and cash received by mail or walk-in.
2. The Accounting Assistant Specialist receives the checks, cash and the log and does the following:
  - A. Review each check for accuracy
  - B. Verify the amount of the check is correct.
  - C. Scan the check into the computer using the bank provided scanner.
  - D. Copy the check and attach the voided original.
  - E. Verify the scanned file to the check log and the total of the checks.
  - F. Remotely send the scanned file to the bank.
  - G. Print a report from the bank of the deposit



- H. Attach the report to the back up documentation and give to the Finance Director designated Finance staff member or coding.
3. The Finance Director staff member codes the deposit for entry into the accounting system.
  4. The Accounting Clerk enters the deposit into the system and files the deposit.

#### PROCESSING OF CASH RECEIVED BY TRANSPORTATION

1. The TRAX driver collects cash or checks from the passengers.
2. The receipts and the driver manifests are submitted to the TRAX dispatcher.
3. The TRAX dispatcher verifies the cash or checks against the manifest with the driver.
4. The TRAX dispatcher prepares a deposit slip and endorses any checks with an ATCOG deposit stamp.
5. A Transportation employee takes the deposit to the bank.
6. The TRAX dispatcher prepares a cover sheet for the deposit, attaches the stamped deposit slip, and attaches both to the driver's manifest.
7. Transportation sends completed deposit to the appropriate Accounting Specialist to be posted.

#### DEPOSITS RECEIVED BY ACH (DIRECT DEPOSITS)

1. ACH deposits are received in the appropriate bank accounts throughout the month.
2. The Accounting Specialists provide back-up documentation for each deposit.
3. Each month end, the Finance Director verifies the documentation through comparison to the bank statements.
4. The deposits are then coded and given to the Accounting Clerk for posting.

## **CREDIT CARD POLICY**

ATCOG maintains credit cards to be used specifically and exclusively for the purpose of essential ATCOG business.

1. Fuel credit cards are assigned to each driver for use in daily fueling of TRAX vehicles. Drivers submit the fuel receipts to the dispatcher with their other paperwork and they are sent to the Accounting Specialist to use in the reconciliation of the fuel statement each month. Select departments are also assigned fuel cards to be used for travel. Each department submits their receipts to their Accounting Specialist who reviews and approved them. They are then forwarded to the Rural Transportation Accounting Specialist who reconciles them with the fuel statement.
2. The Executive Director is assigned a credit card to use for travel and incidental expenses
3. The IT Director is assigned a credit card to use for electronic purchases and building maintenance.
4. The Department Directors are assigned a credit card to use for travel and other departmental purchases. Additional cards are maintained in the Finance Department that are available to be checked out to staff for travel and incidental purchases.
5. A requisition must be submitted and approved before a card can be used to make a purchase.
6. After purchase is made, the receipt or invoice is turned in to the Accounting Clerk to attach to the Requisition/PO. The Accounting Specialist will review and approve the coding.
7. The Accounting Assistant will process payment according to the accounts payable processing procedures.

## ACCOUNTS PAYABLE

### DISBURSEMENTS

1. Invoices are received from the US mail, from interoffice mail, or from email. ~~the Accounting Assistant or the Accounting Specialist prepares the disbursement voucher for payment as follows: Vendor's Name and Address; Transaction Amount; Description of Payment; Vendor Number; Purchase Order Number or Invoice Date; Account Coding; Attachments; Date and Signature of Preparer~~
2. ~~The Accounting Assistant enters all the prepared information into the system~~ Invoices, Requisitions, and Requests for Purchase Orders are entered into Microix by a designated staff member in each department. Monthly invoices are entered by the Accounting Clerk. Each department has Workflows specific to their department, ensuring the documents are routed correctly.
3. After the documents have been coded and approved by the appropriate staff, they are routed to the Finance Director for approval. Then they are sent to the Accounting Clerk who reviews and processes them into MIP, either as an API ready to be paid, or as an encumbrance, waiting for an invoice.
4. Once transferred to the Accounting Software, open the corresponding Session ID and confirm date
5. ~~The Accounting Assistant compares the disbursements to an Invoices to be Paid Report.~~ Check the invoices to be paid and confirm the total with the original session total
6. The Accounting Software will prompt the number of checks required for the current session. These are received from the Executive Assistant who records beginning and ending check numbers
7. Checks and EFT vouchers are produced and posted.

### CHECK PREPARATION

Accounts Payable checks are processed on a regular basis, normally once a week. Checks are prepared by the Accounting Clerk who is independent of those who initiate or approve expenditures, reconcile bank accounts, or sign checks.

All checks are produced in accordance with these guidelines:

1. Expenditures will be supported with documentation in compliance with purchasing and accounts payable policies
2. If possible, all vendors will be paid within thirty days of submitting a proper invoice after delivery or the requested goods and/or services
3. Contractors and subrecipients will be paid in accordance with contract terms and the availability of funds from grantor agencies
4. All supporting documentation is attached to the corresponding check prior to forwarding to an authorized check signer

## CHECK SIGNING

The Executive Director the Deputy Director, and the Compliance and Procurement Officer are the authorized signers at ATCOG.

Check signers shall thoroughly examine the check and all supporting documentation to ensure that each item has been properly checked prior to signing the check. Checks should not be signed if documentation is missing or there are questions about a payment.

## ELECTRONIC FUNDS TRANSFER

Identical procedures are followed for EFT payments as those for checks with the exception that a payment voucher is attached to the documentation instead of a check. The EFT file is sent to the bank by the Finance Director or their designee and reviewed and approved by another designated employee.

