



GoTriangle
Operations & Finance Committee
December 01, 2022
8:30 am-10:00 am Eastern Time

The GoTriangle Operations & Finance Committee meets remotely.

Microsoft Teams meeting | Join on your computer or mobile app

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Phone Conference ID: 114 494 609#

I. Call to Order and Adoption of Agenda

(1 minute Renée Price)

ACTION REQUESTED: Adopt agenda with any changes requested.

II. Draft Minutes | November 3, 2022

(1 minute Michelle Dawson)

ACTION REQUESTED: Approve minutes.

III. Update to Wake Transit Work Plan Amendment Policy

(10 minutes Steven Schlossberg)

Stephanie Plancich, CAMPO/TPAC Administrator

ACTION REQUESTED: Recommend Board adoption of the updated Wake Transit Work Plan Amendment Policy.

Presentation

Updated Wake Transit Work Plan Amendment Policy
(Recommended)

IV. Rules of Procedure Amendment

(5 minutes Byron Smith)

ACTION REQUESTED: Discuss and recommend Board approval of an amendment to the Board of Trustees' Rules of Procedure related to public address to the board and public hearings.

Red-lined document

V. Durham and Orange Transit Plan Governance Interlocal Agreements

(20 minutes Byron Smith)

Adam Howell, consultant

ACTION REQUESTED: Recommend the Board approve the Transit Governance ILA between Durham County, DCHC MPO and GoTriangle and consider recommending changes to the proposed Transit Governance ILA between Orange County, DCHC MPO and GoTriangle.

Durham ILA

Orange ILA red-lined

- VI. **FY2022 Annual Comprehensive Financial Report & Audit Overview**
(15 minutes Ren Wiles)
- VII. **Cybersecurity Program and IT Support**
(20 minutes Willard Poindexter)
- VIII. **Adjournment**
(Renée Price)



**BOARD OF TRUSTEES
OPERATIONS & FINANCE COMMITTEE
MEETING MINUTES**

4600 Emperor Boulevard
Suite 100
Durham, NC 27703

Thursday, November 3, 2022

8:30 a.m.

Remote | Microsoft Teams

Committee members present | Corey Branch [arr. 8:37 a.m.], Sig Hutchinson, Renée Price [arr. 8:35 a.m.], Jennifer Robinson [left 9:33 a.m.], Stelfanie Williams [left 9:40 a.m.]

Committee members absent | Valerie Jordan

Jennifer Robinson officially called the meeting to order at 8:32 a.m. A quorum was present.

I. Adoption of Agenda

II. Approval of Minutes

Action: A motion was made by Hutchinson and seconded by Williams to adopt the agenda and approve the minutes of October 6, 2022. Upon vote by roll call, the motion was carried unanimously.

III. Contract to Purchase Bus Stop Amenities

Bong Vang stated that GoTriangle intends to purchase 80 bus shelters to be installed within Durham County. He said bids will be received just before the board meeting and staff will make a recommendation to the board for award of a contract at its meeting on November 16.

Price arrived.

Staff agreed to provide a map at the board meeting with the proposed locations for improvements.

Branch arrived.

IV. GoTriangle Budget Amendment #1

Harriet Lyons presented three proposed budget amendments:

- Reclassifying transit plan allocations
- Reducing expenses and revenues related to Johnston County for the Greater Triangle Commuter Rail study
- Increasing the board's travel budget by \$5K as requested.

She said the total impact from these amendments is a drawdown of an additional \$5,051 from reserves. Freeman added that staff would be reviewing expenses at the first of the year but also pointed out that there would be an additional amendment to cover the increased operator compensation approved by the board last month.

Robinson stated she was uncomfortable increasing the budget for board travel. Other committee members agreed.

Action: A motion was made by Branch and seconded by Hutchinson to recommend that the Board approve the budget ordinance amendments related to reclassifying transit plan allocations and a reduction of expenses and revenues related to Johnson County for the Greater Triangle Commuter Rail study. Upon vote by roll call, the motion was carried unanimously.

V. FY2023 Q2 Durham Transit Work Plan Budget Amendment

VI. FY2023 Q2 Orange Transit Work Plan Budget Amendment

VII. FY2023 Q2 Wake Transit Work Plan Budget Amendment

Steven Schlossberg presented the quarter two amendments for the FY2023 county transit plans. His slides are attached and hereby made a part of these minutes.

- Durham Transit Plan | Increase of \$117,538 for three City of Durham positions to focus on the delivery of transit plan-funded projects at 50%.
- Orange Transit Plan | Increase of \$202,845 for four projects related to an increase in cost per hour for providing service to \$83.50.
- Wake Transit Plan | Increase of \$89,667 for indirect costs for office space rent associated with CAMPO staff funded by the Wake Transit Plan.
- Wake Transit Plan | Increase of \$16,610,000 for City of Raleigh Wake BRT southern corridor for updated project costs and to ensure 100% of the local match for the FTA Capital Investment Grant is programmed and obligated.

Action: A motion was made by Hutchinson and seconded by Branch to recommend that the Board approve the FY2023 Q2 Durham, Orange and Wake Transit Work Plans amendments and associated budget amendments. Upon vote by roll call, the motion was carried unanimously.

VIII. 10-Year Operating Financial Projection

Saundra Freeman provided a 10-year financial projection for operations, based on these assumptions:

- Revenue growth of 2% annually
- Expense growth of 3% annually; 5% for transit operations
- Fares reinstated FY2024 with FY2019 base and 2% annual growth
- Vehicle rental tax growth rate 2% annual, split 50% with transit plans
- GoDurham revenue neutral
- Headcount flat to FY2023 budget
- No capital

Robinson requested a chart summarizing GoTriangle's expenditures by category.

Hutchinson asked if there is an industry standard for the level of reserves transit agencies should maintain. Saundra said it varies by agency, with some keeping as little as 90 days. She added that she would like to maintain a full year of capital and operating expenses in reserve. Hutchinson pointed out that GoTriangle currently has over a year's worth of operating expenses in reserves. Freeman noted that no capital was taken into consideration in the forecast. She said her goal is to establish a capital reserve fund.

Robinson and Williams left.

Eggleston shared some future capital projects GoTriangle is planning: moving the RTC to a more strategic location in RTP, expansion of the bus maintenance facility, RUS Bus and a regional fleet and facilities plan.

Freeman then shared information about GoTriangle's \$5 vehicle registration fee:

- Inflation has averaged 2.52% per year from 1998 – 2022
- The \$5 vehicle registration fee implement in 1998 is equivalent to \$9.09 in 2022
- The current buying power of \$5 in 1998 is \$2.74

She said that State Senator Woodward is working with GoTriangle to increase the registration fee to \$7 and allow the adjusted of the fee every four years based on the percentage change in the annual Consumer Price Index.

IX. Adjournment

Action: On motion by Hutchinson the meeting was adjourned at 9:48 a.m.

Prepared by:

Michelle C. Dawson, CMC
Clerk to the Board of Trustees

MEMORANDUM

TO: GoTriangle Board of Trustees Operations & Finance Committee
FROM: CAMPO/Wake Transit Staff
DATE: November 7, 2022
SUBJECT: Update to Wake Transit Work Plan Amendment Policy

Strategic Objective or Initiative Supported

Wake Transit Plan Implementation

Action Requested

Staff requests that the committee receive a presentation and recommend Board of Trustees adoption of the updated Wake Transit Work Plan Amendment Policy.

Background and Purpose

As Wake Transit program implementation has progressed, the need for our policies and procedures to be updated to address identified gaps and emerging needs has also become a more necessary activity of the Wake County Transit Planning Advisory Committee (TPAC). The Capital Area Metropolitan Planning Organization (CAMPO) was requested by the TPAC to coordinate an update to the adopted 2018 Wake Transit Work Plan Amendment Policy. Notable changes include better clarification on actions that qualify as minor amendments, explanation of the components of the annual amendment schedule, clearer guidance on partner and lead agency responsibilities and a new amendment cycle for requesting project agreement period of performance extensions was created. A public review period on the draft policy was held from August 15-30, 2022. The engagement summary has been included in the appendix. The TPAC recommended adoption of the updated policy to both the GoTriangle and CAMPO governing boards in September. The CAMPO Executive Board adopted the policy on November. O&F is being asked to consider recommending its adoption for GoTriangle Board of Trustees consideration in January.

Financial Impact

None; this is a policy update coordinated by Wake Transit lead agency staff at CAMPO.

Attachments

- Recommended Wake Transit Work Plan Amendment Policy Update

Staff Contacts

- Stephanie Plancich, CAMPO/TPAC Administrator, stephanie.plancich@campo-nc.us
- Steven Schlossberg, GoTriangle/Wake Tax District, sschlossberg@gotriangle.org





Wake Transit Work Plan Amendment Policy Update

Policy & Process Changes Recommended by the TPAC

- Added scenario descriptions to better define actions that qualify as MINOR amendments
- Amendment list will be grouped primarily by operating vs. capital rather than major vs. minor
- Amendment requests will be reviewed at joint B&F and P&P subcommittee meetings where financial and scope dispositions will be discussed and considered jointly
- A new amendment cycle for capital project period of performance extensions was developed
- Added clarification and guidance to staff developing the annual amendment schedule
- Included guidance for GoTriangle staff who play a role in processing Work Plan amendments
- Added a notation for who will process updates to the policy when needed in the future
- Created a roles and responsibilities appendix including language that will allow for agreed upon changes to be made without it triggering a full policy amendment.

Questions?

Stephanie Plancich

stephanie.plancich@campo-nc.us

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WAKE TRANSIT WORK PLAN AMENDMENT POLICY

Adoption Schedule:

TPAC recommends adoption of updated Wake Transit Work Plan Amendment Policy to both Governing Boards	September 2022
CAMPO Executive Board adoption	November 2022
GoTriangle Board of Trustees adoption	January 2023

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Wake Transit Work Plan Amendment Policy

Following the adoption of an annual Wake Transit Work Plan, project sponsors and Wake Transit lead agency staff may need to make changes to the scope or budget for approved Wake Transit Work Plan implementation elements; to add or remove implementation elements from an applicable Work Plan; or to make changes to other components of Wake Transit Work Plans, such as the controlling components of project funding agreements that tie to Wake Transit Work Plan implementation elements (i.e., agreement periods of performance or reporting requirements), financial model assumptions that support the applicable Work Plan, or scopes of work or funding amounts for future programmed implementation elements. Project sponsors may also need or desire for the operating funds allocated in an annual Work Plan to be encumbered and carried over to a subsequent Work Plan budget. The policies and procedures for making these changes are outlined below.

Amendment Requests: Requests should be submitted to CAMPO using a Wake Transit Work Plan Amendment Request Form in accordance with the published annual amendment schedule.

Amendment Types:

1. The following Work Plan amendment scenarios shall be classified as **Minor Amendments**:
 - a. An amendment that requires a transfer between budget ordinance appropriations but requires less than a 20% change to a project appropriation for projects equal to or less than \$500,000;
 - b. Changes to any adopted financial assumptions supporting the applicable Work Plan;
 - c. Changes to periods of performance for project funding agreements tying to capital project funding allocations for implementation elements in the applicable Work Plan;
 - d. Changes in reporting requirements for performance on implementation elements authorized in the applicable Work Plan;
 - e. Changes in scope for implementation elements programmed in future fiscal years;
 - f. Changes in funding amounts for implementation elements programmed in future fiscal years;
 - g. Any amendment that requires a transfer of funds between or among implementation elements in separate funding subcategories (i.e., bus stop improvements, maintenance facility improvements, park-and-ride improvements, and transit

- center/transfer point improvements) within the bus infrastructure funding category in the applicable Work Plan; and
- h. Any other change that does not meet any of the criteria of a Major Amendment.
2. The following Work Plan amendment scenarios shall be classified as **Major Amendments**:
- a. A project requested to be added to the Work Plan.
 - b. A project requested to be removed from the Work Plan.
 - c. Significant changes in the scope of a project that:
 - i. Cause deviation from the original purpose of the project as intended when the project scope was included in the subject work plan;
 - ii. Cause deviation from the originally intended method of project achievement; and
 - iii. Cause a major deviation to the outcome of the project as intended when the project scope was included in the subject work plan.
 - d. A transfer between budget ordinance appropriations that requires equal to or greater than a 20% change to a project appropriation for projects greater than \$500,000.
 - e. A transfer between budget ordinance appropriations that requires equal to or greater than a \$100,000 change to a project appropriation for projects less than \$500,000.
 - f. Any change that requires a change in budgeted reserves or fund balance.

Except for transfers between separate funding subcategories within the bus infrastructure funding category (i.e. improvements to bus stops, maintenance facilities, transfer points, transit centers and park-and-ride lots) of applicable Work Plans listed above, transfers within the same budget ordinance appropriation and insignificant scope changes are permitted without amendment. Changes of this type shall be disclosed as part of the established quarterly reporting process.

Any changes to project funding allocations, and all requested Work Plan amendments, shall comply with the adopted Triangle Tax District - Wake Transit Financial Policies and Guidelines.

Multiple Amendments to Single Project:

If more than one amendment is requested for a single project in the adopted Operating Budget over the course of a fiscal year, its classification as a Minor versus Major amendment will be based on the cumulative change caused by all applicable amendments over the course of that fiscal year.

If more than one amendment is requested for a single project in the adopted Capital Budget over the life of the project, regardless of fiscal year, its classification as a Minor versus Major amendment will be based on the cumulative change caused by all applicable amendments over the life of the project.

Removal of Work Plan Projects:

If a project sponsor determines that a project or implementation element included in the operating or capital budgets of an annual Work Plan will not commence in the subject fiscal year or will not continue from a previous fiscal year, as budgeted, the project sponsor shall request that the project be removed from the annual Work Plan.

If the project will commence in the subject fiscal year or continue from a previous fiscal year, as budgeted, but will not make use of Triangle Tax District – Wake Operating Fund or Wake Capital Fund revenues, the project sponsor is encouraged to notify Tax District staff of the change but is not required to request removal of the project from the annual Work Plan unless it is determined by Tax District staff that the originally budgeted funding for the project is necessary to fund another Work Plan amendment.

If a project sponsor determines that a project or implementation element included in the operating or capital budgets of an annual Work Plan will not make use of the full amount of funds originally budgeted, the project sponsor is encouraged to submit an amendment request reducing the originally budgeted amount to a more realistic amount.

Annual Work Plan Amendment Schedule:

CAMPO staff develop, with input from the Wake County Transit Planning Advisory Committee (TPAC) and GoTriangle staff, an annual Work Plan Amendment Schedule that sets amendment request submission deadlines and public review periods for the upcoming fiscal year. There are four amendment cycles detailed on the schedule: 2nd, 3rd and 4th quarter of the fiscal year and a special submission period to be used, if needed, for project agreement period of performance extension requests.

The schedule will generally be consistent with CAMPO's Transportation Improvement Program (TIP) amendment schedule in the event that Wake Transit project amendments require TIP action.

Special Amendment Cycle for Period of Performance Changes:

A special amendment request cycle will be included on the annual Work Plan Amendment Schedule for period of performance (sometimes referenced as POP) extensions. Only requests to modify the period of performance for a capital project funding agreement in an applicable Work Plan will be accepted during this special amendment opportunity. All other amendment requests must be submitted during one of the three quarterly amendment cycles.

Amendment requests submitted for this special POP amendment cycle are not subject to the public comment period or subcommittee review procedures required for quarterly amendment cycles. Project sponsors will submit a Work Plan Amendment Request Form for each project requesting a POP adjustment. CAMPO staff will compile the requests into an amendment list and present it for TPAC consideration and then present the TPAC recommendation to the CAMPO Executive Board and GoTriangle Board of Trustees for authorization at least one month before involved funding agreements are set to expire.

Appendix: Roles and Responsibilities

Role of the Wake Transit Lead Agencies

There are two designated Wake Transit lead agencies, the Capital Area Metropolitan Planning Organization (CAMPO) and GoTriangle. They execute the work required to ensure that Wake Transit processes and TPAC assigned tasks are completed in accordance with applicable laws, regulations, policies, and other guidance. Both agencies play a role in processing Work Plan amendment requests and updating the Wake Transit Work Plan Amendment Policy.

CAMPO staff will:

- Develop the annual Work Plan Amendment Schedule.
- Update the Work Plan amendment request form as needed.
- Manage the Wake Transit Work Plan Amendment Policy update process
- Collect and review amendment request forms for completeness and/or technical issues
- Work closely with project sponsors to address questions and resolve technical issues pertaining to amendment requests.
- Compile an initial amendment list that includes known information for each submitted request and will update the list as new or additional information becomes available.
 - The list shall clearly be grouped by amendment requests pertaining to operating projects/implementation elements versus those pertaining to capital projects/implementation elements and shall indicate whether the requests are Minor or Major.
- Prepare and present Work Plan amendment request information, including GoTriangle financial slides, for review and consideration of the TPAC Subcommittees, TPAC, the CAMPO Technical Coordinating Committee (TCC), CAMPO Executive Board and GoTriangle Board of Trustees at appropriate decision-making points.
- Open a public-review period for quarterly amendment requests.
 - A review period of no less than 14 days will be provided for Minor amendments and no less than 30 days for Major amendments. If a mix of Major and Minor requests are submitted, the 30-day requirement applies to all requests.
- Work with GoTriangle engagement staff to develop public notice content and materials and then post on the CAMPO/TPAC website, share with TPAC partners and otherwise support the engagement effort.
- Include an engagement summary report with the recommended amendment list for CAMPO and GoTriangle governing board consideration.
- Forward all approved amendments and a list of actions that need to be taken to GoTriangle's Tax District for processing.
- Track authorized amendments and by September each year, update the Wake Transit Work Plan database, publish updated annual Work Plan documents on the CAMPO/TPAC website, and send to GoTriangle for posting on Goforwardnc.org.

GoTriangle staff will:

- Review submitted amendment requests to assess financial impacts of proposed changes.
- Model financial scenario options, when needed, and present them to the TPAC subcommittee(s) for review and discussion.
- Work with CAMPO staff to finalize financial dispositions for review and consideration.

- Produce slides detailing the financial impacts of requested amendments, submit them to CAMPO to be incorporated into the master presentation file, and present the information for review and consideration of the TPAC Subcommittee(s) and TPAC.
- Work with CAMPO staff to develop public notice content and materials and then post on the GoForward and GoTriangle web pages, share with Wake Transit stakeholders and the community.
- Collect online analytics and performance data, public comments or questions, and other relevant information from the engagement period and provide it to CAMPO for inclusion in the engagement summary report.
- Work with CAMPO staff to make any needed adjustments to the financial components of the amendment list and slides prior to presentation to the governing boards.
- Process all approved Work Plan amendment requests which may include changes to budget ordinance(s), changes to project agreements or other administrative actions.
- Ensure that links to the annual Wake Transit Work Plan documents on the GoForward and GoTriangle websites are working and directed at the updated Work Plan document(s) in September each year.

Role of the TPAC Subcommittee(s):

The TPAC Budget & Finance (B&F) Subcommittee and the TPAC Planning & Prioritization (P&P) Subcommittee have specified roles in the review and recommendation of Work Plan amendment requests. The TPAC Community Engagement (CE) Subcommittee’s role is primarily to support required engagement activities and to review and provide feedback on submitted amendment requests that are public engagement and communications related.

All amendment requests are reviewed jointly by the B&F and P&P subcommittee. The materials produced for review and the requested action of the subcommittee members depends on the type of amendments that have been requested.

Amendment Description	Subcommittee Review	Attachments	Requested Action
Contains a major amendment request <u>OR</u> a minor request that is type 1b-1g.	Joint Meeting of B&F and P&P Subcommittee	<ul style="list-style-type: none"> - Amendment List - Submitted Amendment Request Form Copies - Draft disposition noting the appropriateness of requested scope changes to the subject Work Plan(s), if applicable - Draft financial disposition noting the choices and tradeoffs potentially required for each amendment request. 	Recommend a financial disposition and scope disposition for the submitted Wake Transit Work Plan amendment requests to the TPAC for its consideration.

<p>Does not contain a major amendment OR a minor request that is type 1b-1g.</p>	<p>Joint Meeting of B&F and P&P Subcommittee</p>	<ul style="list-style-type: none"> - Amendment List - Submitted Work Plan Amendment Request Forms - Draft financial disposition noting the choices and tradeoffs potentially required for each amendment request. 	<p>Recommend only a financial disposition for the submitted Wake Transit Work Plan amendment requests to the TPAC for its consideration.</p>
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TPAC Review and Recommendation:

CAMPO staff will consult with the TPAC Chair regarding inclusion of Work Plan amendment request items on TPAC meeting agendas. Time allocated for each TPAC presentation is set by the Chair and published on each agenda. CAMPO staff will provide the amendment request item description to be published on the agenda, will submit the master presentation file for discussion during the meeting, and will provide the most current amendment list, associated amendment request forms and the TPAC Subcommittee disposition(s) as attachments for TPAC review and discussion.

The TPAC can choose to re-categorize an amendment from Minor to Major, can recommend an adjustment, attach contingencies, or otherwise recommend a modification to an amendment request, and will make a recommendation to the Wake Transit governing boards for approval or disapproval of Work Plan amendment requests.

CAMPO staff shall document the recommendation of the TPAC including specific details and concerns that led to a recommended modification or disapproval of an amendment request.

Governing Board Review and Adoption:

The GoTriangle Board of Trustees and the CAMPO Executive Board shall review the amendment list, disposition(s) and TPAC recommendation and consider authorizing the Wake Transit Work Plan amendment requests. No amendments are authorized prior to board actions approving them. CAMPO staff will coordinate with CAMPO and GoTriangle staff to ensure timely placement of Work Plan amendment recommendations on agency agendas.