## POSITIVE PAY

ATCOG utilizes a positive pay system with our financial institution for all checks drawn on the Planning and ATUT accounts. Each week after Accounts Payable are run, the Finance Director or their designee electronically submits a list of check numbers, amounts, and the vendor to the financial institution. The financial institution then notifies ATCOG if a check is presented that has not been submitted or does not match the three characteristics of the valid checks.

## MAILING OF CHECKS

After signature and approval, checks are returned to the Accounting Clerk for mailing. No checks will be picked up by the vendor. All checks will be delivered by U.S Mail, FedEx, or UPS.

## VOIDED CHECKS OR STOP PAYMENTS

Checks may be voided due to processing errors by following the Void Check procedures of the software, marking the check VOID, and printing the Void Check Report. The report should be attached to the check and filing.

Stop payment orders may be made for checks lost in the mail or for other valid reasons. Stop payments are processed through the financial institution's mobile banking website. A copy of the order is printed and filed.

#### INDEPENDENT CONTRACTORS

A completed W-9 will be obtained by all vendors to whom payments are made. The Accounting software will keep a record of all vendors requiring a Form 1099 at year end. These will be mailed or emailed each January.

## ATCOG PAYROLL

#### PREPARATION AND PROCESSING OF TIMESHEETS

Employees enter time and release time through the EWS system. It is reviewed and approved by the employee's supervisor. After supervisor approval, the Executive or Deputy Director review and approve the time.

The Payroll Specialist reviews the approved web timesheets and notifies managers/directors of needed corrections. After corrections are made, a Web Timesheet Report is run and sent to the Finance Specialists and the Finance Director for review. The Finance Specialists review the coding of the hours and notify management of any coding that needs to be changed.

The Payroll Specialist calculates benefits and leave accruals through the HR module. The timesheets are transferred to the Accounting software. Payroll and garnishments are then calculated through the system. The calculated payroll can be reviewed at this time and, if necessary, corrections can be made and payroll re-calculated.

Direct deposit vouchers can be printed or employees can access the vouchers through the EWS system.

A direct deposit file is created and sent to the Finance Director or their designee and it is then sent to the bank. It is reviewed and approved by a different designated employee. A report is printed and filed with the payroll.

The Payroll Specialist transfers and posts the payroll.

#### PAYROLL TAXES

The Finance Department is responsible for ensuring that all required tax forms are properly completed and submitted, and that all taxes are properly withheld and paid. Withholding of Federal income taxes are based on the most current W-4 form completed by the employee.

## TRAVEL

### TRAVEL VOUCHERS

#### OVERNIGHT TRAVEL

~~An Overnight Travel Expense Report must be approved and submitted to the Finance Department regardless of whether or not a cash advance is required. The Executive Director approves all overnight travel before payment is made. The form is returned to the Accounting Assistant for review and coding. The Accounting Specialist approves the coding and returns to the Accounting~~  
Travel expenses must be approved before travel date and will be processed through Microix.

1. Approvals with no Advance and/or Direct Bill charges are entered by the department requester as an ENC(REQ) fifteen to thirty days before travel date.
2. Employee Advances are entered by the department requester as an API into Microix two weeks before travel date. Advances are paid directly to the employee.
3. ~~The employees submits an approved Overnight Expense Report with actual expenses (meals exempted) as soon as possible after return.~~ The Travel Form is completed within one week of the traveler's return with actual charges – direct bill and employee expenses – and routed appropriately for reconciliation.

## ]DAY TRAVEL

1. A Day Travel Expense Report will be submitted to Finance for payment a minimum of once a month.
2. For personal expenses, the Day Travel Personal Expense Report should be completed and forwarded to the Microix requester
3. For direct bill charges, (Wex, Citibank, or Enterprise) the Day Travel Direct Bill Expense Report should be completed and forwarded to the Microix requester
4. ~~The report must be approved by the appropriate manager and the Executive Director. The form is returned to the Accounting Assistant for review and coding.~~ Each department has a Workflow for Day Travel ensuring that the travel is reviewed, coded, and approved by the appropriate staff
5. ~~The Accounting Specialist approves the coding and returns to the Accounting Assistant for payment through the regular Accounts Payable processing.~~ After coding and approvals, the Day Travel is routed to the Finance Director for approval and is forwarded to the Accounting Clerk for processing

## **FUND TRANSFERS**

Each quarter, or as needed, the Accounting Specialist prepares a Journal Voucher with the amount of funds that need to be transferred from the appropriate account to the Planning Account to cover expenses.

The Finance Director transfers the funds using the financial institution's mobile banking website. A transfer document is printed and attached to the Journal Voucher.



## **FIXED ASSETS INVENTORY CONTROL**

An asset number is assigned to each piece of property and tagged. Property items with a value of \$5,000 or more are entered into the Fixed Asset module of the Accounting software. The Specialist responsible for maintaining the Fixed Asset module will be provided with all necessary documentation of acquisition or disposal of all fixed assets.

A physical inventory is conducted every two years and reconciled to the property records in the computer. Any discrepancies are investigated and the cause is documented and corrected.

Approval from the funding agency is obtained, if necessary, before disposal of the asset. ATCOG will provide the funding agency with any required documentation of the disposal. The proceeds of a sale will be credited to the appropriate program.

A separate ledger will be maintained for the computers and other electronic equipment by the IT Director. Any transfer of this type of equipment will be the responsibility of the IT Director.

## **PROGRAM INCOME**

Program Income is defined as fees or donations for a specific grant activity or services performed, income from the use of rental or property acquired with grant or subgrant funds, or revenue earned by a governmental or private nonprofit service provider under an award that exceeds the actual cost of the service.

Program Income shall be used for specific grant purposes and under the items and conditions applicable to the use of the grant funds or services under which it was earned.

Program Income may not be used to satisfy matching requirements. Program Income may not be used to cover disallowed or unallowable costs.

Program Income will be recorded as a separate source of funds under the grant or program under which it was earned. It will be recorded in the same manner required for grant funds from the same program.

## **COST SHARING OR MATCHING**

ATCOG values contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal or State agency regulations identify specific values to be used.

Contributions shall be deemed as meeting cost sharing requirements only if all the following criteria are met:

1. They are verifiable for ATCOG records
2. They are not included as contributions for any other Federally-assisted program
3. They are necessary and reasonable for the proper and efficient accomplishment of project or program objectives
4. They are allowable under 2 CFR 200
5. They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching
6. They are provided for in the approved budget when required by the awarding agency
7. In the case of donated space, (or donated use of space), the space is subject to an independent appraisal to establish a value

### **Valuation and Accounting Treatment**

In-kind typically falls into one of the following categories:

#### **Cash**

ATCOG shall recognize cash contributions as in-kind income in the period in which they are spent on allowable program costs

Any discounts received on goods or services are recognized as in-kind only if such discounts are not available to the general public

#### **Buildings, land, and equipment**

If the purpose of the contribution is to assist the organization in the acquisition of equipment, building, or land, the total value of the donated property may be claimed as match with prior approval of the awarding agency

If the purpose of the donation is to support activities that require the use of equipment, buildings, or land, depreciation or use charges (rent) may be claimed as match, unless the awarding agency has approved using the full value

Equipment, buildings, or land are valued at its fair market value as determined by an independent appraiser. Information on the date of donation and records from the appraisal will be maintained in a property file

### Space

The donation of space will be valued at the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality

Information on the date of donation and records from the appraisal will be maintained in a property file

If less than a arms-length transaction, the space will be valued in actual allowable costs not to exceed fair market value

### Volunteer time and services

Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor will be included in in-kind if the services are an integral and necessary part of the program.

Volunteer services will be valued at rates consistent with those paid for similar work in the organization. For skills not found in the organization, rates will be consistent with those paid for similar work in our labor market. Rates should include gross hourly wages, plus fringe benefits calculated based on fringe benefits received by employees in similar positions, or on agency average.

Volunteers must possess qualifications and perform work requiring those skills in order to be valued at greater than an unskilled labor rate.

ATCOG requires volunteers to document and account for their contributed time in a manner similar to the timekeeping system followed by employees or consistent with the practices of their organization. Each program that used volunteers will provide the volunteers a sign-in sheet which collects the following information:

1. Date service was performed
2. Volunteer name and address
3. Hours donated
4. Service provided
5. Signature of volunteer

## **FEDERAL/STATE AWARDS BILLING AND FINANCIAL REPORTING**

ATCOG strives to provide management, staff, and funding sources with timely and accurate financial reports applicable to Federal awards. These reports can be customized to include information specific to each program.

ATCOG shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of the Accounting Specialist assigned to the program subject to review by the Finance Director, Deputy Director, or Executive Director.

The following policies shall apply to the preparation and submission of billings to agencies under awards made to ATCOG:

1. The organization will request reimbursement after expenditures have been incurred, unless the award specifies another method
2. ATCOG strives to minimize the time between receipt and disbursement of funds by issuing payments within three days of receipt of those funds
3. Each award normally specifies a particular billing cycle. The Accounting Specialist will have a schedule for these billings and ensure that the billings are made on a timely basis. This applies to all financial reporting also.
4. Requests for reimbursement of expenditures will use the actual amounts posted to the general ledger as the source of the amounts billed.
5. All required financial reports will be prepared and filed on a timely basis.

## **MONITORING SUB-CONTRACTORS**

When ATCOG utilizes Federal or State funds to make subawards to sub-contractors, ATCOG is subject to a requirement to monitor sub-contractors in order to provide reasonable assurance that sub-contractors are complying. In all material respects, with laws, regulations, and award provisions applicable to the program.

In fulfillment of its obligation to monitor sub-contractors, the following policies apply to Federal or State funds made by ATCOG to sub-contractors:

1. Contracts are to be monitored annually. If a sub-contractor is out of compliance, it may be deemed necessary to monitor more often
2. The Accounting Specialist plans a tentative schedule and contacts the ATCOG staff and the staff of the sub-contractor that will be involved in the monitoring to schedule a time for the monitoring
3. The Accounting Specialist will compile a monitoring tool from the contract to aid in the review, if there is not a monitoring tool provided by the funding agency. If the monitoring tool is developed by ATCOG, it should encompass all contracts under this realm of service, nor should it be discriminatory against a particular contractor. If a sub-contractor is found to be out of compliance, a more stringent examination will be required
4. A preliminary questionnaire may be developed and, if developed, shall be sent to the sub-contractor along with a letter confirming the date of the on-site review, and a copy of the monitoring tool, as soon as possible after the review is scheduled. A date to return the preliminary questionnaire to ATCOG will be included. This date should allow time for the Accounting Specialist to determine if there are possible problems and develop a tentative plan of action to remedy these problems.

**AMENDMENT TO WINDSTREAM AGREEMENT**

This AMENDMENT (“Amendment”) effective as of the latter of the signature dates below, amends the Agreement, in addition to any and all related addenda or amendments (collectively, the “Agreement”), by and between ARK-TEX COUNCIL OF GOVERNMENTS (“Customer”) and the Windstream legal entity(ies) providing the Service to Customer, as identified on Customer’s bill (“Windstream”).

**TERMS OF AMENDMENT**

Windstream and Customer hereby agree to amend the Agreement by moving, adding or changing Services at an existing Service location or adding a new Service location, as identified in Quote# 2807933, attached hereto and hereby incorporated into the Agreement. The Services to be provided at such Service locations and rates for the same are also set forth in the Quote, along with other applicable terms and conditions.