Adjustments to Roles and Responsibilities

Changes to the roles and responsibilities described within this appendix are classified as an administrative modification that can be implemented without requiring an amendment to the Wake Transit Work Plan Amendment Policy, but must be agreed upon by the impacted agency, subcommittee, or other body which may require a process to formalize.

GO FORWARD

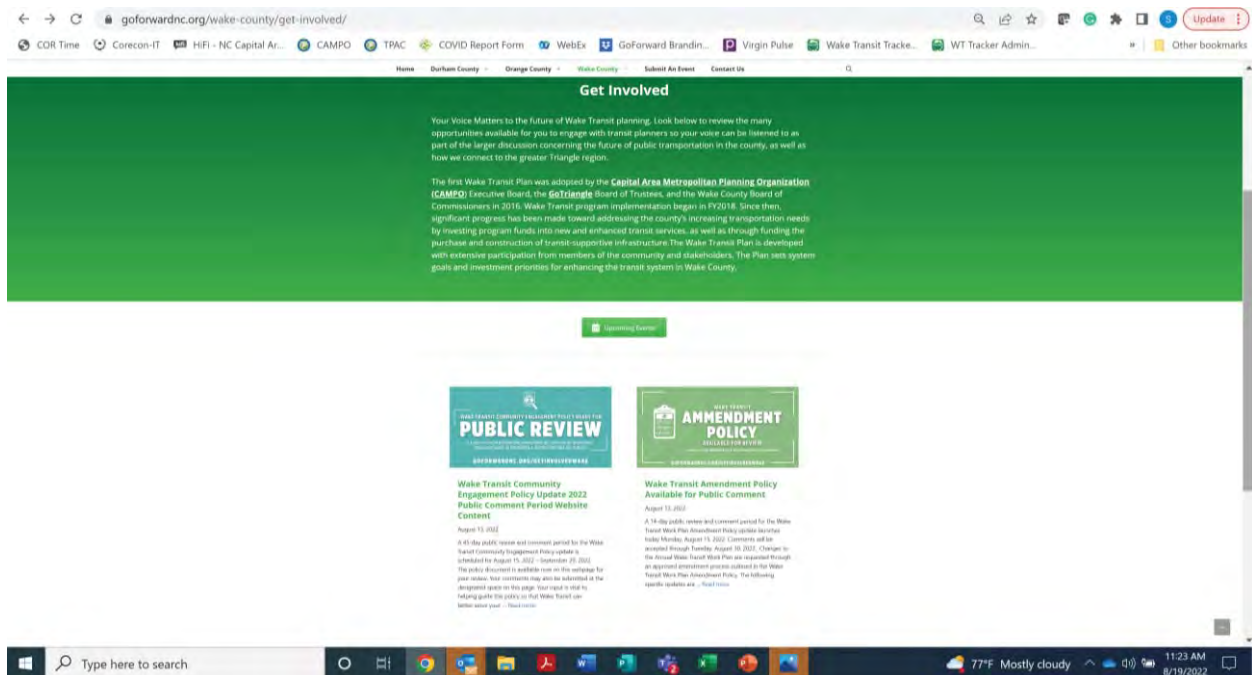
A COMMUNITY INVESTMENT IN TRANSIT

Engagement Summary

2022 Update to the Wake Transit Work Plan Amendment Policy

The NC Capital Area Metropolitan Planning Organization (CAMPO) led the development of an update to the Wake Transit Work Plan Amendment Policy and presented it to the Wake County Transit Planning Advisory Committee (TPAC) in August 2022. The TPAC released the draft for public review and comment from August 15th to 30th.


The effort was advertised on the Wake Transit/GoForward website, the CAMPO/TPAC website and on various Wake Transit and partner social media platforms. No public comments were received but one partner suggestion was provided. They asked to add a statement to the draft policy that would provide guidance for returning Wake Transit funds when a project sponsor receives an outside allocation for their project that will replace funds already programmed in the Wake Transit financial model. Determining the specific language to include in the statement and where it should be published is being discussed at the B&F and P&P joint subcommittee meetings.



goforwardnc.org/wake-county-comment-period/wake-transit-amendment-policy-available-for-public-comment/

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**WAKE TRANSIT
AMMENDMENT
POLICY**
AVAILABLE FOR REVIEW
LA POLÍTICA DE ENMIENDA ESTÁ DISPONIBLE PARA SU REVISIÓN
GOFORWARDNC.ORG/GETINVOLVEDWAKE

Wake Transit Amendment Policy Available for Public Comment
Asset 13.002

A 14-day public review and comment period for the Wake Transit Work Plan Amendment Policy update launches today **Monday, August 15, 2022**. Comments will be accepted through **Tuesday, August 30, 2022**.

Changes to the Annual Wake Transit Work Plan are requested through an approved amendment process outlined in the Wake Transit Work Plan Amendment Policy. The following specific updates are being recommended to the current (adopted) Wake Transit Work Plan Amendment Policy.

- An improved definition of "minor" amendments
- Amendments grouped primarily by operating vs capital rather than major vs minor
- Amendment requests reviewed at joint subcommittee meetings where financial and scope dispositions will be developed
- A special amendment request cycle for capital project period of performance extensions added to the annual amendments schedule
- Roles and responsibilities for processing amendments updated and included in an appendix

Input from community members and other Wake Transit stakeholders is vital to this process. They have an opportunity to submit comments prior to the adoption of the updated Work Plan Amendment policy. To review the full Wake Transit Amendment Policy update, visit the link on this page. There are several ways to submit your comments:

To review the full Wake Transit Amendment Policy update: [Click here](#)

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campo-ncus

CAMPO
NC Capital Area Metropolitan Planning Organization

Home About Programs & Studies Transportation Plan Funding Maps/Data Get Involved

NOTICE: In order to protect the safety of the public, as well as Executive Board, TCC Members, community members and staff, CAMPO meetings are being held via remote, electronic, format. The conference rooms and CAMPO Office are currently closed to meetings. Visit the virtual meeting logistics webpage for public comment, speaker signup, viewing, and listening details.

- [Virtual Meeting Logistics webpage](#)

Welcome to the North Carolina Capital Area Metropolitan Planning Organization (CAMPO)

We are a regional transportation planning organization serving communities in Franklin, Granville, Harnett, Johnston and Wake Counties. Please explore our website for more information on our current plans and projects, upcoming meetings, and long-range planning efforts.

Meetings

The MPO's Technical Coordinating Committee meets on the first Thursday of each month at 10:00 a.m. The Executive Board meets on the third Wednesday of each month at 4:00 p.m. Occasionally, meetings are held on an alternate date so please

Public Notices & News

- Call for Projects: Locally Administered projects Program - FFY 2024
- Call for Projects: Unified Planning Work Program - FY 2024
- Public Comment & Hearing: Amendment #9 to the FY2020-2029 TIP
- Public Comment: Wake Transit Community Engagement Policy Update
- Public Comment: Wake Transit Amendment Policy
- Public Comment: 2023 Transit Asset Management Performance Measures and Targets

Meeting Info

Agendas and Minutes

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MEMORANDUM

TO: GoTriangle Board of Trustees Operations & Finance Committee
FROM: Byron Smith, General Counsel
DATE: November 18, 2022
SUBJECT: Amendment to Board of Trustees' Rules of Procedure

Strategic Objective or Initiative Supported

Action Requested

Staff requests that the Committee discuss and recommend Board approval an amendment to the Board of Trustees' Rules of Procedure related to public address to the board and public hearings.

Background and Purpose

When the Board adopted amendments to its Rules of Procedure in September, members were advised that staff from multiple areas in the organization would be reviewing the section of the rules related to public hearings. Representatives from the CEO's office, capital development, finance, administration, and communications & public affairs joined myself and the Clerk to the Board to review the rule. After several meetings and drafts, we are pleased to present our recommendations for your consideration.

Staff research included a review of state and federal law and policies and practices of other transit agencies and North Carolina jurisdictions. The recommended amendments more clearly define public hearing and provide details on how public hearings are called and rules that will govern the conduct of hearings.

We look forward to discussing our recommendations with the Committee.

Financial Impact

None.

Attachments

- Red-lined version of Board of Trustees Rules of Procedures

Staff Contacts

- Byron Smith, 919-485-7561, bsmith@gotriangle.org
- Michelle Dawson, 919-485-7438, mdawson@gotriangle.org



GoTriangle Board of Trustees
 Rules of Procedure
 Adopted November 17, 2004
 Amended September 28, 2022
Amended December 21, 2022

Rule 6. Public Address to the Board

Each regular meeting agenda shall contain a public comment period to create an opportunity for community members ~~give citizens an opportunity~~ to speak on any item. The session ~~is~~ shall be no more than thirty (30) minutes long and speakers are limited to no more than three minutes (3) each. The session may go beyond the allotted 30 minutes upon majority vote of the board. Speakers are required to sign up in advance with the Clerk to the Board.

All comments should be directed to the full board, not to an individual board member(s). The board does not take action on public comment, but may refer the matter to staff or committee for follow up. The chair (or any board member) may ask for clarification or additional information from the speaker or staff. The board, by unanimous vote, may amend the agenda and consider an item from public comment.

Rule 23. Public Hearings

The GoTriangle Board of Trustees values input from all community members and offers a variety of opportunities to provide feedback. Public hearings are forums to which the public is invited to express its views on a predefined question or matter. Some public hearings are required by law and others are held when ~~or~~ deemed advisable by the board on a potentially controversial issue. Requests for public hearings on a matter shall be approved by the appropriate board committee, or if time does not permit prior committee consideration, by the President/CEO.

Notice of a public hearing will be posted on GoTriangle's website, included in the meeting agenda and further advertised as required by law. GoTriangle also may post notices social media and inside its fleet. The notice shall set forth the subject, date, place and time of the public hearing. Responsibility for notice lies with the department handling the subject matter of the hearing.

The Board Chair, or Board Vice Chair if the Board Chair is not present, shall preside over the public hearing. At the meeting staff will be called upon to provide information about the public hearing, and then Presiding Officer will open the public hearing. Comments received in writing prior to the meeting will be summarized first and then speakers who have signed up to speak, both remotely and in person, will be called upon to speak.

The following rules shall govern public hearings in an effort to maintain order and decorum during a public hearing and ensure fairness to all speakers:

- Individuals wishing to speak should sign in with the Clerk to the Board prior to the start of the meeting.
- Speakers are allotted three (3) minutes each. Speakers may not delegate their time, or unused time, to another speaker.

- Public hearings shall be scheduled for 30 minutes and every effort will be made to allow equal time to opposing sides.
- Groups should designate a speaker. The speaker may recognize the group by asking them to stand.
- Speakers shall state their names for the record before making comments.
- Comments shall be directed to the full board, not an individual member.
- Speakers are expected to use civil language and conduct themselves within reasonable standards of courtesy. Inappropriate language and behavior will not be tolerated.
- Members of the audience should refrain from applause, comments or other disruptions during the public hearing.
- Board members should not engage in conversation or debate with speakers during public hearings.
- Questions from the board will be held until after the public hearing is closed.

Once recognized, speakers who have handouts to share should bring 16 copies and give them to the Clerk to the Board who will distribute them to board members, the President/CEO, General Counsel and retain one copy for the record. Comments should be concise and not repetitive or duplicative.

When the allotted time expires, or earlier, if no one wishes to speak who has not done so, the Presiding Officer shall declare the hearing ended or closed. Upon majority vote of the board the time allotted for the hearing may be extended.

~~shall be organized by a special order that sets forth the subject, date, place, and time of the hearing as well as any rules regarding the length of time for each speaker, and other pertinent matters. The special order is adopted by a majority vote. Its specifications may include, but are not limited to, rules:~~

- ~~1) fixing the maximum time allotted to each speaker;~~
- ~~2) providing for the designation of spokespersons for groups of persons supporting or opposing the same positions;~~
- ~~3) providing for the selection of delegates from groups of persons supporting or opposing the same positions when the number of persons wishing to attend the hearing exceeds the capacity of the hall (so long as arrangements are made, in the case of hearings subject to the open meetings law, for those excluded from the hall to listen to the hearing); and~~
- ~~4) providing for the maintenance of order and decorum in the conduct of the hearing.~~

All notice and other requirements of the open meetings law applicable to board meetings also shall apply to public hearings at which a majority of the board is present; such a hearing is considered to be part of a regular or special meeting of the board. These requirements also apply to hearings conducted by appointed or elected committees of board members, if a majority of the committee is present. A public hearing for which any required notices have been given may be continued to a time and place certain without further advertisement. The requirements of Rule 2(c) shall be followed in continuing a hearing at which a majority of the board, or of a board committee, as applicable, is present.

~~At the time appointed for the hearing, the chair or his or her designee shall call the hearing to order and then preside over it. When the allotted time expires, or earlier, if no one wishes to speak who has not done so, the presiding officer shall declare the hearing ended.~~

Comments submitted in writing and received by close of business on the day prior to the public hearing will be provided to board members at the meeting in a printed copy. Comments received after this time will be passed along to board members as regular correspondence.

DRAFT



Connecting all points of the Triangle

MEMORANDUM

TO: GoTriangle Board of Trustees Operations & Finance Committee
FROM: Planning and Capital Development
DATE: November 18, 2022
SUBJECT: **Durham and Orange Transit Plan Governance Interlocal Agreements**

Strategic Objective or Initiative Supported

1.2 Pursue service improvements and expansion opportunities

Action Requested

Staff requests that the Committee recommend that the Board of Trustees approve the Transit Governance Interlocal Agreement between Durham County, DCHC MPO, and GoTriangle.

Staff requests that the Committee consider recommending changes to the proposed to the Transit Governance Interlocal Agreement between Orange County, DCHC MPO, and GoTriangle.

Background and Purpose

Durham and Orange counties engaged a consultant to undertake a transit plan governance study and develop new transit plan governance interlocal agreements. The consultant will present the agreements which have been approved by the Durham and Orange Board of County Commissioners and will be considered for approval by the DCHC MPO Board on December 14.

GoTriangle staff provided comments and suggested changes on drafts of the agreements provided by the consultant, and in general these changes were incorporated into the final drafts.

However, GoTriangle identified a need for input from bond counsel on several aspects of the draft agreements, but a potential for conflict of interest was identified because the bond counsel previously engaged by GoTriangle also represents Durham County. GoTriangle engaged alternate bond counsel and provided additional comments to the study consultant based on her review. These comments were incorporated into the version of the Durham ILA considered by the Durham BOCC and scheduled for consideration by the DCHC MPO Board. They were not incorporated into the version of the Orange ILA considered by the Orange BOCC and scheduled for consideration by the DCHC MPO Board.

The edit to part 2.12.d provides clarity on the GoTriangle's Board's discretion for future allocations of the rental tax after FY23. The edit to part 5.03.m pertains to use of the transit tax revenues for regional projects.

Financial Impact

None

Attachments

- Consultant's presentation
- Consultant's memorandum
- Durham ILA
- Orange ILA redline

Staff Contacts

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Transit Governance
Interlocal Agreement
Between
Durham County
Durham-Chapel Hill-Carrboro Metropolitan Planning Organization
And
Research Triangle Regional Public Transportation Authority

This Interlocal Agreement (the "Agreement"), is entered into this ____ day of _____ 20__, by and between Durham County, North Carolina, a public body politic and corporate of the state of North Carolina (hereinafter "Durham County"), Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, a metropolitan planning organization (hereinafter "DCHC MPO" or "MPO") and Research Triangle Regional Public Transportation Authority d/b/a GoTriangle, a public body politic and corporate of the State of North Carolina; each individually referred to as a "Party" and collectively referred to herein as "the Parties";

Witnesseth:

Whereas, Durham County, DCHC MPO and GoTriangle, all of which have specific roles in the implementation of public transit in the Durham County area, have determined that it is in their best interest to coordinate public transit planning, funding, expansion and construction; and

Whereas, GoTriangle is a regional public transportation authority created in accordance with the provisions of N.C.G.S 160-603 *et seq.* by concurrent resolution of Durham, Orange and Wake counties and duly incorporated as a body corporate and politic and vested with the general powers set forth in N.C.G.S. Chapter 160A Article 26; and

Whereas, DCHC MPO is the Metropolitan Planning Organization for the Durham-Chapel Hill-Carrboro Urbanized Area, established pursuant to 23 U.S.C. 134 *et seq.* and recognized under the laws of North Carolina pursuant to N.C.G.S. 136-200.1; and

Whereas, Durham County is a body politic and corporate vested with the corporate powers set forth in N.C.G.S 153A-11; and

Whereas, GoTriangle, DCHC MPO and Durham County, among others, are parties to an agreement signed in 2016 titled "Agreement setting Forth the Mutual Understanding of the Parties as to the Scope and Content of the Financial Plan", which defined the creation of the Triangle Tax District; and

Whereas, GoTriangle serves as the regional public transportation authority that administers the Triangle Tax District pursuant to N.C.G.S 105-508; and

Whereas, the Parties to this Agreement, in collaboration with local partners and stakeholders, shall carry out the implementation of the Durham County Transit Multi-Year Vision Plan, which shall include an approved financial plan pursuant to N.C.G.S 105-508.1; and

Whereas, the Parties pursuant to the authority of N.C.G.S. 160A-461 *et seq.* are authorized to enter into this Agreement and joint planning and implementation efforts in order to pursue the above stated goals.

Now Therefore, for and in consideration of the promises and covenants contained in this Agreement and the mutual benefits derived therefrom, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I

Purpose and Scope

- 1.01 **Purpose.** The purpose of this Agreement is to provide a plan of governance that will efficiently, effectively and equitably implement public transit services and projects as set forth in the Durham County Transit Multi-Year Vision Plan (see 2.038 for definition) and associated Durham County Transit Annual Work Programs (see 2.011 for definition). This Agreement will also guide updates and amendments to the Durham County Transit Multi-Year Vision Plan which include the planning, design, funding, implementation, and operation of transit services; reporting expectations; and resolution of issues.
- 1.02 **Scope.** The scope of this Agreement shall be the governance of the planning, financing, and implementation of the Durham County Transit Multi-Year Vision Plan, as it may be amended from time to time as provided for herein.
- 1.03 **Objective.** The objective of this Agreement is to create a governance structure to successfully meet the purposes of this agreement.

Article II

Definitions

- 2.01 “Annual Capital Budget” shall mean the upcoming year of the multi-year Capital Improvement Plan (CIP) which is enacted by adoption of the capital projects ordinance pursuant to N.C.G.S. Chapter 159. This budget shall include the allocation of financial resources to specific project sponsors for specific projects. Appropriations that are made pursuant to the Annual Capital Budget shall be budgeted to project elements such as, but not limited to, infrastructure projects or vehicle rolling stock (depreciable items) in a multi-year major fund such that funding does not revert to available capital fund balance at the end of the fiscal year.
- 2.02 “Annual Operating Budget” shall mean the upcoming year of the annual operating program, which is enacted by the adoption of the operating projects ordinance pursuant to N.C.G.S. Chapter 159. This budget shall include the allocation of financial resources to specific project sponsors for specific projects. Appropriations that are made pursuant to the Annual Operating Budget shall be budgeted to elements such as, but not limited to, elements to support the operations, maintenance, and administrative oversight of public transportation services and the overhead costs related to Tax District functions. The annual operating budget shall be budgeted

- by major fund. The annual operating budget shall also contain the annual administrative functions, the details of which shall be provided independently of operating costs associated with transit operating projects.
- 2.03 “Annual Durham Transit Report” shall mean a report that provides information regarding meeting strategic public transit objectives and includes the performance achieved, the strategies being followed, and performance targets and key milestones for capital projects and operating services.
- 2.04 “Annual Work Program Development Calendar” shall refer to the agreed upon schedule that is developed at the start of each fiscal year. This schedule outlines critical milestone-dates for which elements supporting the Annual Work Program are to be developed, drafted, and coordinated for review and approval by the SWG, and presented as information to all governing boards that are parties to this agreement.
- 2.05 “Audited Financial Statements” shall refer to financial statements which have been audited by a Certified Public Accountant and for which an opinion has been expressed to meet US generally accepted accounting principles or principles adopted by Governmental Accounting Standards Board (GASB) and prepared in accordance with N.C.G.S. 159-34.
- 2.06 “Capital Funding Agreement” shall mean an agreement between agencies to provide funding supporting an Implementation Element for specified capital improvements. Any such agreement will include details of the capital improvements to be provided and detail expectations on Durham County Transit Annual Work Program resource funding, responsibilities, schedule, and performance and shall adhere any and all standards outlined in the supporting Master Participation Agreement.
- 2.07 “Capital Projects” shall mean purchase of land or interests in land; purchase, construction or demolition of buildings or other physical facilities; purchase of services of architects, engineers, as well as other studies; site improvements or development necessary for the implementation of transit projects; purchase or installation of fixed or moveable equipment necessary for the installation and operation of transit services; rolling stock or vehicles as defined by the Federal Transit Administration; corridor and project planning studies; infrastructure projects; and information technology costs that result in a long-term asset.
- 2.08 “Capital Projects Ordinance” shall mean the annual financial ordinance budgeted for the Durham Transit major capital fund pursuant to N.C.G.S Chapter 159., tied to the multi-year Capital Improvement Plan, the Annual Capital Budget and planned capital project funding agreements that implement needed capital projects.
- 2.09 “Component Unit” or “Separate Component Unit” shall refer to a unit of local government within the Tax District if the primary entity has administrative responsibility for the budget adoption and operation and management of transit services provided by the unit. The primary entity shall report in its financial statements information about the relationship between any component unit(s) and the primary entity. The primary entity also is required to report Durham County Transit Plan Revenues, including Dedicated Local Transit Funding Sources, expenditures and fund balance in columns separate from the primary entity’s financial data in its annual audited statements.
- 2.010 “Annual Comprehensive Financial Report” (“ACFR”) shall mean the report prepared by governmental entities that complies with the accounting regulations promulgated by the Governmental Accounting Standards Board (GASB).