Except as modified by this Amendment, the terms and conditions set forth in the Agreement remain unchanged. All amended Services are subject to the Term stated on the Quote.

IN WITNESS WHEREOF, this Amendment is hereby duly executed by an authorized representative of each Party hereto.

\_\_\_\_\_  
**ARK-TEX COUNCIL OF GOVERNMENTS**  
 AUTHORIZED REP.  
 (PRINTED NAME): \_\_\_\_\_  
 SIGNATURE: \_\_\_\_\_  
 TITLE: \_\_\_\_\_  
 DATE: \_\_\_\_\_

\_\_\_\_\_  
**WINDSTREAM**  
 AUTHORIZED REP.  
 (PRINTED NAME): \_\_\_\_\_  
 SIGNATURE: \_\_\_\_\_  
 TITLE: \_\_\_\_\_  
 DATE: \_\_\_\_\_

**Account Summary**

Customer Name	ARK-TEX COUNCIL OF GOVERNMENTS
Quote #	2807933
Windstream Kinetic Representative	Val Chavez
Contract Term Length	60 Months
Effective Date	May 24, 2024

**Summary of Charges (Total for All Locations)**

Product	Monthly Recurring Charges	One-Time Charges
Services	\$233.15	\$0.00
Internet Service	\$784.51	\$0.00
<b>Total</b>	<b>\$1,017.66</b>	<b>\$0.00</b>

**Service Agreement Summary**

This Service Agreement is subject to and controlled by the Kinetic Business By Windstream Service Terms and Conditions and the service-specific terms and conditions located at <https://www.windstreamenterprise.com/wp-content/uploads/2024/04/Kinetic-Business-by-Windstream-Service-Terms-and-Conditions.pdf> , including how such terms may be modified from time to time, and all of which are hereby incorporated herein by reference. By your signature you warrant that you have read, understand and agree to the Service Agreement and Kinetic Business By Windstream Service Terms and Conditions and applicable service-specific terms and conditions, and acknowledge that you are authorized to sign this Service Agreement and order the Service(s) as outlined herein.

CUSTOMER	WINDSTREAM
Signature: _____	Signature: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

This offer is voidable by Windstream if not signed and returned by 7/8/2024.



### Location Summary

Location Name	Monthly Recurring Charges	One-Time Charges	Credits
ARTEX COUNCIL OF GOVERNMENTS	\$919.77	\$0.00	\$0.00
ARK TEX COUNCIL OF GOVT	\$97.89	\$0.00	\$0.00

### Location Detail

Location Name	ARTEX COUNCIL OF GOVERNMENTS	Account Number	11981
Location Address	4808 ELIZABETH Street , TEXARKANA, TX 75503	Service Order Type	Existing Customer

<b>Total One-Time Charges:</b> \$0.00	<b>Total Recurring Charges:</b> \$919.77
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#### Monthly Recurring Charges

Product	Qty.	Unit Price	Total Price
<b>Internet Service</b>			\$769.51
DEDICATED INET BANDWIDTH-100M	1	Included	
Internet Service (100.0 Mbps)	1	Included	
Managed Router - Advanced	1	Included	
Managed Router Equipment	1	Included	
STATIC IP BLOCK OF 4	1	\$15.00	\$15.00
<b>Services</b>			
HOSTED VOIP AUTO ATTENDANT	1	\$20.00	\$20.00
<b>Services</b>			
BUSINESS LINE	2	\$37.63	\$75.26
<b>Services</b>			
BASIC FEATURE PACKAGE	1	\$40.00	\$40.00
		<b>Total</b>	<b>\$919.77</b>

### Location Detail

Location Name	ARK TEX COUNCIL OF GOVT	Account Number	237194
Location Address	4808 ELIZABETH Street , TEXARKANA, TX 75503	Service Order Type	Existing Customer

<b>Total One-Time Charges:</b> \$0.00	<b>Total Recurring Charges:</b> \$97.89
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#### Monthly Recurring Charges

Product	Qty.	Unit Price	Total Price
<b>Services</b>			
BUSINESS LINE	3	\$32.63	\$97.89
		<b>Total</b>	<b>\$97.89</b>

### APPLICATION FOR CREDIT

Representative: Val Chavez

Representative Phone: 4322964173

CUSTOMER INFORMATION				
Customer Name:	ARK-TEX COUNCIL OF GOVERNMENTS	Tax Exempt Status:		
Federal Tax ID or SS Number:		EMR:		
Notice Address:		Years in Operation:		
City:		Number Of Employees:		
	State:		Zip:	
	Business Structure:			
	Nature of Business:			
PARENT COMPANY (if Applicable)				
Company Name:				
Address:				
City:	State:	Zip:		
CUSTOMER CONTACT INFORMATION				
Contact Name:		AP Contact Name:		
Contact Phone:		AP Contact Phone:		
Contact Fax:		AP Contact Fax:		
Contact Email:		AP Contact Email:		
Principal/Partner/Officer Full Name: Contact Name:				
Title:				
BANK REFERENCE				
Bank Name:				
Address:				
City:	Bank Contact Name:			
State:	Bank Contact Phone:			
Zip:	Bank Contact Fax:			
	Account Number:			
TRADE REFERENCES				
<u>Vendor</u>	<u>Account Number</u>	<u>Phone</u>	<u>Fax</u>	<u>Contact</u>
1. _____	_____	_____	_____	_____
Address: _____				
2. _____	_____	_____	_____	_____
Address: _____				
3. _____	_____	_____	_____	_____
Address: _____				
Current Local Telco: _____	Current I.D. Carrier: _____			
Authorization		Accepted By Customer		
I hereby represent that I am authorized to submit this application on behalf of the Customer named above, and the information provides is for the purpose of obtaining credit and is warranted to be true. I/We hereby authorize Company, and its affiliates, to investigate the references listed pertaining to my/our credit and financial responsibility sold. I further represent that the Customer applying for credit has the financial ability and willingness to pay for all invoices with established terms.		Signature:		
		Printed Name:		
		Title:		
		Date:		

**Windstream VoIP 911 Disclosure**

Windstream and its affiliates (collectively, “WIN”) are subject to an FCC requirement to provide notification of any E911 limitations that may be associated with the service provided to your company. There are critical differences between traditional telephone service and WIN VoIP Services:

- 911 emergency services will not be available in the event of a power failure.
- 911 emergency services will not be available in the event of an internet failure.
- There are severe limitations (details below) to 911 emergency services if you move your phone from its registered location.