- 2.011 “Durham County Transit Annual Work Program” or “Work Program” shall mean the comprehensive annual program for transit capital and operations presented by the SWG (see 2.034) which shall include all of the separate components of:
- a. Annual Operating Budget Ordinance. This shall be supplied for the Durham Transit major operating fund which will appropriate funds for the operation, administration, and implementation of projects identified in the Work Program as operating projects;
 - b. Annual Tax District administration budget for the Durham Transit major operating and capital fund;
 - c. Multi-Year Capital Improvement Plan (CIP) supplied for the Durham Transit major capital fund that clearly identifies specific projects, project sponsors responsible for undertaking those projects, project funding sources, and project expenditures. (NOTE: The Multi-year CIP shall be updated annually to coincide with the annual capital budget always being the first year of appropriation of funding for capital projects identified in the CIP. The Multi-year CIP shall be coordinated with the Metropolitan Transportation Plan, Transportation Improvement Program, and annual program of projects developed and maintained by the DCHC MPO designated recipient of federal formula transit grants so as to be consistent with submittal deadlines for the Transportation Improvement Program and the horizon years of the Metropolitan Transportation Plan.);
 - d. Annual Capital Budget Ordinance supplied for the Durham Transit major capital fund that allocates financial resources to specific project sponsors for specific projects and represents the current year of appropriation of funding for capital projects identified in the Multi-Year CIP;
 - e. Annual Operating Program (as defined *supra*.);
 - f. Adjustment of the Current Durham Transit Financial Plan and financial model assumptions and corresponding update of the planning horizon of Durham County Transit Multi-Year Vision Plan future projects not included in the current Multi-year CIP. The Parties shall use good faith efforts to align planning horizon year with the horizon year of the current DCHC MPO MTP. The Financial Model shall contain agreed upon financial assumptions of the SWG (and supporting subcommittees as designated) for the Durham County Transit Annual Work Program revenues involving federal, state and local sources and multi-year capital and operating costs including liquidity targets and debt ratios relevant to rating agency metrics;
 - g. Multi-year Capital Funding Agreements or Master Agreements; and
 - h. Multi-year Operating Agreements or Master Agreements.
- 2.012 “Dedicated Local Transit Funding Sources” shall be defined as all revenues derived from transit funding sources in support of the Durham County Transit Multi-Year Vision Plan, which shall include, but not limited to (for potential future need):
- a. Article 43 Half-Cent (0.5 percent) Sales and Use Tax. This is the ½ percent local option sales and use tax as defined by N.C.G.S 105-508;
 - b. Article 51 Three-Dollar (\$3) increase to GoTriangle Regional Vehicle Registration Fee. This is the increased portion of the regional vehicle registration fee assessed by GoTriangle in accordance with N.C.G.S 105-561 *et seq.* allocated to Durham County;

- c. Article 52 Seven-Dollar (\$7) County Vehicle Registration Fee. This is the County vehicle registration fee assessed by the Durham County Board of Commissioners in accordance with N.C.G.S 105-570 *et seq.*; and
 - d. Vehicle Rental Tax. Any portion of vehicle rental tax collected by GoTriangle pursuant to N.C.G.S. 105-550 *et seq.* that is allocated to Durham County by the GoTriangle Board of Trustees. Future allocations of the Vehicle Rental Tax after FY23 shall be subject to the sole discretion of the GoTriangle Board of Trustees approval.
- 2.013 “Durham County Transit Plan Revenue” shall mean Dedicated Local Transit Funding Sources, any federal or state funds allocated by a designated recipient, debt proceeds, fares, local contributions, and any other sources of revenue used to fund the Durham County Transit Multi-Year Vision Plan
- 2.014 “Equitable Use of Net Proceeds Within or To Benefit the Special District” as that term is used in N.C.G.S. 105-508.1 shall mean:
- a. The revenues collected in Durham County must be spent for the benefit of that County. That does not mean they have to be spent in the County.
 - b. For Cross-County projects, rates that are negotiated on some agreed upon periodic basis by the counties are by definition equitable
- 2.015 “Financial Model” shall mean a long-term financial planning model, that projects revenues and expenditures and include all Dedicated Local Transit Funding Sources, as well as any additional projected sources for projects and planned uses of funds as necessary, for both capital projects and operating expenses, and is used to evaluate the impact of operating and funding decisions on the Durham Transit major operating and capital funds’ financial condition to ensure the Durham County Transit Multi-year Vision Plan’s policies and objectives are maintained in the long-term, including liquidity targets and debt ratios relevant to rating agency metrics. Only Durham County Transit Plan Revenue, including Dedicated Local Transit Revenues, and expenditures of projects in support of the Durham County Transit Multi-year Vision Plan shall be included in the Financial Model.
- 2.016 “Financial Plan” as that term is used in N.C.G.S. 105-508.1(2) shall mean:
- a. the Financial Plan requiring approval shall mean the Plan Implementation and Finance components of the most current Durham County Transit Multi-Year Vision Plan as supported by the details of the Durham County Transit Multi-Year Vision Plan and modeled in the associated Financial Model. Approval authority over the Financial Plan by the parties to this agreement only applies to the Dedicated Local Transit Funding Sources. Any other funding sources comprising the Financial Plan should be provided by appropriate project sponsors (as approved by their governing body) during the Annual Work Program and/or Multi-year Vision Plan development processes.
 - b. **If now or in the future the Special District consists of Durham County and one or more other counties**, the Financial Plan shall only include funds that would be budgeted and reported in the Durham Transit major operating and capital funds, provided that financial plans for other counties in the District, if any, have previously been approved by those counties.
- 2.017 “Financial Statements” shall mean the statement of financial condition prepared in accordance with N.C.G.S 159-25.

- 2.018 "GASB" shall mean the Governmental Accounting Standards Board (GASB) which establishes standards and principles for state and local governmental accounting and financial reporting.
- 2.019 "Implementation Element" shall mean a discrete project, operation or study or a discrete logical grouping of projects, operations or studies tracked separately by the Durham County Transit Annual Work Program.
- 2.020 Local Government Commission ("LGC") is established by N.C.G.S. 159-3 and provides assistance to local governments and public authorities in North Carolina. It is staffed by the Department of State Treasurer and approves the issuance of debt for all units of local government and assists those units with fiscal management.
- 2.021 "Major Fund" shall be, as defined by the GASB, a fund that is reported in a separated column in the basic fund financial statements and is subject to a separate audit opinion in the independent auditor's report. As defined, the Tax District shall report at a minimum major fund for the Durham County Transit Annual Work Program Operating Funds and a major fund for the Durham County Transit Annual Work Program Capital Funds.
- 2.022 "Master Agreement" shall mean an Operating or Capital Funding agreement that encompasses a discrete logical grouping of capital projects, transit operations or studies.
- 2.023 "Enhanced Quarter-2 Report" shall mean a report delivered approximately 6 months into the year of current work program implementation that provides information regarding progress toward strategic objectives outlined in the Durham County Transit Annual Work Program and includes the performance achieved, the strategies being followed, and performance targets and key milestones for Capital Projects and operating services identified in the Durham County Transit Annual Work Program (reporting expectations outlined in Article IX with more detail).
- 2.024 "Multi-Year Capital Improvement Plan" ("CIP") shall mean a multi-year document that identifies by year projected capital projects, project sponsors responsible for undertaking these projects, the financial costs and anticipated sources of funding for those projects, and identifies any projected operating costs associated with those projects. The CIP shall be coordinated with the Metropolitan Transportation Plan, Transportation Improvement Program, and annual program of projects developed and maintained by the DCHC MPO as designated recipient of federal formula transit grants so as to be consistent with submittal deadlines for the Transportation Improvement Program and the horizon years of the Metropolitan Transportation Plan.
- 2.025 "Annual Operating Program" shall mean the annual document describing transit operating programs, which could include the development of local bus, express bus, Bus Rapid Transit, Commuter Rail Transit, or other public transportation-type services not specifically highlighted here to be funded by the Tax District. It will describe service changes planned for the year and preliminary service proposals and financial projection for the subsequent years. A detailed report on the status of each bus and rail route shall also be included, along with performance objectives for the coming year. The document shall also describe administrative, planning, marketing, or other functions that are not directly accounted for in specific infrastructure project delivery or allocated to service delivery, but which are essential to the implementation of the Transit Plan.
- 2.026 "Multi-Year Service Implementation Plan" shall mean a document or documents that detail how transit services will be modified, to include expansion and reduction, operated and maintained over a specific number of years. The plan(s) shall detail timing and schedule, justifications for implementation decisions, and public involvement steps. Different transit operators may have

- different plans for implementation, but the different plans must be coordinated with each other particularly with respect to anticipated funding and public outreach.
- 2.027 “Non-Durham County Revenues” shall mean all revenues collected on behalf of member counties other than Durham County within the Tax District or Special District that are derived from transit funding sources associated with counties other than Durham County.
- 2.028 “Operating Agreement” shall mean an agreement between an agency tasked to provide an Implementation Element, the Tax District and other agencies as needed, or an operating plan if the Implementation Element is to be provided by the Agency. The agreement shall state the details of the service to be provided and detail expectations on funding, responsibilities, schedule, and performance. The agreement shall adhere to any/all standards outlined in the supporting Master Participation Agreement.
- 2.029 “Operating Budget Ordinance” shall mean the annual financial ordinance budgeted for the Durham Transit major operating fund pursuant N.C.G.S. Chapter 159, tied to Operating Agreements, that includes funds for the operations identified in the Durham County Transit Annual Work Program, allocations for reserves, and transfers to other such funds such as other Durham Transit major funds identified by the Component Unit. The Operating Budget Ordinance shall include the general administrative and maintenance expenses of the unit separate from the Project Operating Funds.
- 2.030 “Operating Funds” shall mean funds appropriated in the annual operating budget for the administration, operation and maintenance of the transit system.
- 2.031 “Operating Fund Balance” shall mean the reported amounts restricted by enabling legislation for the Durham Transit major operating fund, presented in the basic financial statements, and disclosed in the notes to the Financial Statements as required under generally accepted accounting standards.
- 2.032 “Project Operating Funds” shall mean funds appropriated in the annual Operating Budget Ordinance to support the operation of projects identified in the Durham County Transit Annual Work Program.
- 2.033 “Quarterly Financial Reports” shall mean the quarterly statement of financial condition prepared in accordance with N.C.G.S. 159-25.
- 2.034 “Special District” shall mean any tax district administered by GoTriangle pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.* or N.C.G.S 105-561 *et seq.* to which Durham County is a member, now or in the future.
- 2.035 “Staff Working Group” or “SWG” shall mean a committee created by this Agreement for the purposes enumerated and as defined in Article III herein. The SWG is jointly charged by all parties to this Agreement with coordinating planning and implementation aspects of the Durham County Transit Annual Work Program (as defined in 2.011), as well as facilitating elements of the Durham County Transit Multi-Year Vision Plan (as defined in 2.038) and serving in an advisory role to the Durham County Board of Commissioners, DCHC MPO Board, and GoTriangle Board of Trustees.
- 2.036 “Supplantation” shall mean the opportunity for parties to this agreement to use certain funding sources to replace existing funds or other resources for public transportation systems.
- a. Local Funding Source that allows supplantation: the County Vehicle Registration Tax (N.C.G.S 105-570) which is levied at its maximum amount of \$7.00 per year;
 - b. Local Funding Sources that do not allow supplantation:

- i. Local Government Sales and Use Taxes for Public Transportation (N.C.G.S. 105-506:514) which is levied at its maximum allowable rate of one half percent (*non-supplantation cited in N.C.G.S 105-507.3.b*);
 - ii. Regional Transit Authority Registration Tax (N.C.G.S. 105-560:569) which is levied at its maximum amount of \$8.00 per year with \$3.00 of each \$8.00 collected allocated locally to Durham County (*non-supplantation cited in N.C.G.S. 105-564*).
- 2.037 “Tax District” shall mean any tax district administered by GoTriangle pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.* or N.C.G.S 105-561 *et seq.* to which Durham County is a member, now or in the future.
- 2.038 “Transit Plan,” or “Multi-Year Vision Plan,” shall mean the comprehensive multi-year vision plan for transit operating and capital needs over a period of time of at least 4 years, through coordination with the DCHC MPO Metropolitan Transportation Plan adoption process and shall also be prepared by the SWG for approval by appropriate governing boards, which shall include all the separate components of:
 - a. Multi-year Capital Improvement Plan
 - b. Annual Operating Program, or Multi-Year Service Implementation Plan, which shall include assumptions for administrative staff needs to support plan implementation efforts across the period of time defined by the Transit Plan
 - c. Financial Plan (as defined in section 2.016)
 - d. Update of the Financial Model Assumptions (if applicable)
- 2.039 “Triangle Tax District” shall mean the tax district, also referred to as the Special District created by GoTriangle on or about May 25, 2016, pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.*

Nothing herein shall prevent Durham County from entering a mutually negotiated Cost Sharing Agreement with other jurisdictions for any regional transit projects or systems so long as they are detailed in the Multi-Year Vision Plan.

Article III

Staff Working Group (“SWG”)

- 3.01 SWG Established. The Parties hereby establish the Durham County Staff Working Group (“SWG”). Pursuant to the authority set forth in this Agreement, the SWG shall coordinate planning and oversee the implementation of the Annual Work Program, as well as facilitate development of elements for the Multi-Year Vision Plan. It shall also serve in an advisory role to the Durham County Board of Commissioners, DCHC MPO Board and GoTriangle Board of Trustees.
- 3.02 Membership, Organization and Objectives.
 - a. Initial Membership. The initial membership of the SWG shall be comprised in two categories – voting & non-voting.
 - i. Voting members: one (1) staff members shall be appointed by each of the ILA Parties (“ILA Party Members;” each party should consider a

planning/administrative representative as well as a finance representative) and one (1) staff member appointed by the City of Durham.

- ii. Non-Voting members: each party shall appoint one (1) staff member appointed from the following organizations to advise County Transit Plan Implementation efforts. These organizations are: The Research Triangle Foundation, Triangle-J Council of Governments, Duke University, North Carolina Central University, and Durham Technical Community College.
 - b. Voting Structure for Initial Membership. When a motion is made to vote on any issue by any member of the SWG, the vote will be facilitated by the SWG Administrator. Each ILA Party Member shall have one (1) vote; the City of Durham shall also have one (1) vote.
 - c. Regular Membership. The meeting of the SWG shall be called by the SWG Administrator by way of the DCHC MPO within thirty (30) days of the execution of this Agreement. The meeting shall abide by rules set forth in this agreement. A Chair and Vice-Chair shall be elected by the voting members at the last regularly scheduled meeting of the fiscal year (July 1-June 30), to serve for the upcoming fiscal year. Prior to June 30, 2023, the SWG should finalize and approve rules, agencies and expectations for regular membership and organizational function. The initial members of the SWG should take into consideration various required skill sets, specifically in local planning, budgeting, finance, project construction and operations.
 - d. Operational Rules of SWG. By June 30, 2023, the members of the SWG shall, consistent with the responsibilities outlined in Section 3.03 and the flexibilities outlined in 3.04, submit to the Durham County Board of Commissioners, DCHC MPO Board and GoTriangle Board of Trustees for
 - i. Approval: 1) bylaws including the provisions of Section 3.05; 2) rules dictating the composition, organization and function of the SWG; and 3) rules dictating amendment procedure for both the Annual Work Program and Multi-Year Vision Plan.
 - ii. Review as Information through appropriate timeframe cycles 1) a meeting schedule; 2) a list of deadlines for the submittals defined herein; and 3) identification of the Party to serve as the lead agency for each of the responsibilities enumerated in Section 3.03.
 - e. The SWG, which serves as an administrative and advisory arm to the parties of this agreement, shall adhere to public meeting laws as outlined in N.C.G.S. 143-318.9:18 (Article 33 of Chapter 143, "Meetings of Public Bodies").
 - f. Timeliness. The SWG shall develop processes and procedures to allow decision to be made in a timely manner. Duties not specifically denoted under Section 3.03 may be delegated to other groups. The designation and delegation of these duties shall be approved by the appropriate governing boards based on plan elements' (i.e., Annual Work Program or the Multi-Year Vision Plan) impacts and shall include the governing boards that represent the parties to this agreement.
- 3.03 Responsibilities. The SWG shall be charged with the development or delegation to a Party as a lead agency of the following:
- a. Annual Work Program, including all the separate elements defined in Section 2.011
 - b. a Multi-Year Vision Plan;

- c. Templates containing minimum standards for project and financial reports (first version by June 30, 2023)
 - d. Designation of project sponsors (agencies responsible for each respective capital and operating project), including agencies responsible for each Implementation Element;
 - e. A strategy for each Implementation Element or agreement, which shall include scope, geography, estimated budget, sponsoring agency/jurisdiction, purpose and goals; and
 - f. An articulated strategy for incorporating or account for public outreach, involvement, and communication with the deliverables set forth in a, b, d and e.
- 3.04 Assignment. The SWG may, by vote or by other mechanism allowed in its bylaws, assign the creation and maintenance of certain documents for which it is responsible to Parties or SWG members. However, the SWG shall not delegate its responsibility to review and present documents and products which are defined in Section 3.03 as SWG responsibilities. All documents related to the duties of Section 3.03 produced on behalf of the SWG must be reviewed and formally approved, by SWG prior to release.
- 3.05 Minimum Quorum and Voting. The Parties to this Agreement agree that the SWG deliberation process must allow decisions to be made in an efficient and timely manner. A quorum shall be when three fourths (3/4) majority of SWG members appointed by the Parties to this Agreement are present for a SWG meeting.
- 3.06 Right to Inspect. All Parties to this Agreement, or their authorized representative(s), shall have the right to inspect, examine, and make copies of any and all books, records, electronic files, agreements, minutes, and other writings and work products related to the operation and day to day business of the SWG.
- 3.07 Staff Working Group Lead Agency Determination. Any party to this Agreement shall be responsible for hosting, convening and administering (serving as the 'Lead Agency') the Staff Working Group (SWG) and hosting the role of the Staff Working Group Administrator, which is a critical role to facilitate program development and plan implementation. The parties to this Agreement shall determine SWG Administration Lead Agency by June 30, 2023 and shall be reevaluated with each multi-year vision plan update process. DCHC MPO shall continue to serve as the SWG Administrator upon execution of this agreement through the aforementioned deadline. Lead Agency assignment for SWG Administration shall be recommended by the SWG to all three governing boards represented through this Agreement for approval.

Article IV

Term, Termination, Amendment

- 4.01 Term.
- a. Effective Date. This Agreement shall become effective upon the properly authorized execution of the Agreement by all Parties.
 - b. This Agreement shall continue for a period of seventeen (17) years from the Effective Date, unless otherwise amended by the prior express written agreement of the Parties. This term aligns with horizon year of the current County Transit Multi-year Vision Plan at the time of execution of this Agreement.
 - c. Any amendment, termination, or renewal of the Term must be in the form of a written instrument properly authorized and executed by the governing boards of each Party.

- d. The Parties agree that the Term shall be extended by mandatory amendment though the final maturity dates of any debt issued and payable from Durham County Transit Tax Revenues seventeen (17) year initial term.

4.02 Termination.

- a. **Material Breach.** If any Party violates a responsibility, duty, or assumption stated in Article V, the other Party(ies) shall give written notice of the breach and request to cure. If such breach is not cured within thirty (30) days of written notice thereof, any non-breaching Party may, without further notice or demand, in addition to all other rights and remedies provided in this Agreement, at law or in equity, terminate this Agreement and recover any damages to which it is entitled because of said breach. In the event of a non-material breach of the Agreement, the termination procedure set forth in 4.02(b) shall apply.
- b. **Termination upon one (1) year's notice.** Any Party may terminate its participation in this Agreement with or without breach by giving written notice to each other Party of intent to terminate, as well as reasons for terminating (which shall be in the sole discretion of the terminating party), at least one (1) year prior to the effective termination date.
- c. **Bankruptcy/Insolvency Special Provisions.** If any Party applies for or consents to the appointment of a receiver, trustee or similar officer for it or any substantial part of its property or assets, or any such appointment is made without such application or consent by such Party and remains discharged for sixty (60) days, or files a petition in bankruptcy or makes a general assignment for the benefit of creditors, then such action shall constitute a material breach of this Agreement not requiring notice and opportunity to cure and the other Party(ies) may terminate effective immediately.
- d. **Cooperation Provisions.** In the event of termination pursuant to any subsection hereunder, the terminating Party shall not be relieved of any existing and underperformed obligations up until the effective date of termination, and the Agreement shall remain in effect as to the non-withdrawing Parties. The non-withdrawing Parties, beginning at the time of notice of termination is received, shall work together in good faith to determine if the intent and purpose of the Agreement can be accomplished by executing any Amendments deemed necessary and/or adding any parties deemed necessary to perform the executory obligations of the withdrawing Party.
- e. **Non-Exclusive Remedies.** No remedy provided in this Agreement shall be considered exclusive of any other remedy in law or in equity.
- f. **Repeal and Dissolution.** Nothing herein shall be construed to restrict Durham County's ability to repeal any transit tax previously enacted and consideration will be given by the County to any transit taxes levied in support of debt service in support of the Durham County Transit Annual Work Program. Nothing herein shall be construed to restrict Durham County's ability to request dissolution of the special tax district in accordance with N.C.G.S. 105-509.1 and N.C.G.S. 105-473(a).
- g. **Notice.** Any written or electronic notice required by this section shall be delivered to the Parties at the following addresses:

For Durham County:

With a copy to

For DCHC-MPO:

With a copy to

For GoTriangle:

With a copy to

4.03 Amendment. If any Party desires to amend the Agreement, then the proposed amendment and the reasons for the proposed amendment shall be communicated in writing to the other Parties. If the Parties agree to the proposed amendment, then the amendment shall be affected by entering a written amendment to the Agreement. An amendment that does not change the substantive or financial commitments of the Agreement may be executed by the Durham County Manager, the DCHC-MPO Executive Director, and the GoTriangle Chief Executive Officer. Any other amendment to the terms of this Agreement to be effective must be in the form of a written instrument properly authorized and executed by the governing boards of each Party to this Agreement.