**Loss of 911 services due to power failure or Internet connection failure:**

Historically, telephone service has been powered by electrical power within the telephone network. If you subscribe to WIN VoIP Services, power is supplied directly from the premise in which you are operating the telephone.

- In the event of a commercial power outage, and if your building does not have a back-up power system, your telephone service, including 911, will not function until power is restored.
- Loss of power to your broadband gateway (through which your service is provided) will cause a loss of telephone and 911 services.
- Any internet connection failure, including a suspension for nonpayment, will cause a loss of telephone and 911 services.

WIN recommends that you always have an alternative means of accessing 911 during a power failure or internet connection failure such as a basic business or copper line (non-VoIP line) for elevator, alarm, and other critical functions.

**To ensure that 911 calls are properly routed:**

- **Do not move the equipment installed at your premise to another location.** Use of the telephone service at another location will prevent E911 service (the ability of the 911 operator to automatically determine your location) from working. If you move equipment provided as part of the WIN VoIP Service to another location, you must update your service address with WIN prior to using the service from a different location. Use of your equipment at a location other than the registered physical location may route 911 calls to an incorrect 911 dispatch center, potentially delaying or preventing emergency services.
- **If you have users that will be using devices such as software telephones that are installed on mobile personal computers, laptops, smart phones, netbooks and any other mobile VoIP supported device that is intended to be mobile with WIN service,** you must update your service address prior to using the service from a different location in order for your current location to be transmitted automatically and accurately to emergency services. Use of your software telephone at a location other than the registered physical location may route 911 calls to an incorrect 911 dispatch center, potentially delaying or preventing emergency services.
- **Always state the telephone number and address that you are calling from to the 911 operator.** The 911 operator receiving the emergency call may not be able to automatically identify your phone number and physical location and be able to call you back if the call is disconnected, therefore you must specify the exact location of the emergency and the telephone number from which you are calling.
- **Contact WIN when you plan to move your service address: WIN customers should contact the WIN Business Center at 1-800-600-5050, Windstream New Edge (formerly EarthLink Business) customers should contact Customer Care at 1-800-239-3000 and Broadview customers should contact the OfficeSuite® Support Center at 1-800-623-VOIP (8647).** Since your WIN VoIP Services will not provide 911 services from another location, you must notify WIN before you move the registered location of your service.

To help remind you about the availability of 911 emergency service and its limitations with WIN VoIP Services, we will provide stickers to be placed on or near all of your telephones and devices.

**To Report a Change to Your Service Location:**

- WIN Customers - Contact Customer Service at 1-855-361-7792.
- Windstream New Edge Customers - Contact Customer Care at 1-800-239-3000.
- Legacy Broadview Customers - Contact the OfficeSuite® Support Center at 1-800-623- VOIP (8647). For Broadview customers with PC/Softphone service, you may also update your address when prompted upon login.
- For Customers with Windstream Hosted Communications - Contact WHC Repair at 1- 855-759-7420. Customers using Windstream Hosted Communications on a smart phone may also access the Windstream Hosted Communications Client Software application to update.
- Legacy MassComm Customers – Contact your Account Manager directly or use 1-866- 791-6277.

**Customer Affirmation of Notification**

I have read the above notice and understand that there are critical differences between 911 service with WIN VoIP Services and traditional telephone service. I assume all responsibility and risk of harm, loss, or damage in the event that 911 service fails as a result of a power outage or Internet outage, in the event I fail to update my service address with WIN if I use the service from a different location or in the event I do not provide the address, correct address, extension or other information to emergency authorities.

Printed Name	204943184 Account Number
Signature	Date

**AMENDMENT TO WINDSTREAM AGREEMENT**

This AMENDMENT ("Amendment") effective as of the latter of the signature dates below, amends the Agreement, in addition to any and all related addenda or amendments (collectively, the "Agreement"), by and between Ark-Tex Council of Governments ("Customer") and the Windstream legal entity(ies) providing the Service to Customer, as identified on Customer's bill ("Windstream").

**TERMS OF AMENDMENT**

Windstream and Customer hereby agree to amend the Agreement by moving, adding or changing Services at an existing Service location or adding a new Service location, as identified in Quote# 2809236, attached hereto and hereby incorporated into the Agreement. The Services to be provided at such Service locations and rates for the same are also set forth in the Quote, along with other applicable terms and conditions.

Except as modified by this Amendment, the terms and conditions set forth in the Agreement remain unchanged. All amended Services are subject to the Term stated on the Quote.

IN WITNESS WHEREOF, this Amendment is hereby duly executed by an authorized representative of each Party hereto.