Article V

Responsibilities, Financial Duties and Assumptions of the Parties

The responsibilities of the Parties are as follows:

- 5.01 Durham County shall carry out its legal, contractual, fiscal, and fiduciary duties as government as follows:
- a. Shall provide staff to serve on the SWG;
 - b. Shall enter into Capital Funding Agreements and Operating Funding Agreements to study, plan, and construct public transit infrastructure capital Implementation Elements

for which Durham County is a designated project sponsor and/or providing funding in-part or wholly and to deliver such Implementation Elements as identified within the Durham Transit Annual Work Program and or the Durham Transit Multi-Year Vision Plan;

- c. Shall provide required financial and status reports on Implementation Elements for which Durham County is providing funding in-part or wholly (i.e., serving as a project sponsor);
 - d. Shall coordinate approval of the components of the Annual Work Program identified in Section 2.011 by the Durham County Board of Commissioners;
 - e. Shall coordinate, as needed, to review documents, as defined in Article II or in subsequently developed policies & procedures that support transit plan implementation, and recommend for approval by the Durham County Board of Commissioners when necessary;
 - f. Shall coordinate approval of the Multi-Year Vision Plan identified in Section 2.038 by the Durham County Board of Commissioners;
 - g. Comply with N.C.G.S. 143-6A-4, the "Iran Divestment Act Certification";
 - h. Perform other any other actions consistent with the powers and duties set forth in N.C.G.S. Chapter 153A and N.C.G.S 105-561 *et seq.*; and
 - i. To the extent applicable, shall comply with 23 U.S.C. 134, 49, U.S.C. Chapter 53, and N.C.G.S. Chapter 136;
- 5.02 DCHC-MPO shall carry out its legal, contractual, fiscal, and fiduciary duties as the Metropolitan Planning Organization as follows:
- a. Shall coordinate/align Dedicated Local Transit Funding Sources with other transportation investments and state and federal funding;
 - b. Shall provide staff to serve on the SWG
 - c. Shall enter into Operating and Capital Funding Agreements, for which the DCHC MPO is a party to, to study and plan public transit Capital Projects and deliver Implementation Elements as identified within the Durham County Transit Annual Work Program;
 - d. Shall provide required financial and status reports on Implementation Elements for which DCHC MPO is responsible (i.e, serving as a project sponsor) that are funded in-part or wholly by the Tax District;
 - e. Shall serve as the coordinating agency between the Parties, N.C. Department of Transportation, and federal agencies including but not limited to the Federal Highway Administration, the Federal Transit Administration, and the Federal Railroad Administration when coordination of regional need is deemed necessary by the SWG;
 - f. Shall coordinate, as needed, to review and approve documents, as defined in Article II or in subsequently developed policies & procedures that support transit plan implementation, by the DCHC-MPO Executive Board;
 - g. Shall coordinate approval of the Multi-Year Vision Plan by the DCHC-MPO Board;
 - h. Shall identify projects using federal transit funding and ensure that the annual operating program, the Annual Operating and Capital Budgets including such projects are coordinated with the MPO's annual planning for projects process and Transportation Improvement Program;
 - i. Shall comply with N.C.G.S. 143-6A-4, the "Iran Divestment Act Certification";

- j. When applicable and appropriate, shall apply for, secure, and direct reasonably available funding toward components of the Durham County Transit Annual Work Program consistent with its other responsibilities within the MPO;
 - k. Shall program and administer funding, including but not limited to grant funding, and perform all required duties to apply for, coordinate, and align transit funding if applicable and appropriate, with other transportation investment and state and federal funding; and
 - l. Shall perform any other actions consistent with the powers and duties set forth in 23 U.S.C. 134 *et seq.*, 49 U.S.C. Chapter 53 and as recognized under the laws of North Carolina pursuant to N.C.G.S. Chapter 136.
- 5.03 GoTriangle shall carry out its legal, contractual, fiscal and fiduciary duties as a unit of local government as follows:
- a. Shall administer and manage the Tax District, including carrying out its legal, contractual, fiscal and fiduciary duties;
 - b. Shall comply with the responsibilities of a local government prescribed by the North Carolina Budget and Fiscal Control Act;
 - c. Shall adhere to the Financial Plan as defined by this Agreement, and any amendments authorized thereto;
 - d. Shall adhere to the Equitable Use of Net Proceeds within or to benefit the Special District as defined in this Agreement;
 - e. Shall distribute the Financial Plan to each unit of local government within its jurisdiction in accordance with N.C.G.S. 105-508.1;
 - f. Shall use or expend all Dedicated Local Funding Sources only as specifically budgeted in the approved Durham County Transit Annual Work Program;
 - g. Shall not pledge, represent, appropriate, or covenant to appropriate any portion of the Dedicated Local Funding Sources to cover any debt service, encumbrances, or operating or other expenses that do not arise from the Durham County Transit Annual Work Program;
 - h. Shall maintain adequate Operating Fund Balances and Capital Fund Balances in the Durham Transit major operating and capital funds per Financial Policies & Procedures and related guidelines mutually agreed to by SWG;
 - i. Shall obtain approval from the Local Government Commission for all issuances of debt, certain capital leases, and other financial agreements as required by law;
 - j. Shall not under the provisions of N.C.G.S. 160A-20, create any security interest in real or personal property funded by Durham Transit major operating and capital funds unless 100% of the proceeds of the related financing are for projects in the Durham County Transit Annual Work Program, unless such security interest and financing are approved by the Durham County Board of Commissioners;
 - k. Shall ensure that any proceeds from the sale, transfer and disposition of property, or from insurance proceeds for projects funded by Durham Transit major operating and capital funds be used for Durham Transit projects in accordance with the Durham County Transit Annual Work Program;
 - l. Shall include provisions in all applicable financing documentation to the effect that GoTriangle has entered into an Agreement prohibiting the use of Dedicated Local

- Funding Sources to fund debt service or other expenses that do not arise from the Durham County Transit Annual Work Program unless otherwise agreed to or approved by the Durham County Board of Commissioners or included in the Durham County Annual Work Program or the Durham County Transit Multi-Year Vision Plan;
- m. Shall, in connection with the financing of capital facilities outside of Durham County, unless such financing is agreed to or approved by the Durham County Board of Commissioners, include provisions in all applicable financing documentation to the effect that GoTriangle does not intend to pay debt service or fund operating expenses or other costs associated with such capital facilities or the operation thereof from Dedicated Local Transit Funding Sources and that GoTriangle has entered into an Agreement prohibiting the use of Dedicated Local Transit Funding Sources for such purpose;
 - n. Shall maintain such books, records, and systems of accounts so that the expenditures of Dedicated Local Transit Funding Sources and Durham County Transit Plan Revenue are accounted for as expended on the Durham County Transit Annual Work Program as budgeted and reported in the Durham Transit major operating and capital funds;
 - o. Shall provide any and all Financial Statements, accountings, reports, and information to SWG within thirty (30) days of request, and produce drafts of documents created on behalf of the SWG for review and feedback from SWG prior to GoTriangle's issuance, approval, and release of Comprehensive Annual Financial Reports, adopted budget documents, and applications for Grant Funding approval;
 - p. Shall not issue or authorize the issuance of any Preliminary Official Statement, Official Statement, or similar securities offering documents in connection with the financing of improvements by GoTriangle unless such document has previously been submitted to Durham County for review and comments regarding the nature of the security and sources of payment of the amounts due in connection with the financing;
 - q. Shall provide staff to serve on the SWG;
 - r. Shall enter into Operating or Capital Funding Agreements to study and plan public transit infrastructure Capital Projects and deliver Implementation Elements as identified within the Durham County Transit Annual Work Program;
 - s. Shall provide required financial and status reports on Implementation Elements for which GoTriangle is responsible (i.e., serving as project sponsor) that are funded in-part or wholly by the Tax District, and reported for the Durham Transit major operating and capital funds;
 - t. Shall annually review and approve required documents and perform any other actions consistent with the terms of this Agreement or powers authorized by a process to be established by SWG;
 - u. Shall coordinate approval of the components of the Durham County Transit Annual Work Program identified in Section 2.011 by the GoTriangle Board of Trustees;
 - v. Shall coordinate, as needed, to review and approve documents, as defined in Article II or in subsequently developed policies & procedures that support transit plan implementation, by the GoTriangle Board of Trustees;
 - w. Shall coordinate approval of the Multi-Year Vision Plan by the GoTriangle Board of Trustees;

- x. Shall comply with N.C.G.S. 143-6A-4 regarding submissions or award of any bid or proposals to vendors, and contractors or subcontractors for any and all operating and project agreements;
- y. Perform other any other actions consistent with the powers and duties set forth in N.C.G.S. 160A, Article 26;
- z. Comply with N.C.G.S. 143-6A-4, the “Iran Divestment Act Certification”; and
- aa. To the extent applicable, shall comply with 23 U.S.C. 134, 49 U.S.C. Chapter 53, and N.C.G.S. Chapter 136.

Article VI

Roles of Transit Service Providing Entities and Non-Transit Service Providing Entities

- 6.01 Transit Service Providing Entities. The Parties contemplate that the Transit Service Providing Entities, meaning any municipality or agency that directly or through contract provides public transportation services in Durham County, including but not limited to Durham County, City of Durham and GoTriangle (when functioning as a transit provider), may participate at a minimum as follows:
- a. Provide staff to serve on the SWG
 - b. Enter into Master/Capital Funding Agreements and Master/Operating Agreements to deliver Implementation Elements as identified within the Durham County Transit Annual Work Program (which includes the approved annual budget);
 - c. Provide required financial and status reports on Implementation Elements funded in-part or wholly by the Tax District; and
 - d. Perform any other responsibility it agrees to undertake consistent with statutory authority and the terms of this Agreement.
- 6.02 Non-Transit Service Providing Entities. The Parties that the Non-Transit Service Providing Entities, meaning any entity located in Durham County that does not provide public transportation services, may participate, if and when invited through SWG membership, at a minimum as follows:
- a. Provide staff to serve on the SWG in a non-voting role
 - b. Enter into Master/Capital Funding Agreements and Master/Operating Agreements to deliver Implementation Elements as identified within the Durham County Transit Annual Work Program if identified as a project sponsor
 - c. Provide required financial and status reports on Implementation Elements funded in-part or wholly by the Tax District; and
 - d. Perform any other responsibility consistent with statutory authority and the terms of this Agreement.

Article VII

Process for Recommendation, Approval, and Development of Durham County Transit Annual Work Program and Operating and Capital Project Ordinances and Agreements

- 7.01 The Annual Work Program shall consist of the component documents outlined in Section 2.011. It shall be assembled and reviewed in accordance with the Annual Work Program Development Calendar
- 7.02 The SWG shall recommend the Annual Work Program to the Durham County Board of Commissioners and the GoTriangle Board of Trustees for approval in accordance with the Annual Work Program Development Calendar. The schedule shall allow each agency adequate time to review documentation. Each of the parties will receive the plan in the order identified in 7.03 & 7.05 and identify any concerns or issues prior to the commencement of the fiscal year covered by the plan. Included in the schedule shall be a procedure for the SWG to plan for and schedule elements of public outreach and involvement. At the time when the Durham County Board of Commissioners receives the recommended Annual Work Program, GoTriangle may also provide comments during the County's official business meeting processes. The SWG may present the Annual Work Program to the DCHC MPO for review and comment at an official MPO Board meeting if time/schedule allows.
- 7.03 Upon receipt of the draft Durham County Transit Annual Work Program, the Durham County Board of Commissioners, shall review it, and can take the following actions:
- a. Approve the Durham County Transit Annual Work Program as submitted;
 - b. Deny, while providing a list of minor issues, technical corrections or a specific listing of Significant Concerns with the Durham County Transit Annual Work Program.
- 7.04 If the Durham County Board of Commissioners denies the work program and creates a detailed listing of minor issues, technical corrections, or Significant Concerns for the recommended Durham County Transit Annual Work Program, Durham County staff shall coordinate with other SWG members to make corrections and then submit for a second review and recommendation of approval by the SWG. Upon recommendation of the SWG, the Durham County Board of Commissioners will then vote on the revised work program.
- 7.05 Upon approval action taken by the Durham County Board of Commissioners, GoTriangle will then receive for review and take one of the following actions:
- a. Approve the Durham County Transit Annual Work Program as recommended by the SWG and approved by the Durham County Board of Commissioners;
 - b. Deny, while providing a list of minor issues, technical corrections or a specific listing of Significant Concerns with the Durham County Transit Annual Work Program.
- 7.06 All parties in this Agreement, or their authorized representative, shall have the right to inspect, examine, and make copies of any and all books, accounts, invoices, records, electronic files, agreements, minutes, and other writings and work products related to the funding of Tax District operations or projects. The cost of any audit or review conducted under the authority of this Section is the responsibility of the Party requesting the audit or review unless a material breach is detected, in which case the breaching party shall be responsible for the reasonable costs of audit or review.
- 7.07 Implementation. An Operating or Capital Project Funding Agreement shall be consistent with the requirements outlined in the supporting Master Participation Agreement. Parties to this Interlocal agreement shall endeavor to develop Master-level agreements with appropriate timeframes for each project sponsor seeking to implement operating or capital projects. These agreements must be prepared prior to distributing funds and starting the Project(s). All

Operating or Capital Project Funding Agreements shall have at least two signatories from appropriate parties and shall also adhere to the following:

- a. MPO Role with Managed Funding: If a project is covered by a master operating or capital funding agreement that involves federal or state funding that is otherwise under the distribution and program management responsibility of DCHC MPO, or regardless of funding source, constitutes a regionally significant project as defined in 23 CFR § 450.104, DCHC MPO shall be a party to the agreement.
 - b. Tax District Administrator Role: The tax district administrator shall always be a party to each agreement.
 - c. County Role: In addition to being a party to any agreement where the County serves as the project sponsor, the County shall be a party to each agreement where the tax district administrator is also the project sponsor.
 - d. Agreement where a special case exists: Parties to an operating or capital project agreement shall be brought by the tax district administrator as a recommendation for review and approval by the SWG when a special case arises outside the three categories described in 7.08.a-c
 - e. Standalone Agreement Need: When an operating or capital project of significant cost is programmed and approved, members of the SWG shall review and determine a significant-cost threshold that requires a standalone agreement to be developed and signed by all appropriate parties.
- 7.08 Interim Work Program. In the event a resolution cannot be met to address the list of issues or technical corrections upon a vote of denial from either party highlighted in 7.03 & 7.05, an interim work program will be utilized for the upcoming fiscal year, pursuant to N.C.G.S. 159-13, until such time as a new work program is adopted by the parties identified in 7.04 and 7.05. In the case that an interim budget goes into effect, the current year operating budget will be assumed for the upcoming fiscal year. No additional capital expenses will be approved, nor any additional reimbursements paid for capital projects, until such time that a new work program is adopted by the parties identified in 7.04 and 7.05. This interim budget does not require approval of either body in 7.04 or 7.05. In the event an Interim Work Program is enacted, and specialized fiscal analysis is required to further inform achieving a new Annual Work Program, the tax district administrator shall bring such request to the SWG for review & approval.

Article VIII

Process for Recommendation, Approval, and Development of Durham County Transit Multi-year Vision Plan

- 8.01 The Multi-year Vision Plan shall include the component documents outlined in Section 2.038. The plan shall be assembled and reviewed in accordance with the Annual Work Program Development Calendar or other agreed upon schedule based on timing and need for multi-year plan adoption.
- 8.02 The SWG shall recommend the Multi-Year Vision Plan to the Durham County Board of Commissioners, DCHC MPO Board and the GoTriangle Board of Trustees for approval in accordance with the Annual Work Program Development Calendar or agreed upon schedule to

meet the needs for the Multi-year plan adoption. The schedule shall allow each agency adequate time to review documentation, identify concerns and coordinate issues. Included in the schedule shall be a procedure for the SWG to plan for and schedule elements of public outreach and involvement.

- 8.03 Upon recommendation from the SWG, the Durham Transit Multi-year Vision Plan shall go before each governing board (Durham County Board of Commissioners, DCHC MPO Board and GoTriangle Board of Trustees) for review and the opportunity to take the following actions:
- a. Approve the Durham Transit Multi-year Vision Plan as recommended;
 - b. Deny, while providing a list of minor issues, technical corrections or a specific listing of Significant Concerns with the Durham Transit Multi-year Vision Plan.
- 8.04 If any of the three governing boards denies the Multi-Year Vision Plan and creates a detailed listing of minor issues, technical corrections, or Significant Concerns for the recommended Durham Transit Multi-Year Vision Plan, SWG staff members who represent the dissenting board shall communicate the issues to other staff representatives of the other governing board(s) and coordinate with other SWG members to revise the plan and then submit for an additional review and approval by all three governing boards.

Article IX

Process for Capital, Non-Capital, Infrastructure, and Service Delivery Projects Reporting

- 9.01 The Tax District shall be reported as a Component Unit and shall include the Durham Transit major operating and capital funds separate from any and all major funds and/or other special tax districts within the Tax District, in the body of annually audited financial statements as required by GASB standards for major funds reported by blended component units. As administrator of the Tax District, GoTriangle shall present an annually audited financial statement for the separate component unit by December 15th of the subsequent fiscal year to the Durham County Board of Commissioners, DCHC MPO Board, and GoTriangle Board of Trustees.
- 9.02 At the time of the presentation of the annually audited financial statements, GoTriangle shall present an update of the Durham County Transit Annual Work Program projects including project milestones and timelines and operations of the system. This presentation shall be considered an Annual Durham Transit Report.
- 9.03 GoTriangle, as administrator of the Tax District, shall issue the following to the parties of this agreement, as well as any associated project sponsors:
- a. Enhanced Quarter-2 Report for half-year period ending December 31st. to the SWG for the Durham Transit major operating and capital funds. This Report will be due to the SWG Administrator by March 15th. The format of this report shall be agreed upon by the Parties to this Agreement by June 30, 2023.
 - b. Quarterly Financial Condition Report. This report will be due 45 days after the end of each quarter which provides statement of financial condition of all program/plan implementation elements prepared in accordance with N.C.G.S. 159-25. Quarterly Financial Condition Report shall apply for all quarters but shall also be incorporated elements into the Enhanced Quarter-2 and Annual Reports.

- 9.04 At the time of the submittal of the Enhanced Quarter-2 reports, each agency that has a project funded in that fiscal year through the annual work program shall also submit an update of projects including project milestones and timelines and transit operations. The format of the Enhanced Quarter-2 Report and Quarterly Financial Condition Report shall be agreed upon by the Parties of this agreement by September 1, 2023.

Article X

Agreement Related Dispute Resolution

It is the desire and intent of the Parties to resolve any disputes in a collaborative manner and to avoid, if possible, the expense and delay of litigation. In the event that any Party cannot resolve an issue with another Party under this Agreement, the affected party shall engage in the following process:

- 10.01 Any Party may give written notice to another Party or Parties of any dispute not resolved in the ordinary course of business. Within ten (10) business days after delivery of the written notice by regular or electronic mail, the receiving Party(ies) shall submit a written response to the disputing Party and designate in the notice a representative who will represent that Party in the negotiation to resolve the dispute. If a third-party mediator is necessary, the Party providing initial written notice will indicate as such in the notice and seek confirmation/approval by the receiving parties in written response. It shall be the responsibility of the Party giving notice to cover any costs related to any third-party mediator once confirmed/approved by the receiving parties.
- 10.02 Within ten (10) business days of receiving the response, the appointees of the disputing and receiving Parties shall meet at a mutually acceptable time and place, and thereafter, as often as necessary to resolve the dispute.
- 10.03 All reasonable requests for information made by one Party to the other shall be honored in a timely fashion to permit constructive discussion.
- 10.04 The duty to engage in dispute resolution is a material part of this Agreement enforceable by equitable relief.
- 10.05 Upon failure to resolve a dispute through the steps outlined in this Agreement, any Party may engage in other dispute resolutions processes agreed upon by the Parties or pursue any legal or equitable remedies available.

Article XI

Non-Assignment

Delegation of Duty

- 11.01 No Party shall assign any portion of this Agreement or the rights and responsibilities hereunder to another person or entity who is not a party to this Agreement without the prior written consent of the other Parties. Notwithstanding the above, nothing herein shall restrict the rights of any party to contract with any third parties for the implementation of the Durham County Transit Annual Work Program as contemplated herein.

- 11.02 Except as expressly stated herein, this Agreement shall not change the delegation of any duty previously delegated to Party by federal law, state statute, local ordinance or resolution, and shall not create any new duty which does not exist under federal law, state statute, local ordinance or resolution.
- 11.03 Nothing herein shall modify, abridge, or deny any authority or discretion of Durham County with regard to calling for a special election as set forth in N.C.G.S. 163-287 or considering authorization to conduct a referendum by vote as set forth in N.C.G.S. Chapter 105, Article 43, Part 3.
- 11.04 Nothing herein shall modify, abridge, or deny any authority or discretion of any Party or municipality to independently develop, administer, or control transportation projects pursuant to enumerated authority or funding sources separate from the authority and funding sources outlined in this Agreement.

Article XII

Other Provisions

- 12.01 No Third-Party Beneficiaries. This Agreement is not intended for the benefit of any third party. The rights and obligations contained herein belong exclusively to the Parties hereto and shall not confer any rights or remedies upon any person or entity other than the Parties hereto.
- 12.02 No Waiver of Qualified Immunity. No officer, agent or employee of any party shall be subject to any personal liability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities. This section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.
- 12.03 Ethics Provision. The Parties acknowledge and shall adhere to the requirements of N.C.G.S. 133-32, which prohibits the offer to, or acceptance by any state or local employees of any gift from anyone with a contract with the governmental entity or from a person seeking to do business with the governmental entity.
- 12.04 Governing Law, Venue. The Parties acknowledge that this Agreement shall be governed by the laws of the State of North Carolina. Venue for any disputes arising under this Agreement shall be in the courts of Durham County, North Carolina.
- 12.05 Entire Agreement. The terms and provisions herein contained constitute the entire agreement by and between the parties hereto and shall supersede all previous communications, representations or agreements, either oral or written between the Parties hereto with respect to the subject matter hereof.
- 12.06 Severability. If any provision of this Agreement shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this Agreement.
- 12.07 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original.
- 12.08 Verification of Work Authorization. The extent applicable, all parties and any subcontractors hired for purposes of fulfilling any obligations under this Agreement or any Operating

Agreement or Funding Agreement contemplated by this Agreement, will comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, "Verification of Work Authorization," and will provide documentation or sign affidavits or any other documents requested by either party demonstrating such compliance.

The Transit Governance Interlocal Agreement between Durham County, Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, and Research Triangle Regional Public Transportation Authority was _____ by the Durham County Board of Commissioners by a vote of _____ on _____, 20__.

ATTEST:

DURHAM COUNTY, NORTH CAROLINA

BY: _____

BY: _____

TITLE: _____

TITLE: Chairperson, Board of County Commissioners

The Transit Governance Interlocal Agreement between Durham County, Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, and Research Triangle Regional Public Transportation Authority was _____ by the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization Board by a vote of _____ on _____, _____.

ATTEST:

**DURHAM-CHAPEL HILL-CARRBORO
METROPOLITAN PLANNING ORGANIZATION**

BY: _____

BY: _____

TITLE: _____

TITLE: Chairperson, Durham-Chapel Hill-Carrboro Metropolitan Planning Organization Board

The Transit Governance Interlocal Agreement between Durham County, Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, and Research Triangle Regional Public Transportation Authority was _____ by the Research Triangle Regional Public Transportation Authority d/b/a GoTriangle by a vote of _____ on _____, _____.

ATTEST:

**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY D/B/A
GOTRIANGLE**

BY: _____

BY: _____

TITLE: _____

TITLE: Chairperson, Board of Trustees

Transit Governance
Interlocal Agreement
Between
Orange County
Durham-Chapel Hill-Carrboro Metropolitan Planning Organization
And
Research Triangle Regional Public Transportation Authority

This Interlocal Agreement (the "Agreement"), is entered into this ____ day of _____ 2022, by and between Orange County, North Carolina, a public body politic and corporate of the state of North Carolina (hereinafter "Orange County"), Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, a metropolitan planning organization (hereinafter "DCHC MPO" or "MPO") and Research Triangle Regional Public Transportation Authority d/b/a GoTriangle, a public body politic and corporate of the State of North Carolina; each individually referred to as a "Party" and collectively referred to herein as "the Parties";

Witnesseth:

Whereas, Orange County, DCHC MPO and GoTriangle, all of which have specific roles in the implementation of public transit in the Orange County area, have determined that it is in their best interest to coordinate public transit planning, funding, expansion and construction; and

Whereas, GoTriangle is a regional public transportation authority created in accordance with the provisions of N.C.G.S 160-603 *et seq.* by concurrent resolution of Durham, Orange and Wake counties and duly incorporated as a body corporate and politic and vested with the general powers set forth in N.C.G.S. Chapter 160A Article 26; and

Whereas, DCHC MPO is the Metropolitan Planning Organization for the Durham-Chapel Hill-Carrboro Urbanized Area, established pursuant to 23 U.S.C. 134 *et seq.* and recognized under the laws of North Carolina pursuant to N.C.G.S. 136-200.1; and

Whereas, Orange County is a body politic and corporate vested with the corporate powers set forth in N.C.G.S 153A-11; and

Whereas, GoTriangle, DCHC MPO and Orange County, among others, are parties to an agreement signed in 2016 titled "Agreement setting Forth the Mutual Understanding of the Parties as to the Scope and Content of the Financial Plan", which defined the creation of the Triangle Tax District; and

Whereas, GoTriangle serves as the regional public transportation authority that administers the Triangle Tax District pursuant to N.C.G.S 105-508; and

Whereas, the Parties to this Agreement, in collaboration with local partners and stakeholders, shall carry out the implementation of the Orange County Transit Multi-Year Vision Plan, which shall include an approved financial plan pursuant to N.C.G.S 105 -508.1; and

Whereas, the Parties pursuant to the authority of N.C.G.S. 160A-461 *et seq.* are authorized to enter into this Agreement and joint planning and implementation efforts in order to pursue the above stated goals.

Now Therefore, for and in consideration of the promises and covenants contained in this Agreement and the mutual benefits derived therefrom, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I

Purpose and Scope

- 1.01 **Purpose.** The purpose of this Agreement is to provide a plan of governance that will efficiently, effectively and equitably implement public transit services and projects as set forth in the Orange County Transit Multi-Year Vision Plan (see 2.038 for definition) and associated Orange County Transit Annual Work Programs (see 2.011 for definition). This Agreement will also guide updates and amendments to the Orange County Transit Multi-Year Vision Plan which include the planning, design, funding, implementation, and operation of transit services; reporting expectations; and resolution of issues.
- 1.02 **Scope.** The scope of this Agreement shall be the governance of the planning, financing, and implementation of the Orange County Transit Multi-Year Vision Plan, as it may be amended from time to time as provided for herein.
- 1.03 **Objective.** The objective of this Agreement is to create a governance structure to successfully meet the purposes of this agreement.

Article II

Definitions

- 2.01 "Annual Capital Budget" shall mean the upcoming year of the multi-year Capital Improvement Plan (CIP) which is enacted by adoption of the capital projects ordinance pursuant to N.C.G.S. Chapter 159. This budget shall include the allocation of financial resources to specific project sponsors for specific projects. Appropriations that are made pursuant to the Annual Capital Budget shall be budgeted to project elements such as, but not limited to, infrastructure projects or vehicle rolling stock (depreciable items) in a multi-year major fund such that funding does not revert to available capital fund balance at the end of the fiscal year.
- 2.02 "Annual Operating Budget" shall mean the upcoming year of the annual operating program, which is enacted by the adoption of the operating projects ordinance pursuant to N.C.G.S. Chapter 159. This budget shall include the allocation of financial resources to specific project sponsors for specific projects. Appropriations that are made pursuant to the Annual Operating Budget shall be budgeted to elements such as, but not limited to, elements to support the operations, maintenance, and administrative oversight of public transportation services and the overhead costs related to Tax District functions. The annual operating budget shall be budgeted

- by major fund. The annual operating budget shall also contain the annual administrative functions, the details of which shall be provided independently of operating costs associated with transit operating projects.
- 2.03 "Annual Orange Transit Report" shall mean a report that provides information regarding meeting strategic public transit objectives and includes the performance achieved, the strategies being followed, and performance targets and key milestones for capital projects and operating services.
- 2.04 "Annual Work Program Development Calendar" shall refer to the agreed upon schedule that is developed at the start of each fiscal year. This schedule outlines critical milestones for which elements supporting the Annual Work Program are to be developed, drafted, and coordinated for review and approval by the SWG, and presented as information to all governing boards that are parties to this agreement.
- 2.05 "Audited Financial Statements" shall refer to financial statements which have been audited by a Certified Public Accountant and for which an opinion has been expressed to meet US generally accepted accounting principles or principles adopted by Governmental Accounting Standards Board (GASB) and prepared in accordance with N.C.G.S. 159-34.
- 2.06 "Capital Funding Agreement" shall mean an agreement between agencies to provide funding supporting an Implementation Element for specified capital improvements. Any such agreement will include details of the capital improvements to be provided and detail expectations on Orange County Transit Annual Work Program resource funding, responsibilities, schedule, and performance and shall adhere to any and all standards outlined in the supporting Master Participation Agreement.
- 2.07 "Capital Projects" shall mean purchase of land or interests in land; purchase, construction or demolition of buildings or other physical facilities; purchase of services of architects, engineers, as well as other studies; site improvements or development necessary for the implementation of transit projects; purchase or installation of fixed or moveable equipment necessary for the installation and operation of transit services; rolling stock or vehicles as defined by the Federal Transit Administration; corridor and project planning studies; infrastructure projects; and information technology costs that result in a long-term asset.
- 2.08 "Capital Projects Ordinance" shall mean the annual financial ordinance budgeted for the Orange Transit major capital fund pursuant to N.C.G.S Chapter 159, tied to the multi-year Capital Improvement Plan, the Annual Capital Budget and planned capital project funding agreements that implement needed capital projects.
- 2.09 "Component Unit" or "Separate Component Unit" shall refer to a unit of local government within the Tax District if the primary entity has administrative responsibility for the budget adoption and operation and management of transit services provided by the unit. The primary entity shall report in its financial statements information about the relationship between any component unit(s) and the primary entity. The primary entity also is required to report Orange Transit Plan Revenues, including Dedicated Local Transit Funding Sources, expenditures and fund balance in columns separate from the primary entity's financial data in its annual audited statements.
- 2.10 "Annual Comprehensive Financial Report" ("ACFR") shall mean the report prepared by governmental entities that complies with the accounting regulations promulgated by the Governmental Accounting Standards Board (GASB).

- 2.11 "Orange County Transit Annual Work Program" or "Work Program" shall mean the comprehensive annual program for transit capital and operations presented by the SWG (see 2.034) which shall include all of the separate components of:
- a. Annual Operating Budget Ordinance. This shall be supplied for the Orange Transit major operating fund which will appropriate funds for the operation, administration, and implementation of projects identified in the Work Program as operating projects;
 - b. Annual Tax District administration budget for the Orange Transit major operating and capital fund;
 - c. Multi-Year Capital Improvement Plan (CIP) supplied for the Orange Transit major capital fund that clearly identifies specific projects, project sponsors responsible for undertaking those projects, project funding sources, and project expenditures. (NOTE: The Multi-year CIP shall be updated annually to coincide with the annual capital budget always being the first year of appropriation of funding for capital projects identified in the CIP. The Multi-year CIP shall be coordinated with the Metropolitan Transportation Plan, Transportation Improvement Program, and annual program of projects developed and maintained by the DCHC MPO designated recipient of federal formula transit grants so as to be consistent with submittal deadlines for the Transportation Improvement Program and the horizon years of the Metropolitan Transportation Plan.);
 - d. Annual Capital Budget Ordinance supplied for the Orange Transit major capital fund that allocates financial resources to specific project sponsors for specific projects and represents the current year of appropriation of funding for capital projects identified in the Multi-Year CIP;
 - e. Annual Operating Program (as defined *supra.*);
 - f. Adjustment of the Current Orange Transit Financial Plan and financial model assumptions and corresponding update of the planning horizon of Orange County Transit Multi-Year Vision Plan future projects not included in the current Multi-year CIP. The Parties shall use good faith efforts to align planning horizon year with the horizon year of the current DCHC MPO MTP. The Financial Model shall contain agreed upon financial assumptions of the SWG (and supporting subcommittees as designated) for the Orange County Transit Annual Work Program revenues involving federal, state and local sources and multi-year capital and operating costs including liquidity targets and debt ratios relevant to rating agency metrics;
 - g. Multi-year Capital Funding Agreements or Master Agreements; and
 - h. Multi-year Operating Agreements or Master Agreements.
- 2.12 "Dedicated Local Transit Funding Sources" shall be defined as all revenues derived from transit funding sources in support of the Orange County Transit Multi-Year Vision Plan, which shall include, but not limited to (for potential future need):
- a. Article 43 Half-Cent (0.5 percent) Sales and Use Tax. This is the ½ percent local option sales and use tax as defined by N.C.G.S 105-508;
 - b. Article 51 Three-Dollar (\$3) increase to GoTriangle Regional Vehicle Registration Fee. This is the increased portion of the regional vehicle registration fee assessed by GoTriangle in accordance with N.C.G.S 105-561 *et seq.* allocated to Orange County;

- c. Article 52 Seven-Dollar (\$7) County Vehicle Registration Fee. This is the County vehicle registration fee assessed by the Orange County Board of Commissioners in accordance with N.C.G.S 105-570 *et seq.*; and
 - d. Vehicle Rental Tax. Any portion of vehicle rental tax collected by GoTriangle pursuant to N.C.G.S. 105-550 *et seq.* that is allocated to Orange County by the GoTriangle Board of Trustees. Future allocations of the Vehicle Rental Tax ~~after FY23 post-execution of this agreement~~ shall be subject to the sole discretion of the GoTriangle Board of Trustees approval.
- 2.13 "Orange County Transit Plan Revenue" shall mean Dedicated Local Transit Funding Sources, any federal or state funds allocated by a designated recipient, debt proceeds, fares, local contributions, and any other sources of revenue used to fund the Orange County Transit Multi-Year Vision Plan
- 2.14 "Equitable Use of Net Proceeds Within or To Benefit the Special District" as that term is used in N.C.G.S. 105-508.1 shall mean:
- a. The revenues collected in Orange County must be spent for the benefit of that County. That does not mean they have to be spent in the County.
 - b. For Cross-County projects, rates that are negotiated on some agreed upon periodic basis by the counties are by definition equitable
- 2.15 "Financial Model" shall mean a long-term financial planning model, that projects revenues and expenditures and includes all Dedicated Local Transit Funding Sources, as well as additional projected sources for projects and planned uses of funds as necessary for both capital projects and operating expenses, and is used to evaluate the impact of operating and funding decisions on the Orange Transit major operating and capital funds' financial condition to ensure the Orange County Transit Multi-Year Vision Plan's policies and objectives are maintained in the long-term, including liquidity targets and debt ratios relevant to rating agency metrics. Only Orange County Transit Plan Revenue, including Dedicated Local Transit Revenues, and expenditures of projects in support of the Orange County Transit Multi-Year Vision Plan shall be included in the Financial Model.
- 2.16 " Financial Plan" as that term is used in N.C.G.S. 105-508.1(2) shall mean:
- a. The Financial Plan requiring approval shall mean the Plan Implementation and Finance components of the most current Orange County Transit Multi-Year Vision Plan as supported by the details of the Orange County Transit Multi-Year Vision Plan and modeled in the associated Financial Model. Approval authority over the Financial Plan by the parties to this agreement only applies to the Dedicated Local Transit Funding Sources. Any other funding sources comprising the Financial Plan should be provided by appropriate project sponsors (as approved by their governing body) during the Annual Work Program and/or Multi-Year Vision Plan development processes.
 - b. **If now or in the future the Special District consists of Orange County and one or more other counties**, the Financial Plan shall only include funds that would be budgeted and reported in the Orange Transit major operating and capital funds, provided that financial plans for other counties in the District, if any, have previously been approved by those counties.
- 2.17 "Financial Statements" shall mean the statement of financial condition prepared in accordance with N.C.G.S 159 -25.

- 2.18 "GASB" shall mean the Governmental Accounting Standards Board (GASB) which establishes standards and principles for state and local governmental accounting and financial reporting.
- 2.19 "Implementation Element" shall mean a discrete project, operation or study or a discrete logical grouping of projects, operations or studies tracked separately by the Orange County Transit Annual Work Program.
- 2.20 Local Government Commission ("LGC") is established by N.C.G.S. 159-3 and provides assistance to local governments and public authorities in North Carolina. It is staffed by the Department of State Treasurer and approves the issuance of debt for all units of local government and assists those units with fiscal management.
- 2.21 "Major Fund" shall be, as defined by the GASB, a fund that is reported in a separated column in the basic fund financial statements and is subject to a separate audit opinion in the independent auditor's report. As defined, the Tax District shall report at a minimum major fund for the Orange Transit Work Plan Operating Funds and a major fund for the Orange Transit Work Plan Capital Funds.
- 2.22 "Master Agreement" shall mean an Operating or Capital Funding agreement that encompasses a discrete logical grouping of capital projects, transit operations or studies.
- 2.23 "Enhanced Quarter-2 Report" shall mean a report delivered approximately 6 months into the year of current work program implementation that provides information regarding progress toward strategic objectives outlined in the Orange County Transit Annual Work Program and includes the performance achieved, the strategies being followed, and performance targets and key milestones for Capital Projects and operating services identified in the Orange County Transit Annual Work Program.
- 2.24 "Multi-Year Capital Improvement Plan" ("CIP") shall mean a multi-year document that identifies by year projected capital projects, project sponsors responsible for undertaking these projects, the financial costs and anticipated sources of funding for those projects, and identifies any projected operating costs associated with those projects. The CIP shall be coordinated with the Metropolitan Transportation Plan, Transportation Improvement Program, and annual program of projects developed and maintained by the DCHC MPO as designated recipient of federal formula transit grants so as to be consistent with submittal deadlines for the Transportation Improvement Program and the horizon years of the Metropolitan Transportation Plan.
- 2.25 "Annual Operating Program" shall mean the annual document describing transit operating programs, which could include the development of local bus, express bus, Bus Rapid Transit, Commuter Rail Transit, or other public transportation-type services not specifically highlighted here to be funded by the Tax District. It will describe service changes planned for the year and preliminary service proposals and financial projection for the subsequent years. A detailed report on the status of each bus and rail route shall also be included, along with performance objectives for the coming year. The document shall also describe administrative, planning, marketing, or other functions that are not directly accounted for in specific infrastructure project delivery or allocated to service delivery, but which are essential to the implementation of the Transit Plan.
- 2.26 "Multi-Year Service Implementation Plan" shall mean a document or documents that detail how transit services will be modified, to include expansion and reduction, operated and maintained over a specific number of years. The plan(s) shall detail timing and schedule, justifications for implementation decisions, and public involvement steps. . Different transit operators may have

- different plans for implementation, but the different plans must be coordinated with each other particularly with respect to anticipated funding and public outreach.
- 2.27 "Non-Orange County Revenues" shall mean all revenues collected on behalf of member counties other than Orange County within the Tax District or Special District that are derived from transit funding sources associated with counties other than Orange County.
- 2.28 "Operating Agreement" shall mean an agreement between an agency tasked to provide an Implementation Element, the Tax District and other agencies as needed, or an operating plan if the Implementation Element is to be provided by the Agency. The agreement shall state the details of the service to be provided and detail expectations on funding, responsibilities, schedule, and performance. The agreement shall adhere to any/all standards outlined in the supporting Master Participation Agreement.
- 2.29 "Operating Budget Ordinance" shall mean the annual financial ordinance budgeted for the Orange Transit major operating fund pursuant N.C.G.S. Chapter 159, tied to Operating Agreements, that includes funds for the operations identified in the Orange Transit Work Plan, allocations for reserves, and transfers to other such funds such as other Orange Transit major funds identified by the Component Unit. The Operating Budget Ordinance shall include the general administrative and maintenance expenses of the unit separate from the Project Operating Funds.
- 2.30 "Operating Funds" shall mean funds appropriated in the annual operating budget for the administration, operation and maintenance of the transit system.
- 2.31 "Operating Fund Balance" shall mean the reported amounts restricted by enabling legislation for the Orange Transit major operating fund, presented in the basic financial statements, and disclosed in the notes to the Financial Statements as required under generally accepted accounting standards.
- 2.32 "Project Operating Funds" shall mean funds appropriated in the annual Operating Budget Ordinance to support the operation of projects identified in the Orange County Transit Annual Work Program.
- 2.33 "Quarterly Financial Reports" shall mean the quarterly statement of financial condition prepared in accordance with N.C.G.S. 159-25.
- 2.34 "Special District" shall mean any tax district administered by GoTriangle pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.* or N.C.G.S 105-561 *et seq.* to which Orange County is a member, now or in the future.
- 2.35 "Staff Working Group" or "SWG" shall mean a committee created by this Agreement for the purposes enumerated and as defined in Article III herein. The SWG is jointly charged by all parties to this Agreement with coordinating planning and implementation aspects of the Orange County Transit Annual Work Program (as defined in 2.011), as well as facilitating elements of the Orange County Transit Multi-Year Vision Plan (as defined in 2.038) and serving in an advisory role to the Orange County Board of Commissioners, DCHC MPO Executive Board, and GoTriangle Board of Trustees.
- 2.36 "Supplantation" shall mean the opportunity for parties to this agreement to use certain funding sources to replace existing funds or other resources for public transportation systems.
- a. Local Funding Source that allows supplantation: the County Vehicle Registration Tax (N.C.G.S 105-570) which is levied at its maximum amount of \$7.00 per year;
 - b. Local Funding Sources that do not allow supplantation:

- i. Local Government Sales and Use Taxes for Public Transportation (N.C.G.S. 105-506:514) which is levied at its maximum allowable rate of one half percent (*non-supplantation cited in N.C.G.S 105- 507.3.b*);
 - ii. Regional Transit Authority Registration Tax (N.C.G.S. 105-560:569) which is levied at its maximum amount of \$8.00 per year with \$3.00 of each \$8.00 collected allocated locally to Orange County (*non-supplantation cited in N.C.G.S. 105-564*).
- 2.37 "Tax District" shall mean any tax district administered by GoTriangle pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.* or N.C.G.S 105-561 *et seq.* to which Orange County is a member, now or in the future.
- 2.38 "Transit Plan," or "Multi-Year Vision Plan," shall mean the comprehensive multi-year vision plan for transit operating and capital needs over a period of time of at least 4 years, through coordination with the DCHC-MPO Metropolitan Transportation Plan adoption process and shall also be prepared by the SWG for approval by appropriate governing boards, which shall include all the separate components of:
 - a. Multi-year Capital Improvement Plan
 - b. Annual Operating Program, or Multi-Year Service Implementation Plan, which shall include assumptions for administrative staff needs to support plan implementation efforts across the period of time defined by the Transit Plan
 - c. Financial Plan (as defined in section 2.016)
 - d. Update of the Financial Model Assumptions (if applicable)
- 2.39 "Triangle Tax District" shall mean the tax district, also referred to as the Special District Created by GoTriangle on or about May 25, 2016 pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.*

Nothing herein shall prevent Orange County from entering a mutually negotiated Cost Sharing Agreement with other jurisdictions for any regional transit projects or systems so long as they are detailed in the Multi-Year Vision Plan.