Ark-Tex Council of Governments (Customer)

**WINDSTREAM and its affiliates**  
(Windstream)

\_\_\_\_\_  
SIGNATURE:

\_\_\_\_\_  
SIGNATURE:

\_\_\_\_\_  
AUTHORIZED REP.  
(PRINTED NAME):

\_\_\_\_\_  
AUTHORIZED REP.  
(PRINTED NAME):

\_\_\_\_\_  
TITLE:

\_\_\_\_\_  
TITLE:

\_\_\_\_\_  
DATE:

\_\_\_\_\_  
DATE:

Account Summary

Customer Name	Ark-Tex Council of Governments
Quote #	2809236
Windstream Enterprise Representative	David Strunk
Contract Term Length	36 Months
Effective Date	June 3, 2024

Summary of Charges (Total for All Locations)

Product	Monthly Recurring Charges	One-Time Charges
OfficeSuite UC	\$1,952.23	\$0.00
<b>Total*</b>	<b>\$1,952.23</b>	<b>\$0.00</b>

The Monthly Recurring Charges represented above DO NOT include the taxes or charges that Windstream passes on to governmental entities AND the following Windstream fees and surcharges: Access Recovery Charge of up to \$3.00 per line or a maximum of 5 per trunk. Regulatory Assessment Surcharge of up to 8% (or for future increases with prior notice, the then-current tariff rate) applies to Interstate and International charges in the following states MN, NY and PA. An Administrative Service Fee of up to 18% (or for future increases with prior notice, the then-current tariff rate) applies to Interstate, Intrastate and Internet services monthly charges in all states except MN, NY and PA.

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### Service Agreement Summary

This Service Agreement is subject to and controlled by the Windstream Service Terms and Conditions and the service-specific terms and conditions located at <http://www.windstreamenterprise.com/service-terms-and-conditions>, including how such terms may be modified from time to time, and all of which are hereby incorporated herein by reference. Rates are subject to change on 30 days' notice via bill message on customer's invoice. By your signature you warrant that you have read, understand and agree to the Service Agreement, Windstream Service Terms and Conditions and applicable service-specific terms and conditions, and acknowledge that you are authorized to sign this Service Agreement and order the Service(s) as outlined herein.

CUSTOMER

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WINDSTREAM

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Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

This offer is voidable by Windstream if not signed and returned by 7/18/2024.

Location Summary

Location Name	Monthly Recurring Charges	One-Time Charges	Credits
ARK-TEX COUNCIL OF GOVERNMENTS	\$1,761.84	\$0.00	\$0.00
ARK-TEX COUNCIL OF GOVERNMENTS	\$31.32	\$0.00	\$0.00
ARK-TEX COUNCIL OF GOVERNMENTS	\$15.66	\$0.00	\$0.00
ARK-TEX COUNCIL OF GOVERNMENTS	\$35.50	\$0.00	\$0.00
ARK-TEX COUNCIL OF GOVERNMENTS	\$13.95	\$0.00	\$0.00
ARK-TEX COUNCIL OF GOVERNMENTS	\$93.96	\$0.00	\$0.00

Location Detail

Location Name	ARK-TEX COUNCIL OF GOVERNMENTS	Account Number	214596201
Location Address	4808 ELIZABETH ST , TEXARKANA, TX 75503-2910		

Monthly Recurring Charges

Product	Qty.	Unit Price	Total Price
<b>OfficeSuite UC</b>			
Door Box style 1a	1	\$0.00	\$0.00
Long Distance Block of Time - Unlimited	1	\$0.00	\$0.00
OfficeSuite Fax - 400	1	\$0.00	\$0.00
OfficeSuite HD Meeting Free Account	1	\$0.00	\$0.00
Additional Phone Number	27	\$1.60	\$43.20
OfficeSuite Mobile Softphone	7	\$3.16	\$22.12
OfficeSuite Extension Call Recording	1	\$4.00	\$4.00
OfficeSuite Extension Call Recording	8	\$4.00	\$32.00
Mitel 18-Key Color LCD (6920w) Wi-Fi phone rental	66	\$7.71	\$508.86
User Extension - Basic	48	\$7.95	\$381.60
User Extension - Basic	2	\$7.95	\$15.90
User Extension - Basic	5	\$7.95	\$39.75
User Extension - Basic	1	\$7.95	\$7.95
User Extension - Basic	1	\$7.95	\$7.95
User Extension - Basic	1	\$7.95	\$7.95
User Extension - Basic	1	\$7.95	\$7.95
User Extension - Basic	1	\$7.95	\$7.95
18-Key Color LCD (6920) phone rental	5	\$8.00	\$40.00
18-Key Color LCD (6920) phone rental	1	\$8.00	\$8.00
OfficeSuite Operator Panel	1	\$9.56	\$9.56
Enhanced Dialtone	1	\$16.00	\$16.00
User Extension - Standard	18	\$16.95	\$305.10
Conference Set (6000) rental	2	\$20.00	\$40.00
OfficeSuite Contact Center w/Call Recording	8	\$32.00	\$256.00
		<b>Total</b>	<b>\$1,761.84</b>



Location Detail

Location Name	ARK-TEX COUNCIL OF GOVERNMENTS	Account Number	214596198
Location Address	105 E 5TH ST , MOUNT PLEASANT, TX 75455-4003		

Monthly Recurring Charges

Product	Qty.	Unit Price	Total Price
<b>OfficeSuite UC</b>			
Long Distance Block of Time - Unlimited	1	\$0.00	\$0.00
Mitel 18-Key Color LCD (6920w) Wi-Fi phone rental	2	\$7.71	\$15.42
User Extension - Basic	2	\$7.95	\$15.90
		<b>Total</b>	<b>\$31.32</b>

Location Detail

Location Name	ARK-TEX COUNCIL OF GOVERNMENTS	Account Number	214596199
Location Address	1406 N EDWARDS AVE , MOUNT PLEASANT, TX 75455-2445		