Article III

Staff Working Group (" SWG")

- 3.01 SWG Established. The Parties hereby establish the Orange County Staff Working Group (" SWG"). Pursuant to the authority set forth in this Agreement, the SWG shall coordinate planning and oversee the implementation of the Annual Work Program, as well as facilitate development of elements for the Multi-Year Vision Plan. It shall also serve in an advisory role to the Orange County Board of Commissioners, DCHC MPO Board and GoTriangle Board of Trustees.
- 3.02 Membership, Organization and Objectives.
 - a. Initial Membership. The initial membership of the SWG shall be comprised in two categories - voting & non-voting.
 - i. Voting members: two (2) staff members shall be appointed by each of the ILA Parties ("ILA Party Members;" each party should consider a planning/administrative representative as well as a finance representative) ; two (2) staff members shall be appointed by the Town of Chapel Hill (one general

representing the Town; the other representing Chapel Hill Transit); and one (1) staff member appointed by each of the following, the Town of Carrboro, Town of Hillsborough and the City of Mebane.

- ii. Non-Voting members: each party shall appoint one (1) staff member appointed from the following organizations to advise County Transit Plan Implementation efforts. These organizations are : Triangle-J Council of Governments, and University of North Carolina, Chapel Hill
 - b. Voting Structure for Initial Membership. When a vote is called by the chair on any issue, each ILA Party Member, as well as the Town of Chapel Hill, shall have two (2) votes; the Town of Carrboro, Town of Hillsborough, and City of Mebane shall have one (1) vote.
 - c. Regular Membership. The meeting of the SWG shall be called by the SWG Administrator by way of the DCHC MPO within fifteen (15) days of the execution of this Agreement. The meeting shall abide by rules set forth in this agreement. A Chair and Vice-Chair shall be elected by the voting members at this initial meeting. Prior to June 30, 2023, the SWG should finalize and approve rules, agencies and expectations for regular membership and organizational function. The initial members of the SWG should take into consideration various required skill sets, specifically in local planning, budgeting, finance, project construction and operations.
 - d. Operational Rules of SWG. By June 30, 2023, the members of the SWG shall, consistent with the responsibilities outlined in Section 3.03 and the flexibilities outlined in 3.04, submit to the Orange County Board of Commissioners, DCHC MPO Board and GoTriangle Board of Trustees for
 - i. Approval: 1) bylaws including the provisions of Section 3.05; 2) rules dictating the composition, organization and function of the SWG; 3) rules dictating amendment procedure for both the Annual Work Program and Multi-Year Vision Plan; and
 - ii. Review as information through appropriate timeframe cycles 1) a meeting schedule; 2) a list of deadlines for the submittals defined herein; and 3) identification of the Party to serve as the lead agency for each of the responsibilities enumerated in Section 3.03.
 - e. The SWG, which serves as an administrative and advisory arm to the parties of this agreement, shall adhere to public meeting laws as outlined in N.C.G.S. 143-318.9:18 (Article 33 of Chapter 143, "Meetings of Public Bodies").
 - f. Timeliness. The SWG shall develop processes and procedures to allow decision to be made in a timely manner. Duties not specifically denoted under Section 3.03 may be delegated to other groups. The designation and delegation of these duties shall be approved by the appropriate governing boards based on plan elements' (i.e., Annual Work Program or the Multi--Year Vision Plan) impacts and shall include the governing boards that represent the parties to this agreement.
- 3.03 Responsibilities. The SWG shall be charged with the development or delegation to a Party as a lead agency of the following:
- a. Annual Work Program, including all the separate elements defined in Section 2.011
 - b. a Multi-Year Vision Plan;

- c. Templates containing minimum standards for project and financial reports (first version by June 30, 2023)
 - d. Designation of project sponsors (agencies responsible for each respective capital and operating project), including agencies responsible for each Implementation Element;
 - e. A strategy for each Implementation Element or agreement, which shall include scope, geography, estimated budget, sponsoring agency/jurisdiction, purpose and goals; and
 - f. An articulated strategy for incorporating or account for public outreach, involvement, and communication with the deliverables set forth in a, b, d and e.
- 3.04 Assignment. The SWG may, by vote or by other mechanism allowed in its bylaws, assign the creation and maintenance of certain documents for which it is responsible to Parties or SWG members. However, the SWG shall not delegate its responsibility to review and present documents and products which are defined in Section 3.03 as SWG responsibilities. All documents related to the duties of Section 3.03 produced on behalf of the SWG must be reviewed and formally approved, by SWG prior to release.
- 3.05 Minimum Quorum and Voting. The Parties to this Agreement agree that the SWG deliberation process must allow decisions to be made in an efficient and timely manner. A quorum shall be when 7 of 11 SWG members appointed by the Parties to this Agreement are present for a SWG meeting.
- 3.06 Right to Inspect. All Parties to this Agreement, or their authorized representative(s), shall have the right to inspect, examine, and make copies of any and all books, records, electronic files, agreements, minutes, and other writings and work products related to the operation and day to day business of the SWG.
- 3.07 Staff Working Group Lead Agency Determination. Any party to this Agreement shall be responsible for hosting, convening and administering (serving as the 'Lead Agency') the Staff Working Group (SWG) and hosting the role of the Staff Working Group Administrator, which is a critical role to facilitate program development and plan implementation. The parties to this Agreement shall determine SWG Administration Lead Agency by June 30, 2023 and shall be reevaluated with each multi-year vision plan update process. DCHC MPO shall continue to serve as the SWG Administrator upon execution of this agreement through the aforementioned deadline. Lead Agency assignment for SWG Administration shall be recommended by the SWG to all three governing boards represented through this Agreement for approval.

Article IV

Term, Termination, Amendment

- 4.01 Term.
- a. Effective Date. This Agreement shall become effective upon the properly authorized execution of the Agreement by all Parties.
 - b. This Agreement shall continue for a period of seventeen (17) years from the Effective Date, unless otherwise amended by the prior express written agreement of the Parties. This term aligns with horizon year of the current County Transit Multi-year Vision Plan at the time of execution of this Agreement.
 - c. Any amendment, termination, or renewal of the Term must be in the form of a written instrument properly authorized and executed by the governing boards of each Party.

- d. The Parties agree that the Term shall be extended by mandatory amendment though the final maturity dates of any debt issued and payable from Orange County Transit Tax Revenues seventeen (17) year initial term.

4.02 Termination.

- a. **Material Breach.** If any Party violates a responsibility, duty, or assumption stated in Article V, the other Party(ies) shall give written notice of the breach and request to cure. If such breach is not cured within thirty (30) days of written notice thereof, any non-breaching Party may, without further notice or demand, in addition to all other rights and remedies provided in this Agreement, at law or in equity, terminate this Agreement and recover any damages to which it is entitled because of said breach. In the event of a non-material breach of the Agreement, the termination procedure set forth in 4.02(b) shall apply.
- b. **Termination upon one (1) year's notice.** Any Party may terminate its participation in this Agreement with or without breach by giving written notice to each other Party of intent to terminate, as well as reasons for terminating (which shall be in the sole discretion of the terminating party), at least one (1) year prior to the effective termination date.
- c. **Bankruptcy/Insolvency Special Provisions.** If any Party applies for or consents to the appointment of a receiver, trustee or similar officer for it or any substantial part of its property or assets, or any such appointment is made without such application or consent by such Party and remains discharged for sixty (60) days, or files a petition in bankruptcy or makes a general assignment for the benefit of creditors, then such action shall constitute a material breach of this Agreement not requiring notice and opportunity to cure and the other Party(ies) may terminate effective immediately.
- d. **Cooperation Provisions.** In the event of termination pursuant to any subsection hereunder, the terminating Party shall not be relieved of any existing and underperformed obligations up until the effective date of termination, and the Agreement shall remain in effect as to the non-withdrawing Parties. The non- withdrawing Parties, beginning at the time of notice of termination is received, shall work together in good faith to determine if the intent and purpose of the Agreement can be accomplished by executing any Amendments deemed necessary and/or adding any parties deemed necessary to perform the executory obligations of the withdrawing Party.
- e. **Non-Exclusive Remedies.** No remedy provided in this Agreement shall be considered exclusive of any other remedy in law or in equity.
- f. **Repeal and Dissolution.** Nothing herein shall be construed to restrict Orange County's ability to repeal any transit tax previously enacted and consideration will be given by the County to any transit taxes levied in support of debt service in support of the Orange County Transit Annual Work Program. Nothing herein shall be construed to restrict Orange County's ability to request dissolution of the special tax district in accordance with N.C.G.S. 105-509.1 and N.C.G.S. 105-473(a).
- g. **Notice.** Any written or electronic notice required by this section shall be delivered to the Parties at the following addresses:

For Orange County:

With a copy to

For DCHC-MPO:

With a copy to

For GoTriangle :

With a copy to

4.03 Amendment. If any Party desires to amend the Agreement, then the proposed amendment and the reasons for the proposed amendment shall be communicated in writing to the other Parties. If the Parties agree to the proposed amendment, then the amendment shall be affected by entering a written amendment to the Agreement. An amendment that does not change the substantive or financial commitments of the Agreement may be executed by the Orange County Manager, the DCHC-MPO Executive Director, and the GoTriangle Chief Executive Officer. Any other amendment to the terms of this Agreement to be effective must be in the form of a written instrument properly authorized and executed by the governing boards of each Party to this Agreement.

Article V

Responsibilities, Financial Duties and Assumptions of the Parties

The responsibilities of the Parties are as follows:

- 5.01 Orange County shall carry out its legal, contractual, fiscal, and fiduciary duties as government as follows:
- a. Shall provide staff to serve on the SWG;
 - b. Shall enter into Capital Funding Agreements and Operating Funding Agreements to study, plan, and construct public transit infrastructure capital Implementation Elements

for which Orange County is a designated project sponsor and/or providing funding in-part or wholly and to deliver such Implementation Elements as identified within the Orange Transit Annual Work Program and or the Orange Transit Multi-Year Vision Plan;

- c. Shall provide required financial and status reports on Implementation Elements for which Orange County is providing funding in-part or wholly (i.e., serving as a project sponsor);
- d. Shall coordinate approval of the components of the Annual Work Program identified in Section 2.011 by the Orange County Board of Commissioners;
- e. Shall coordinate, as needed, to review documents, as defined in Article II or in subsequently developed policies & procedures that support transit plan implementation, and recommend for approval by the Orange County Board of Commissioners when necessary;
- f. Shall coordinate approval of the Multi-Year Vision Plan identified in Section 2.038 by the Orange County Board of Commissioners;
- g. Comply with N.C.G.S. 143-6A-4, the "Iran Divestment Act Certification";
- h. Perform other any other actions consistent with the powers and duties set forth in N.C.G.S. Chapter 153A and N.C.G.S 105-561 *et seq.*; and
- i. To the extent applicable, shall comply with 23 U.S.C. 134, 49, U.S.C. Chapter 53, and N.C.G.S. Chapter 136;

5.02 DCHC-MPO shall carry out its legal, contractual, fiscal, and fiduciary duties as the Metropolitan Planning Organization as follows:

- a. Shall coordinate/align Dedicated Local Transit Funding sources with other transportation investments and state and federal funding;
- b. Shall provide staff to serve on the SWG
- c. Shall enter into Operating and Capital Funding Agreements, for which the DCHC MPO is a party to, to study and plan public transit Capital Projects and deliver Implementation Elements as identified within the Orange County Transit Annual Work Program;
- d. Shall provide required financial and status reports on Implementation Elements for which DCHC MPO is responsible (i.e., serving as a project sponsor) that are funded in-part or wholly by the Tax District;
- e. Shall serve as the coordinating agency between the Parties, N.C. Department of Transportation, and federal agencies including but not limited to the Federal Highway Administration, the Federal Transit Administration, and the Federal Railroad Administration when coordination of regional need is deemed necessary by the SWG;
- f. Shall coordinate, as needed, to review and approve documents, as defined in Article II or in subsequently developed policies & procedures that support transit plan implementation, by the DCHC-MPO Executive Board;
- g. Shall coordinate approval of the Multi-Year Vision Plan by the DCHC-MPO Executive Board;
- h. Shall identify projects using federal transit funding and ensure that the multi -year operating program, the Annual Operating and Capital Budgets including such projects are coordinated with the MPO's annual planning for projects process and Transportation Improvement Program;
- i. Shall comply with N.C.G.S. 143-6A-4, the "Iran Divestment Act Certification";

- j. When applicable and appropriate, shall apply for, secure, and direct reasonably available funding toward components of the Orange County Transit Annual Work Program consistent with its other responsibilities within the MPO;
- k. Shall program and administer funding, including but not limited to grant funding, and perform all required duties to apply for, coordinate, and align transit funding if applicable and appropriate, with other transportation investment and state and federal funding; and
- l. Shall perform any other actions consistent with the powers and duties set forth in 23 U.S.C. 134 *et seq.*, 49 U.S.C. Chapter 53 and as recognized under the laws of North Carolina pursuant to N.C.G.S. Chapter 136.

5.03 _____ GoTriangle shall carry out its legal, contractual, fiscal and fiduciary duties as a unit of local government as follows:

- a. Shall administer and manage the Tax District, including carrying out its legal, contractual, fiscal and fiduciary duties;
- b. Shall comply with the responsibilities of a local government prescribed by the North Carolina Budget and Fiscal Control Act;
- c. Shall adhere to the Financial Plan as defined by this Agreement, and any amendments authorized thereto;
- d. Shall adhere to the Equitable Use of Net Proceeds within or to benefit the Special District as defined in this Agreement;
- e. Shall distribute the Financial Plan to each unit of local government within its jurisdiction in accordance with N.C.G.S. 105-508.1;
- f. Shall use or expend all Dedicated Local Funding Sources only as specifically budgeted in the approved Orange County Transit Annual Work Program;
- g. Shall not pledge, represent, appropriate, or covenant to appropriate any portion of the Dedicated Local Funding Sources to cover any debt service, encumbrances, or operating or other expenses that do not arise from the Orange County Transit Annual Work Program;
- h. Shall maintain adequate Operating Fund Balances and Capital Fund Balances in the Orange Transit major operating and capital funds per Financial Policies & Procedures and related guidelines mutually agreed to by SWG;
- i. Shall obtain approval from the Local Government Commission for all issuances of debt, certain capital leases, and other financial agreements as required by law;
- j. Shall not under the provisions of N.C.G.S. 160A-20, create any security interest in real or personal property funded by Orange Transit major operating and capital funds unless 100% of the proceeds of the related financing are for projects in the Orange County Transit Annual Work Program, unless such security interest and financing are approved by the Orange County Board of Commissioners;
- k. Shall ensure that any proceeds from the sale, transfer and disposition of property, or from insurance proceeds for projects funded by Orange Transit major operating and capital funds be used for Orange Transit projects in accordance with the Orange County Transit Annual Work Program, unless otherwise agreed to by Orange County;
- l. Shall include provisions in all applicable financing documentation to the effect that GoTriangle has entered into an Agreement prohibiting the use of Dedicated Local

- Funding Sources to fund debt service or other expenses that do not arise from the Orange County Transit Annual Work Program unless otherwise agreed to or approved by the Orange County Board of Commissioners or included in the Orange County Transit Annual Work Program or the Orange County Transit Multi-Year Vision Plan;
- m. Shall, in connection with the financing of capital facilities outside of Orange County, unless such financing is agreed to or approved by Orange County Board of Commissioners, include provisions in all applicable financing documentation to the effect that GoTriangle does not intend to pay debt service or fund operating expenses or other costs associated with such capital facilities or the operation thereof from Dedicated Local Transit Funding Sources and that GoTriangle has entered into an Agreement prohibiting the use of Dedicated Local Transit Funding Sources for such purpose;~~otherwise agreed to by Orange County or included in the Orange County Transit Annual Work Program, unless such financing is agreed to or approved by the Orange County Board of Commissioners, include provisions in all applicable financing documentation to the effect that GoTriangle does not intend to pay debt service or fund operating expenses or other costs associated with such capital facilities or the operation thereof from Dedicated Local Transit Funding Sources and that GoTriangle has entered into an Agreement prohibiting the use of Dedicated Local Transit Funding Sources for such purpose;~~
 - n. Shall maintain such books, records, and systems of accounts so that the expenditures of Dedicated Local Transit Funding Sources and Orange Transit Plan Revenue are accounted for as expended on the Orange County Transit Annual Work Program as budgeted and reported in the Orange Transit major operating and capital funds;
 - o. Shall provide any and all Financial Statements, accountings, reports, and information to SWG within thirty (30) days of request, and produce drafts of documents created on behalf of the SWG for review and feedback from SWG prior to GoTriangle's issuance, approval, and release of Comprehensive Annual Financial Reports, adopted budget documents, and applications for Grant Funding approval;
 - p. Shall not issue or authorize the issuance of any Preliminary Official Statement, Official Statement, or similar securities offering documents in connection with the financing of improvements by GoTriangle unless such document has previously been submitted to Orange County for review and comments regarding the nature of the security and sources of payment of the amounts due in connection with the financing;
 - q. Shall provide staff to serve on the SWG;
 - r. Shall enter into Operating or Capital Funding Agreements to study and plan public transit infrastructure Capital Projects and deliver Implementation Elements as identified within the Orange County Transit Annual Work Program;
 - s. Shall provide required financial and status reports on Implementation Elements for which GoTriangle is responsible (i.e., serving as project sponsor) that are funded in-part or wholly by the Tax District, and reported for the Orange Transit major operating and capital funds;
 - t. Shall annually review and approve required documents and perform any other actions consistent with the terms of this Agreement or powers authorized by a process to be established by SWG;
 - u. Shall coordinate approval of the components of the Orange County Transit Annual Work Program identified in Section 2.011 by the GoTriangle Board of Trustees;
 - v. Shall coordinate, as needed, to review and approve documents, as defined in Article II or in subsequently developed policies & procedures that support transit plan implementation, by the GoTriangle Board of Trustees;

- w. Shall coordinate approval of the Multi-Year Vision Plan by the GoTriangle Board of Trustees;

- x. Shall comply with N.C.G.S. 143-6A-4 regarding submissions or award of any bid or proposals to vendors, and contractors or subcontractors for any and all operating and project agreements;
- y. Perform other any other actions consistent with the powers and duties set forth in N.C.G.S. 160A, Article 26;
- z. Comply with N.C.G.S. 143-6A-4, the "Iran Divestment Act Certification"; and
- aa. To the extent applicable, shall comply with 23 U.S.C. 134, 49 U.S.C. Chapter 53, and N.C.G.S. Chapter 136.

Article VI

Roles of Transit Service Providing Entities and Non-Transit Service Providing Entities

- 6.01 Transit Service Providing Entities. The Parties contemplate that the Transit Service Providing Entities, meaning any municipality or agency that directly or through contract provides public transportation services in Orange County, including but not limited to Orange County, Town of Chapel Hill and GoTriangle (when functioning as a transit provider), may participate at a minimum as follows:
- a. Provide staff to serve on the SWG;
 - b. Enter into Master/Capital Funding Agreements and Master/Operating Agreements to deliver Implementation Elements as identified within the Orange County Transit Annual Work Program (which includes the approved annual budget);
 - c. Provide required financial and status reports on Implementation Elements funded in-part or wholly by the Tax District; and
 - d. Perform any other responsibility it agrees to undertake consistent with statutory authority and the terms of this Agreement.
- 6.02 Non-Transit Service Providing Entities. The Parties that the Non-Transit Service Providing Entities, meaning any entity located in Orange County that does not provide public transportation services, may participate, if and when invited through SWG membership, at a minimum as follows:
- a. Provide staff to serve on the SWG in a non-voting role;
 - b. Enter into Master/Capital Funding Agreements and Master/Operating Agreements to deliver Implementation Elements as identified within the Orange County Transit Annual Work Program if identified as a project sponsor'
 - c. Provide required financial and status reports on Implementation Elements funded in-part or wholly by the Tax District; and
 - d. Perform any other responsibility consistent with statutory authority and the terms of this Agreement.