Monthly Recurring Charges

Product	Qty.	Unit Price	Total Price
<b>OfficeSuite UC</b>			
Long Distance Block of Time - Unlimited	1	\$0.00	\$0.00
Mitel 18-Key Color LCD (6920w) Wi-Fi phone rental	1	\$7.71	\$7.71
User Extension - Basic	1	\$7.95	\$7.95
		<b>Total</b>	<b>\$15.66</b>

Location Detail

Location Name	ARK-TEX COUNCIL OF GOVERNMENTS	Account Number	215016120
Location Address	620 E HOSKINS ST , NEW BOSTON, TX 75570-2700		

Monthly Recurring Charges

Product	Qty.	Unit Price	Total Price
<b>OfficeSuite UC</b>			
Long Distance Block of Time - Unlimited	1	\$0.00	\$0.00
Power over Ethernet Adapter	2	\$1.00	\$2.00
OfficeSuite Fax - 100	1	\$3.60	\$3.60
User Extension (Door Box / Overhead Paging)	1	\$4.00	\$4.00
18-Key Color LCD (6920) phone rental	2	\$5.00	\$10.00
User Extension - Basic	2	\$7.95	\$15.90
		<b>Total</b>	<b>\$35.50</b>

**Location Detail**

Location Name	ARK-TEX COUNCIL OF GOVERNMENTS	Account Number	216234494
Location Address	1286 TEXAS ST , SULPHUR SPRINGS, TX 75482-4730		

*Monthly Recurring Charges*

Product	Qty.	Unit Price	Total Price
<b>OfficeSuite UC</b>			
Long Distance Block of Time - Unlimited	1	\$0.00	\$0.00
Power over Ethernet Adapter	1	\$1.00	\$1.00
18-Key Color LCD (6920) phone rental	1	\$5.00	\$5.00
User Extension - Basic	1	\$7.95	\$7.95
		<b>Total</b>	<b>\$13.95</b>

**Location Detail**

Location Name	ARK-TEX COUNCIL OF GOVERNMENTS	Account Number	214596200
Location Address	1610 CLARKSVILLE Street , PARIS, TX 754606037		

*Monthly Recurring Charges*

Product	Qty.	Unit Price	Total Price
<b>OfficeSuite UC</b>			
Long Distance Block of Time - Unlimited	1	\$0.00	\$0.00
Mitel 18-Key Color LCD (6920w) Wi-Fi phone rental	6	\$7.71	\$46.26
User Extension - Basic	6	\$7.95	\$47.70
		<b>Total</b>	<b>\$93.96</b>

Usage Rates

Product and Usage Rates

Package Name	Usage Type	Rate per Minute	Initial Increment	Additional Increment	Precision
<b>OfficeSuite UC</b>					
	Intralata Long Distance	0.024	6 seconds	6 seconds	2 digit
	Fax Inbound - 100	0.055			
	Intrastate Long Distance	0.024	6 seconds	6 seconds	2 digit
	Local	0.00	6 seconds	6 seconds	2 digit
	Fax Inbound - 400	0.045			
	Interstate Long Distance	0.024	6 seconds	6 seconds	2 digit
	Fax Outbound - 100	0.055			
	Fax Outbound - 400	0.045			
	US to Canada Long Distance	0.024	30 seconds	6 seconds	2 digit
	US to International Long Distance - Standard International	Standard International	30 seconds	6 seconds	2 digit
	Fax International Inbound - 400	0.09			
	Fax International Outbound - 400	0.09			
	Fax International Inbound - 100	0.055			
	Fax International Outbound - 100	0.055			
	US to Caribbean Long Distance - Standard International	Standard International	30 seconds	6 seconds	2 digit

**Usage Rates\*\***

Rates listed within the Usage Rates section are applicable for all locations, unless otherwise noted on the individual Service Location listing in the Usage Rates sub-section. Additional charges apply for all voice features, router maintenance, CPE maintenance and directory listings. Precision - each call is billed to two decimal places and rounds the billed amount for each call up to the nearest whole cent.

**Letter of Agency**

Contact Name:	Company Name: Ark-Tex Council of Governments
Billing Address:	
City, State, Zip:	
Current Carrier:	Order Date:

**Authorization to Change Service Provider(s)**

On behalf of the Company, I hereby authorized Windstream Communications ("Windstream") and its operating affiliates\* listed on Exhibit A to change my Company's provider(s) for the following services from my current telecommunications carrier(s) to Windstream for each of the telephone numbers listed below. Check all applicable services:

<input type="checkbox"/>	Local
<input type="checkbox"/>	Intrastate, IntraLATA Long Distance Service (also known as local toll)
<input type="checkbox"/>	Interstate, InterLATA and International Long Distance

I represent that I am at least eighteen years of age and that I have the authority to change telecommunications carriers for each of the telephone numbers identified below. I understand that I have the right to obtain telecommunications services individually. I also understand that I may designate only one local exchange carrier, one intraLATA carrier, and one interLATA carrier per telephone number.

I choose Windstream to act as my agent to carry out the change(s) and authorize Windstream to handle on my behalf all arrangements, including ordering, changing, and/or maintaining my service, with my local telephone company(s), interexchange carriers, equipment vendor(s), and consultant(s). By designating Windstream to act as my agent, I do not permit Windstream to change my service to a carrier other than Windstream. I understand, that there may be a fee to change from the Company's current telecommunications carrier(s) to Windstream.

**Telephone Numbers:**


**I authorize Windstream to issue all necessary instructions on my behalf and confirm that my preferred provider for the telecommunications service(s) checked above will be changed for the telephone number(s) specified above. This agreement will remain in effect until revoked in writing by the Company.**

**Company**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

\*Business Telecom of Virginia, Business Telecom, Cavalier Telephone Mid-Atlantic, Cavalier Telephone, Choice One Communications (of Connecticut, Maine, Massachusetts, New Hampshire, New York, Ohio, Pennsylvania, or Rhode Island), Connecticut Broadband, Connecticut Telephone & Communication Systems, Conversent Communications (of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, or Vermont), CTC Communications, CTC Communications of Virginia, DeltaCom Business Solutions, DeltaCom, Windstream New Edge, LLC, Windstream FiberNet, LLC, Georgia Windstream, Intellifiber Networks, LDMI Telecommunications, Lightship Telecom, McLeodUSA Telecommunications Services, Nebraska Windstream, Network Telephone, NuVox (Arkansas or Indiana), Oklahoma Windstream, PAETEC Communications of Virginia, PAETEC Communications, Talk America of Virginia, Talk America, Texas Windstream, The Other Phone Company, US LEC Communications, US LEC (of Alabama, Florida, Georgia, Maryland, North Carolina, Pennsylvania, South Carolina, Tennessee, or Virginia), US Xchange (of Illinois, Indiana, Michigan, or Wisconsin), Windstream (Communications Southwest, Accucomm Telecommunications, Alabama, Arkansas, Buffalo Valley, Communications Kerrville, Communications Telecom, Communications, Concord Telephone, Conestoga, D&E Systems, D&E, Direct, EN-TEL, Florida, Georgia Communications, Georgia Telephone, Georgia, Iowa Communications, Iowa-Comm, IT-Comm, KDL, KDL-VA, Kentucky (East or West), Kerrville Long Distance, Lakedale Link, Lakedale, Lexcom Communications, Lexcom Long Distance, Mississippi, Missouri, Montezuma, Norlight, North Carolina, NorthStar, NTI, Windstream of the Midwest, Ohio, Oklahoma, Pennsylvania, South Carolina, Southwest Long Distance, Standard, Sugar Land, Systems of the Midwest, or Western Reserve), or Windstream NuVox (of Indiana, Kansas, Missouri, Ohio, and Oklahoma)

## Windstream VoIP 911 Disclosure

Windstream and its affiliates (collectively, "WIN") are subject to an FCC requirement to provide notification of any E911 limitations that may be associated with the service provided to your company. There are critical differences between traditional telephone service and WIN VoIP Services:

- 911 emergency services will not be available in the event of a power failure.
- 911 emergency services will not be available in the event of an internet failure.
- There are severe limitations (details below) to 911 emergency services if you move your phone from its registered location.

### Loss of 911 services due to power failure or Internet connection failure:

Historically, telephone service has been powered by electrical power within the telephone network. If you subscribe to WIN VoIP Services, power is supplied directly from the premise in which you are operating the telephone.

- In the event of a commercial power outage, and if your building does not have a back-up power system, your telephone service, including 911, will not function until power is restored.
- Loss of power to your broadband gateway (through which your service is provided) will cause a loss of telephone and 911 services.
- Any internet connection failure, including a suspension for nonpayment, will cause a loss of telephone and 911 services.

WIN recommends that you always have an alternative means of accessing 911 during a power failure or internet connection failure such as a basic business or copper line (non-VoIP line) for elevator, alarm, and other critical functions.

### To ensure that 911 calls are properly routed:

- **Do not move the equipment installed at your premise to another location.** Use of the telephone service at another location will prevent E911 service (the ability of the 911 operator to automatically determine your location) from working. If you move equipment provided as part of the WIN VoIP Service to another location, you must update your service address with WIN prior to using the service from a different location. Use of your equipment at a location other than the registered physical location may route 911 calls to an incorrect 911 dispatch center, potentially delaying or preventing emergency services.
- **If you have users that will be using devices such as software telephones that are installed on mobile personal computers, laptops, smart phones, netbooks and any other mobile VoIP supported device that is intended to be mobile with WIN service,** you must update your service address prior to using the service from a different location in order for your current location to be transmitted automatically and accurately to emergency services. Use of your software telephone at a location other than the registered physical location may route 911 calls to an incorrect 911 dispatch center, potentially delaying or preventing emergency services.
- **Always state the telephone number and address that you are calling from to the 911 operator.** The 911 operator receiving the emergency call may not be able to automatically identify your phone number and physical location and be able to call you back if the call is disconnected, therefore you must specify the exact location of the emergency and the telephone number from which you are calling.
- **Contact WIN when you plan to move your service address: WIN customers should contact the WIN Business Center at 1-800-600-5050, Windstream New Edge (formerly EarthLink Business) customers should contact Customer Care at 1-800-239-3000 and Broadview customers should contact the OfficeSuite® Support Center at 1-800-623-VOIP (8647).** Since your WIN VoIP Services will not provide 911 services from another location, you must notify WIN before you move the registered location of your service.

To help remind you about the availability of 911 emergency service and its limitations with WIN VoIP Services, we will provide stickers to be placed on or near all of your telephones and devices.

### To Report a Change to Your Service Location:

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- For Customers with Windstream Hosted Communications - Contact WHC Repair at 1- 855-759-7420. Customers using Windstream Hosted Communications on a smart phone may also access the Windstream Hosted Communications Client Software application to update.
- Legacy MassComm Customers – Contact your Account Manager directly or use 1-866- 791-6277.

### Customer Affirmation of Notification

I have read the above notice and understand that there are critical differences between 911 service with WIN VoIP Services and traditional telephone service. I assume all responsibility and risk of harm, loss, or damage in the event that 911 service fails as a result of a power outage or Internet outage, in the event I fail to update my service address with WIN if I use the service from a different location or in the event I do not provide the address, correct address, extension or other information to emergency authorities.

Printed Name	210325022
Signature	Account Number
	Date