Article VII

Process for Recommendation, Approval, and Development of Orange County Transit Annual Work Program and Operating and Capital Project Ordinances and Agreements

- 7.01 The Annual Work Program shall consist of the component documents outlined in Section 2.011. It shall be assembled and reviewed in accordance with the Annual Work Program Development Calendar
- 7.02 The SWG shall recommend the Annual Work Program to the Orange County Board of Commissioners and the GoTriangle Board of Trustees for approval in accordance with the Annual Work Program Development Calendar. The schedule shall allow each agency adequate time to review documentation. Each of the parties will receive the plan in the order identified in 7.03 & 7.05 and identify any concerns or issues prior to the commencement of the fiscal year covered by the plan. Included in the schedule shall be a procedure for the SWG to plan for and schedule elements of public outreach and involvement. At the time when the Orange County Board of Commissioners receives the recommended Annual Work Program, GoTriangle may also provide comments during the County's official business meeting processes. The SWG may present the Annual Work Program to the DCHC MPO for review and comment at an official MPO Board meeting if time/schedule allows.
- 7.03 Upon receipt of the draft Orange County Transit Annual Work Program, the Orange County Board of Commissioners, shall review it, and can take the following actions:
- a. Approve the Orange County Transit Annual Work Program as submitted;
 - b. Deny, while providing a list of minor issues, technical corrections or a specific listing of Significant Concerns with the Orange County Transit Annual Work Program.
- 7.04 If the Orange County Board of Commissioners denies the work program and creates a detailed listing of minor issues, technical corrections, or Significant Concerns for the recommended Orange County Transit Annual Work Program, Orange County staff shall coordinate with other SWG members to make corrections and then submit for a second review and recommendation of approval by the SWG. Upon recommendation of the SWG, the Orange County Board of Commissioners will then vote on the revised work program.
- 7.05 Upon approval action taken by the Orange County Board of Commissioners, GoTriangle will then receive for review and take one of the following actions:
- a. Approve the Orange County Transit Annual Work Program as recommended by the SWG and approved by the Orange County Board of Commissioners;
 - b. Deny, while providing a list of minor issues, technical corrections or a specific listing of Significant Concerns with the Orange County Transit Annual Work Program.
- 7.06 All parties in this Agreement, or their authorized representative, shall have the right to inspect, examine, and make copies of any and all books, accounts, invoices, records, electronic files, agreements, minutes, and other writings and work products related to the funding of Tax District operations or projects. The cost of any audit or review conducted under the authority of this Section is the responsibility of the Party requesting the audit or review unless a material breach is detected, in which case the breaching party shall be responsible for the reasonable costs of audit or review.
- 7.07 Implementation. An Operating or Capital Project Funding Agreement shall be consistent with the requirements outlined in the supporting Master Participation Agreement. Parties to this Interlocal Agreement shall endeavor to develop Master -level agreements with appropriate timeframes for each project sponsor seeking to implement operating or capital projects. These agreements must be prepared prior to distributing funds and starting the Project(s). All

Operating or Capital Project Funding Agreements shall have at least two signatories from appropriate parties and shall also adhere to the following:

- a. MPO Role with Managed Funding: If a project is covered by a master operating or capital funding agreement that involves federal or state funding that is otherwise under the distribution and program management responsibility of DCHC MPO, or regardless of funding source, constitutes a regionally significant project as defined in 23 CFR § 450.104, DCHC MPO shall be a party to the agreement.
- b. Tax District Administrator Role: The tax district administrator shall always be a party to each agreement.
- c. County Role: In addition to being a party to any agreement where the County serves as the project sponsor, the County shall be a party to each agreement where the tax district administrator is also the project sponsor.
- d. Agreement where a special case exists. Parties to an operating or capital project agreement shall be brought to the tax district administrator as a recommendation for review and approval by the SWG when a special case arises outside the three categories described in 7.08.a-c
- e. Standalone Agreement Need: When an operating or capital project of significant cost is programmed and approved, members of the SWG shall review and determine a significant-cost threshold that requires a standalone agreement to be developed and signed by all appropriate parties.

7.08 Interim Work Program. In the event a resolution cannot be met to address the list of issues or technical corrections upon a vote of denial from either party highlighted in 7.03 & 7.05, an interim work program will be utilized for the upcoming fiscal year, pursuant to N.C.G.S. 159-13, until such time as a new work program is adopted by the parties identified in 7.04 and 7.05. In the case that an interim budget goes into effect, the current year operating budget will be assumed for the upcoming fiscal year. No additional capital expenses will be approved, nor any additional reimbursements paid for capital projects, until such time that a new work program is adopted by the parties identified in 7.04 and 7.05. This interim budget does not require approval of either body in 7.04 or 7.05. In the event an Interim Work Program is enacted, and specialized fiscal analysis is required to further inform achieving a new Annual Work Program, the tax district administrator shall bring such request to the SWG for review & approval.

Article VIII

Process for Recommendation, Approval, and Development of Orange County Transit Multi-year Vision Plan

- 8.01 The Multi-year Vision Plan shall include the component documents outlined in Section 2.038. The plan shall be assembled and reviewed in accordance with the Annual Work Program Development Calendar or other agreed upon schedule based on timing and need for multi-year plan adoption.
- 8.02 The SWG shall recommend the Multi-Year Vision Plan to the Orange County Board of Commissioners, DCHC MPO Board and the GoTriangle Board of Trustees for approval in

accordance with the Annual Work Program Development Calendar or agreed upon schedule to meet the needs for the Multi-year plan adoption. The schedule shall allow each agency adequate time to review documentation, identify concerns and coordinate issues. Included in the schedule shall be a procedure for the SWG to plan for and schedule elements of public outreach and involvement.

- 8.03 Upon recommendation from the SWG, the Orange Transit Multi-year Vision Plan shall go before each governing board (Orange County Board of Commissioners, DCHC MPO Board and GoTriangle Board of Trustees) for review and the opportunity to take the following actions:
- a. Approve the Orange Transit Multi-year Vision Plan as recommended;
 - b. Deny, while providing a list of minor issues, technical corrections or a specific listing of Significant Concerns with the Orange Transit Multi-year Vision Plan.
- 8.04 If any of the three governing boards denies the Multi-Year Vision Plan and creates a detailed listing of minor issues, technical corrections, or Significant Concerns for the recommended Orange Transit Multi-Year Vision Plan, SWG staff members who represent the dissenting board shall communicate the issues to other staff representatives of the other governing board(s) and coordinate with other SWG members to revise the plan and then submit for an additional review and approval by all three governing boards.

Article IX

Process for Capital, Non-Capital, Infrastructure, and Service Delivery Projects Reporting

- 9.01 The Tax District shall be reported as a Component Unit and shall include the Orange Transit major operating and capital funds separate from any and all major funds and/or other special tax districts within the Tax District, in the body of annually audited financial statements as required by GASB standards for major funds reported by blended component units. As administrator of the Tax District, GoTriangle shall present an annually audited financial statement for the separate component unit by December 15th of the subsequent fiscal year to the Orange County Board of Commissioners, DCHC MPO Board, and GoTriangle Board of Trustees.
- 9.02 At the time of the presentation of the annually audited financial statements, GoTriangle shall present an update of the Orange County Transit Annual Work Program projects including project milestones and timelines and operations of the system. This presentation shall be considered an Annual Orange Transit Report.
- 9.03 GoTriangle, as administrator of the Tax District, shall issue the following to the parties of this agreement, as well as any associated project sponsors:
- a. Enhanced Quarter-2 Report for half-year period ending December 31st to the SWG for the Orange Transit major operating and capital funds. This Report will be due to the SWG Administrator by March 15th. The format of this report shall be agreed upon by the Parties to this Agreement by June 30, 2023.
 - b. Quarterly Financial Condition Report. This report will be due 45 days after the end of each quarter which provides statement of financial condition of all program/plan

implementation elements prepared in accordance with N.C.G.S. 159-25. Quarterly Financial Condition Report shall apply for all quarters but shall also be incorporated elements into the Enhanced Quarter-2 and Annual Reports.

- 9.04 At the time of the submittal of the Enhanced Quarter-2 reports, each agency that has a project funded in that fiscal year through the annual work program shall also submit an update of projects including project milestones and timelines and transit operations. The format of the Enhanced Quarter-2 Report and Quarterly Financial Condition Report shall be agreed upon by the Parties of this agreement by September 1, 2023.

Article X

Agreement Related Dispute Resolution

It is the desire and intent of the Parties to resolve any disputes in a collaborative manner and to avoid, if possible, the expense and delay of litigation. In the event that any Party cannot resolve an issue with another Party under this Agreement, the affected party shall engage in the following process:

- 10.01 Any Party may give written notice to another Party or Parties of any dispute not resolved in the ordinary course of business. Within ten (10) business days after delivery of the written notice by regular or electronic mail, the receiving Party(ies) shall submit a written response to the disputing Party and designate in the notice a representative who will represent that Party in the negotiation to resolve the dispute. If a third-party mediator is necessary, the Party providing initial written notice will indicate as such in the notice and seek confirmation/approval by the receiving parties in written response. It shall be the responsibility of the Party giving notice to cover any costs related to any third-party mediator once confirmed/approved by the receiving parties.
- 10.02 Within ten (10) business days of receiving the response, the appointees of the disputing and receiving Parties shall meet at a mutually acceptable time and place, and thereafter, as often as necessary to resolve the dispute.
- 10.03 All reasonable requests for information made by one Party to the other shall be honored in a timely fashion to permit constructive discussion.
- 10.04 The duty to engage in dispute resolution is a material part of this Agreement enforceable by equitable relief.
- 10.05 Upon failure to resolve a dispute through the steps outlined in this Agreement, any Party may engage in other dispute resolutions processes agreed upon by the Parties or pursue any legal or equitable remedies available.

Article XI

Non-Assignment

Delegation of Duty

- 11.01 No Party shall assign any portion of this Agreement or the rights and responsibilities hereunder to another person or entity who is not a party to this Agreement without the prior written

consent of the other Parties. Notwithstanding the above, nothing herein shall restrict the rights of any party to contract with any third parties for the implementation of the Orange County Transit Annual Work Program as contemplated herein.

- 11.02 Except as expressly stated herein, this Agreement shall not change the delegation of any duty previously delegated to Party by federal law, state statute, local ordinance or resolution, and shall not create any new duty which does not exist under federal law, state statute, local ordinance or resolution.
- 11.03 Nothing herein shall modify, abridge, or deny any authority or discretion of Orange County with regard to calling for a special election as set forth in N.C.G.S. 163-287 or considering authorization to conduct a referendum by vote as set forth in N.C.G.S. Chapter 105, Article 43, Part 3.
- 11.04 Nothing herein shall modify, abridge, or deny any authority or discretion of any Party or municipality to independently develop, administer, or control transportation projects pursuant to enumerated authority or funding sources separate from the authority and funding sources outlined in this Agreement.

Article XII

Other Provisions

- 12.01 No Third-Party Beneficiaries. This Agreement is not intended for the benefit of any third party. The rights and obligations contained herein belong exclusively to the Parties hereto and shall not confer any rights or remedies upon any person or entity other than the Parties hereto.
- 12.02 No Waiver of Qualified Immunity. No officer, agent or employee of any party shall be subject to any personal liability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities. This section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.
- 12.03 Ethics Provision. The Parties acknowledge and shall adhere to the requirements of N.C.G.S. 133-32, which prohibits the offer to, or acceptance by any state or local employees of any gift from anyone with a contract with the governmental entity or from a person seeking to do business with the governmental entity.
- 12.04 Governing Law, Venue. The Parties acknowledge that this Agreement shall be governed by the laws of the State of North Carolina. Venue for any disputes arising under this Agreement shall be in the courts of Orange County, North Carolina.
- 12.05 Entire Agreement. The terms and provisions herein contained constitute the entire agreement by and between the parties hereto and shall supersede all previous communications, representations or agreements, either oral or written between the Parties hereto with respect to the subject matter hereof.
- 12.05 Severability. If any provision of this Agreement shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this Agreement.

- 12.06 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original.
- 12.07 Verification of Work Authorization. The extent applicable, all parties and any subcontractors hired for purposes of fulfilling any obligations under this Agreement or any Operating Agreement or Funding Agreement contemplated by this Agreement, will comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, "Verification of Work Authorization," and will provide documentation or sign affidavits or any other documents requested by either party demonstrating such compliance.

The Transit Governance Interlocal Agreement between Orange County, Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, and Research Triangle Regional Public Transportation Authority was _____ by the Orange County Board of Commissioners by a vote of _____ on _____, 2022.

ATTEST: **ORANGE COUNTY, NORTH CAROLINA**
BY: _____ BY: _____
TITLE: _____ TITLE: Chairperson, Board of County Commissioners

The Transit Governance Interlocal Agreement between Orange County, Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, and Research Triangle Regional Public Transportation Authority was _____ by the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization Board by a vote of _____ on _____

ATTEST: **DURHAM-CHAPEL HILL-CARRBORO METROPOLITAN PLANNING ORGANIZATION**
BY: _____ BY: _____
TITLE: _____ TITLE: Chairperson, Durham-Chapel Hill-Carrboro Metropolitan Planning Organization Board

The Transit Governance Interlocal Agreement between Orange County, Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, and Research Triangle Regional Public Transportation Authority was _____ by the Research Triangle Regional Public Transportation Authority d/b/a GoTriangle by a vote of _____ on _____, _____

ATTEST: **RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY D/B/A GOTRIANGLE**
BY: _____ BY: _____
TITLE: _____ TITLE: Chairperson, Board of Trustees



ACFR & AUDIT OVERVIEW

Operations &
Finance
Committee

December 2022

Financial Highlights

Business Like Reporting

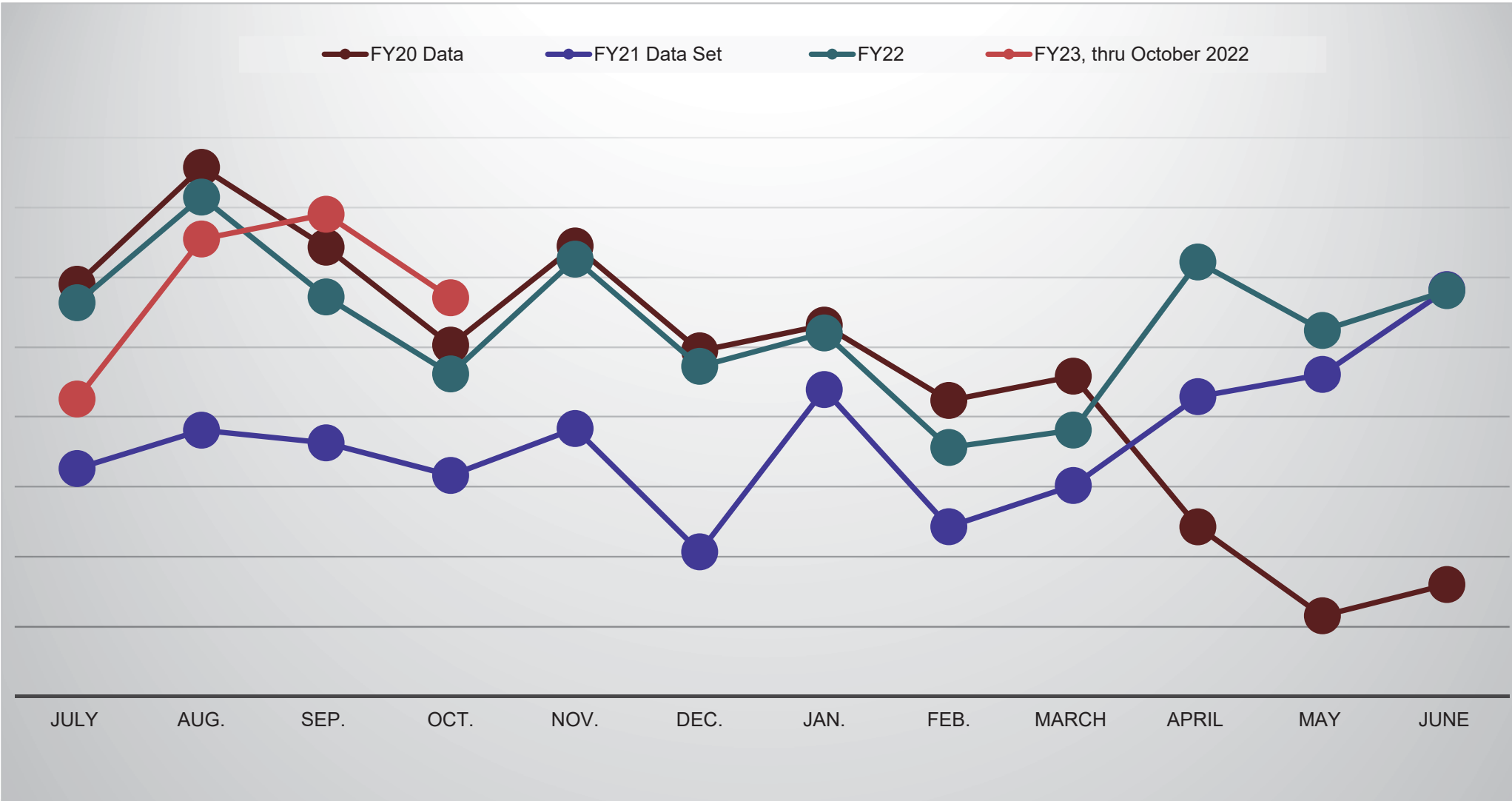
- Net Position (assets over liabilities) was \$699,230,770, which was \$110,802,190 more than the prior year
- Factors for the change were:
 - ✓ \$21,316,276 grant revenue recorded.
 - ✓ Wake Tax District net revenue \$72,753,239.
 - ✓ \$1,607,000 of older records were removed from Construction in Progress.

Financial Highlights

Vehicle Rental Tax

- FY20 total Rental Tax was \$11,144,224
- FY21 total Rental Tax was \$9,175,135
- FY22 total Rental Tax was \$13,415,999
Rebounding following the pandemic

Vehicle Rental Taxes

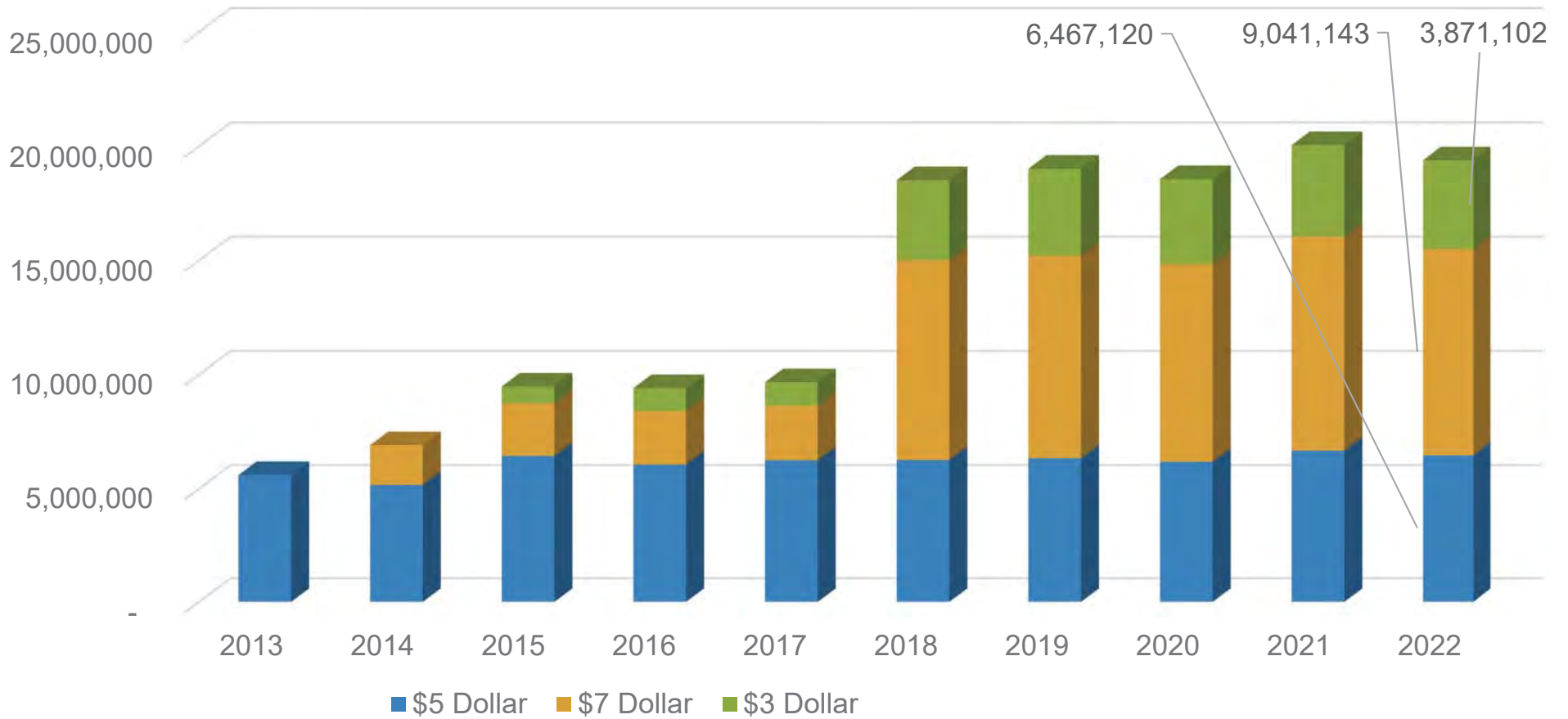


Financial Highlights

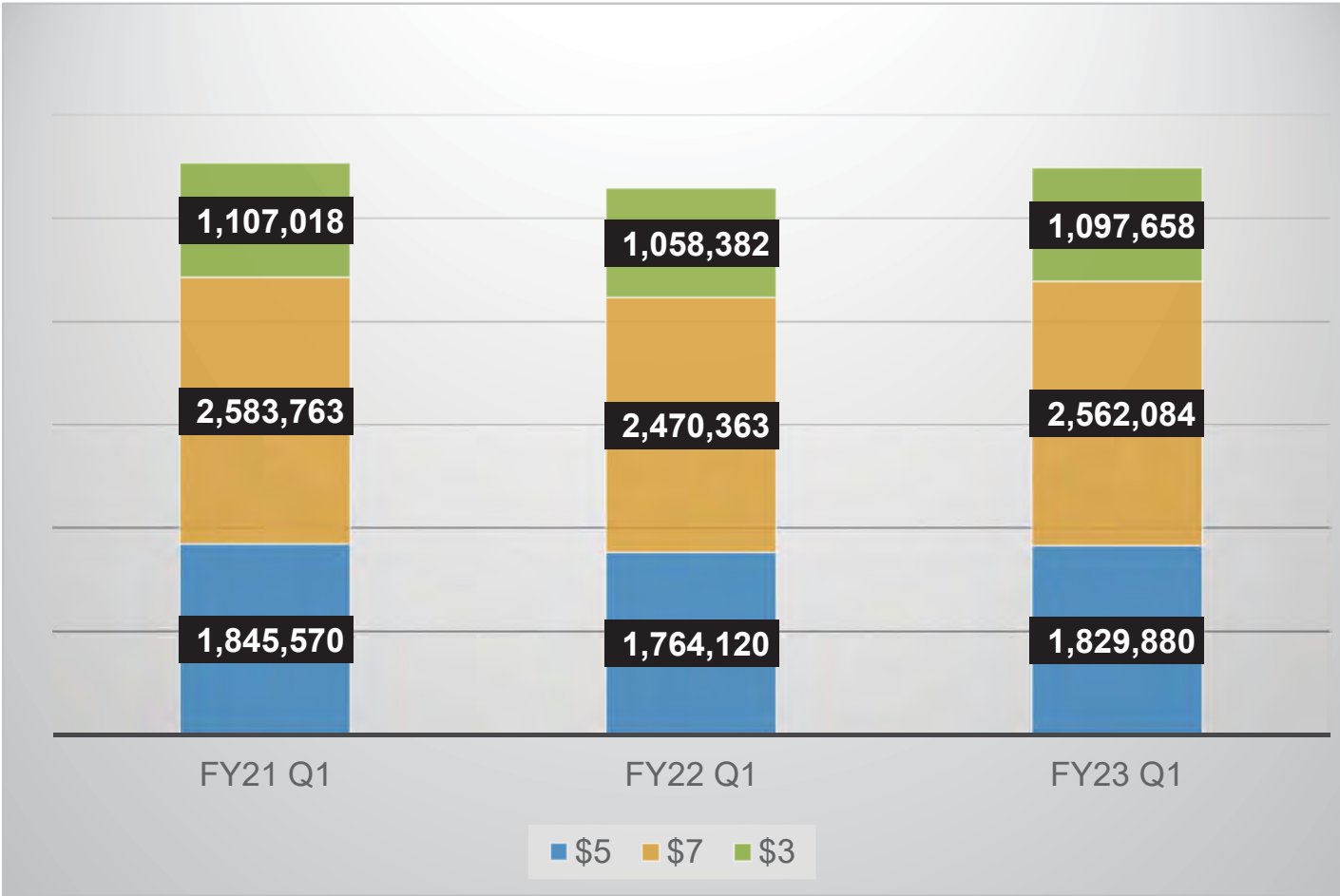
Vehicle Registration Tax, FY20 to FY22

	2020		2021		2022	
	\$7	\$3	\$7	\$3	\$7	\$3
Durham	1,606,864	688,626	1,737,085	744,444	1,678,607	719,398
Orange	755,181	323,646	818,895	350,958	786,250	336,979
Wake	6,300,203	2,699,127	6,803,069	2,914,392	6,576,286	2,814,725
GoTriangle, \$5	6,186,565		6,680,640		6,467,120	

Vehicle Registration Taxes



Vehicle Registration Tax, Q1. FY21 through Q1, FY23



Financial Highlights

Sales Tax – Durham County

- FY21 Durham County 1/2¢ Sales Tax revenue was \$34,066,667
- FY22 Durham County 1/2¢ Sales Tax revenue was \$40,301,373

Above are net of refunds made. Adjust for refunds, FY22 gross collections (county-wide) \$38,106,851 higher. 16.43% increase in collections. Refunds down by \$1,307,426.

Financial Highlights

Sales Tax - Orange County

- FY21 Orange County 1/2¢ Sales Tax revenue was \$8,532,844.
- FY22 Orange County 1/2¢ Sales Tax revenue was \$9,576,160.

FY22 includes \$1,573,779 increase in refunds made by NC DOR. Adjusted for refunds, gross collection growth was \$10,050,433, or 16.38%

Financial Highlights

Sales Tax – Wake County

- FY21 Wake County 1/2¢ Sales Tax revenue was \$104,047,069.
- FY22 Wake County 1/2¢ Sales Tax revenue was \$121,441,978.

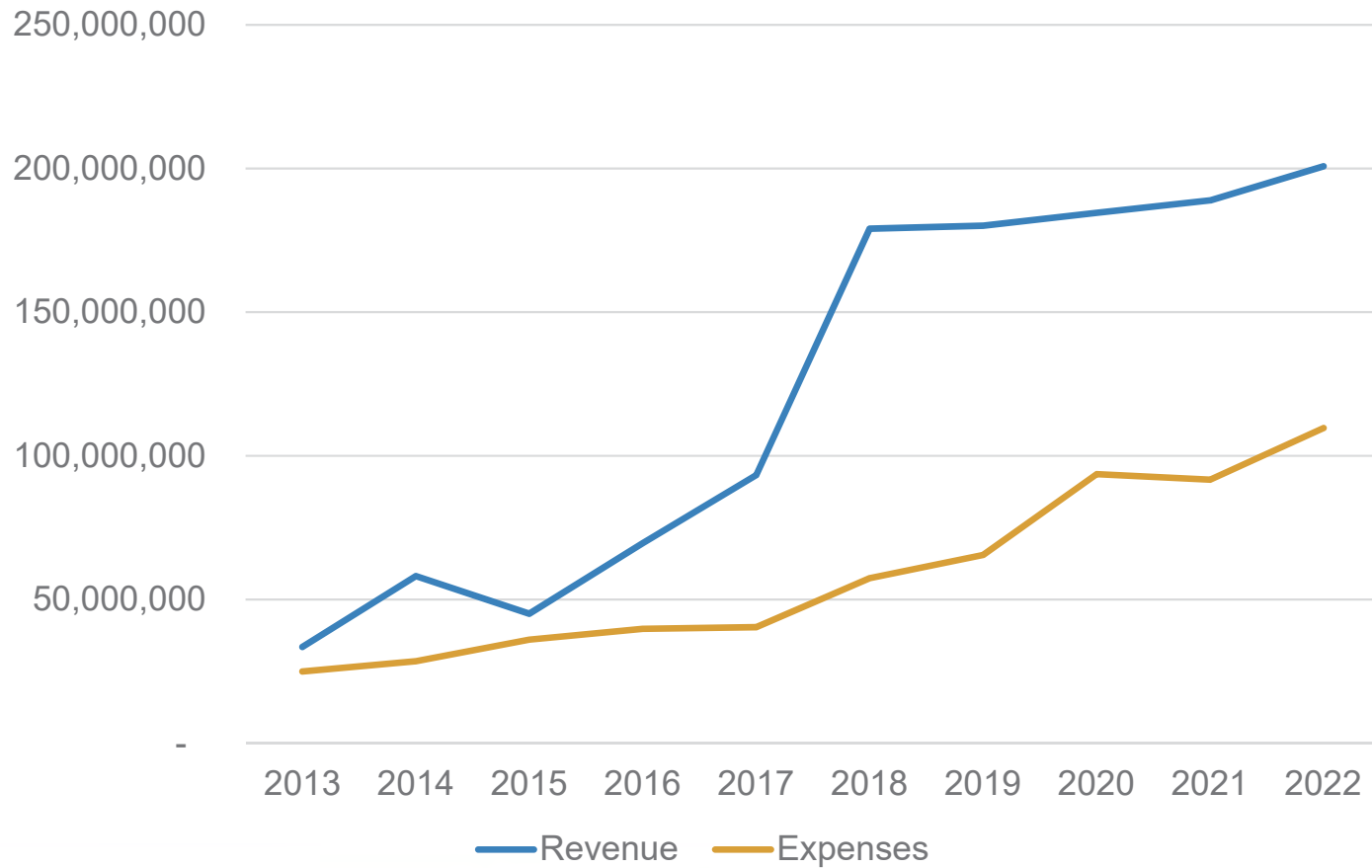
FY22 Wake County refunds increased by \$1,567,937.
Overall, gross collections are up \$42,659,200, or 7.03%

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 43,531,820	\$ 43,531,820	\$ 748,068	\$ 748,068	\$ 44,279,888	\$ 44,279,888
Buildings & Improvements	5,332,429	5,451,766	5,203,064	5,726,710	10,535,493	11,178,476
Equipment & Vehicles	1,532,998	613,788	13,583,677	14,210,840	15,116,675	14,824,628
Construction in Progress	16,959,972	14,454,238	-	-	16,959,972	14,454,238
Totals	\$ 67,357,219	\$ 64,051,612	\$ 19,534,809	\$ 20,685,618	\$ 86,892,028	\$ 84,737,230

Total GoTriangle Revenues and Expenses

includes Tax District and GoTriangle Funds



	Revenues	Expenses
2013	33,478,240	24,944,147
2014	58,116,880	28,539,875
2015	45,033,237	36,033,237
2016	69,582,144	39,817,604
2017	93,290,725	40,384,302
2018	179,071,786	57,391,335
2019	180,117,077	65,491,811
2020	184,602,902	93,624,260
2021	188,870,023	91,672,708
2022	200,771,863	109,678,949

FY 2022 Cash & Investment Balances

	General Fund & Other Gov't Funds	Tax Districts	Proprietary Funds	Total
Cash	\$3,533,000	\$20,695,813	\$---	\$24,228,813
Short Term Investments (NCCMT)	8,468,576	334,976,104	13,041	343,457,721
Long Term Investments (SunTrust)	36,875,821	158,345,678	1,552,159	196,773,658
Total	\$48,877,397	\$514,017,595	\$1,565,200	\$564,460,192

Financial Highlights

Budgetary Basis

- The Advanced Technology Fund ended the year with a deficit fund balance because a budgeted transfer was not made. This has been corrected in FY23.
- The new Commuter Rail Development Dept had spending in excess of budget of \$6,132, (3.5%). Experience with this department will allow better budget management in FY23.
- Full budget to actual reports will be in the ACFR.

AUDIT FINDINGS & ACCOUNTING ADJUSTMENTS

Financial Statement Findings

- Auditor findings:
 - None for FY19
 - None for FY20
 - None for FY21
- No findings in FY22 either.

Accounting Adjustments

No accounting adjusting journal entries were made by the auditors to bring the financial statements in compliance with Generally Accepted Accounting Practices.

PASSED Accounting Adjustments

- **“PASSED”** indicates the auditors noted the amounts, but ultimately the journal entries were not significant to the financial statements and were not posted.
- No PASSED entries were reported to us by the auditors.

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

None noted

Section III – Federal Award Findings and Questioned Costs

None noted

Section IV – State Award Findings and Questioned Costs

None noted

Audit Challenges

- GASB Statement 87, *Leases*, was implemented this year. Now, leases meeting the criteria will be capitalized as assets and amortized over their life.
- The Excel workbook refinements from last year allowed for easier “fine tuning” adjustments.
- Social distancing required that the audit be conducted remotely for the third year. While the process is much better than the first year, there were still some delays.

Next Steps

- Interim financial reporting is now done on a monthly basis. Refinement of information usefulness will always be a consideration.
- GASB Statement 96, *Subscription Based Information Technology Arrangements*, will be implemented this year. This will be similar to leases. The right to use the software owned by another party will be capitalized and amortized over the life of the subscription.

Questions?

Ren E. Wiles, CPA
Senior Accountant
919-485-7575
rwiles@gotriangle.org



**Cyber Security
GoTriangle**

Topics

1. *Common Cyber Attack Threats*
2. *Preventing Cyber Attacks*
3. *Responding to Cyber Attacks*
4. *GoTriangle Network*
5. *IT Department Responsibilities and Team*

What is a Cyber Attack

- *Try to gain unauthorized access to an IT system for purpose of theft, extortion, disruption, or other reasons*
- *Loss of money, theft of personal, and or financial information; can damage reputation and safety*
- *Large number caused by insiders –through negligence or malice*

Known Cyber Attacks

- 1. National Companies** - Colonial Pipeline forced to shut down after Ransomware attack in May 2021. Hackers gained access through a set of compromised credentials
- 2. National Transit Agencies** - Metropolitan Transit Agency (MTA) targeted of widespread intrusion by the Chinese government in April 2021. Result of 'zero day' vulnerability
- 3. Local Transit Agencies** - The City of Durham and Durham County Government IT systems, subjected to a Russian Ransomware attack in March 2020. Incident described as cyber malware attack

KnowBe4 – Tip of the Iceberg

Cybercrime Happens Way More Than You Think!

Large-scale cyberattacks make the news, but that's just the tip of the iceberg. Cybercrime is on the rise, and the majority of attacks go unreported.

Consider the following facts:

- A cyberattack every 36 seconds**
The University of Maryland found that there is an average of 2,244 cyberattacks per day, which is one every 36 seconds.
- 43% of SMB lack a cybersecurity defense plan**
The International Criminal Police Organization (Interpol) reported that small- and medium-sized businesses (SMB) are being targeted at an increased rate.
- \$108 Million lost in only 6-months**
The US Federal Trade Commission, in a recent 6-month period, had seen over 128,000 phone-based fraud scams that cost victims a whopping \$108 Million – that's only half a year.

<https://blog.knowbe4.com/new-security-doc-for-your-end-users-the-iceberg>

CISA - Sobering Cyber Facts



1 IN 3 HOMES
with computers are infected with
MALICIOUS SOFTWARE



65%
OF AMERICANS
who went online received
at least one online scam offer.

Worldwide, consumers



LOST \$358
+21 HOURS
on average **per year**
dealing with online crime.



47%
OF AMERICAN ADULTS
have had their personal information
exposed by cyber criminals.

600,000
f ACCOUNTS
HACKED



every single day.

THE #1 CYBER CRIME



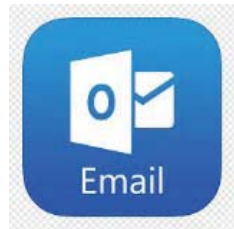
is the
IMPOSTER SCAM
with 1 in 5 people reporting
a financial loss.

[Cybersecurity and Infrastructure Security Agency](#)

Common Attacks Method – (Email)

1. **MALWARE** - includes any software (such as a virus, Trojan, or spyware) that is installed on a computer or mobile device. Usually used covertly to compromise the integrity of the device
2. **PHISHING** - uses email or malicious websites to infect your machine with malware and viruses in order to collect personal and financial information
3. **VIRUSES** - a program that spreads by first infecting files or the system areas of a computer or network router's hard drive and then making copies
4. **RAMSOMWARE** - designed to encrypt files on a device, rendering any files and the systems that rely on them unusable. Actors demand ransom in exchange for decryption

GoTriangle Email Flow Structure



- *Receiving Email Filters*

- *Scans for Viruses*
- *Barracuda Reputation Block List*
- *BRTS*
- *Cloud Scan*
- *Anti-Phishing*

- *Block IP's & Domains*
- *Block Email Addresses*
- *Policy to Scan Files for Viruses, Spyware & Malicious Code*

- *Malware Filter*
- *Trend-Micro Scan Mail*
- *Emails may go to Junk folder*

- *Clients Junk Folder*
- *Trend –Micro Web Reputation*

Preventing Attacks Action Steps

1.
Enforce complex password policy and the use of Strong Passwords

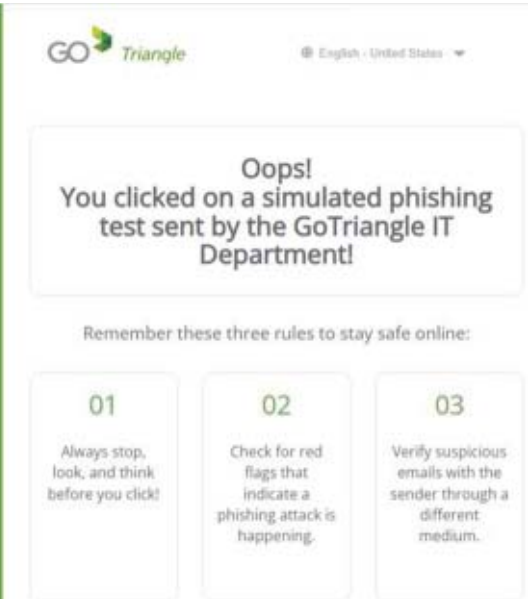
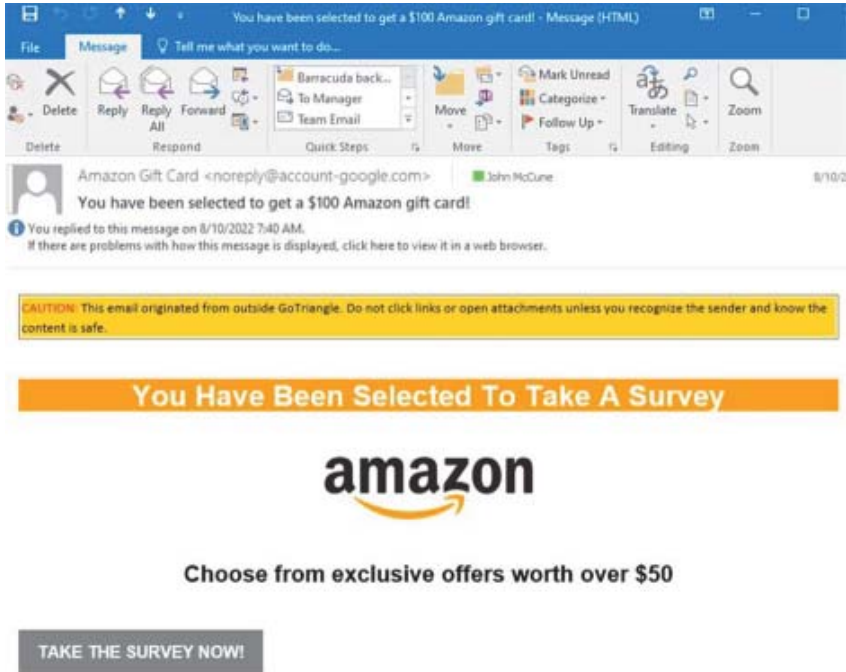
2.
Enable Multi-Factor Authentication (MFA)

3.
Keeping All Operating Systems and Network Applications update

4.
Educate users to Recognize and report Email Phishing

5.
Train and Regularly remind Users of Cyber Security Risks

Simulation Phishing Email



1. *Phishing Campaign.*
2. *Extra Training for those we see who need it.*

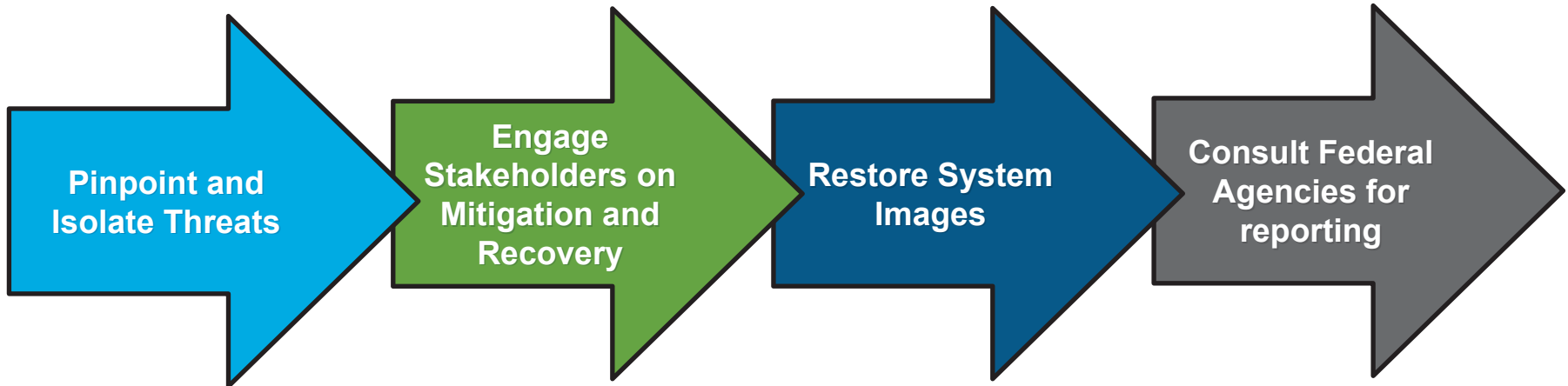
Users Can Help Prevent Attacks



(Proactive Approach)

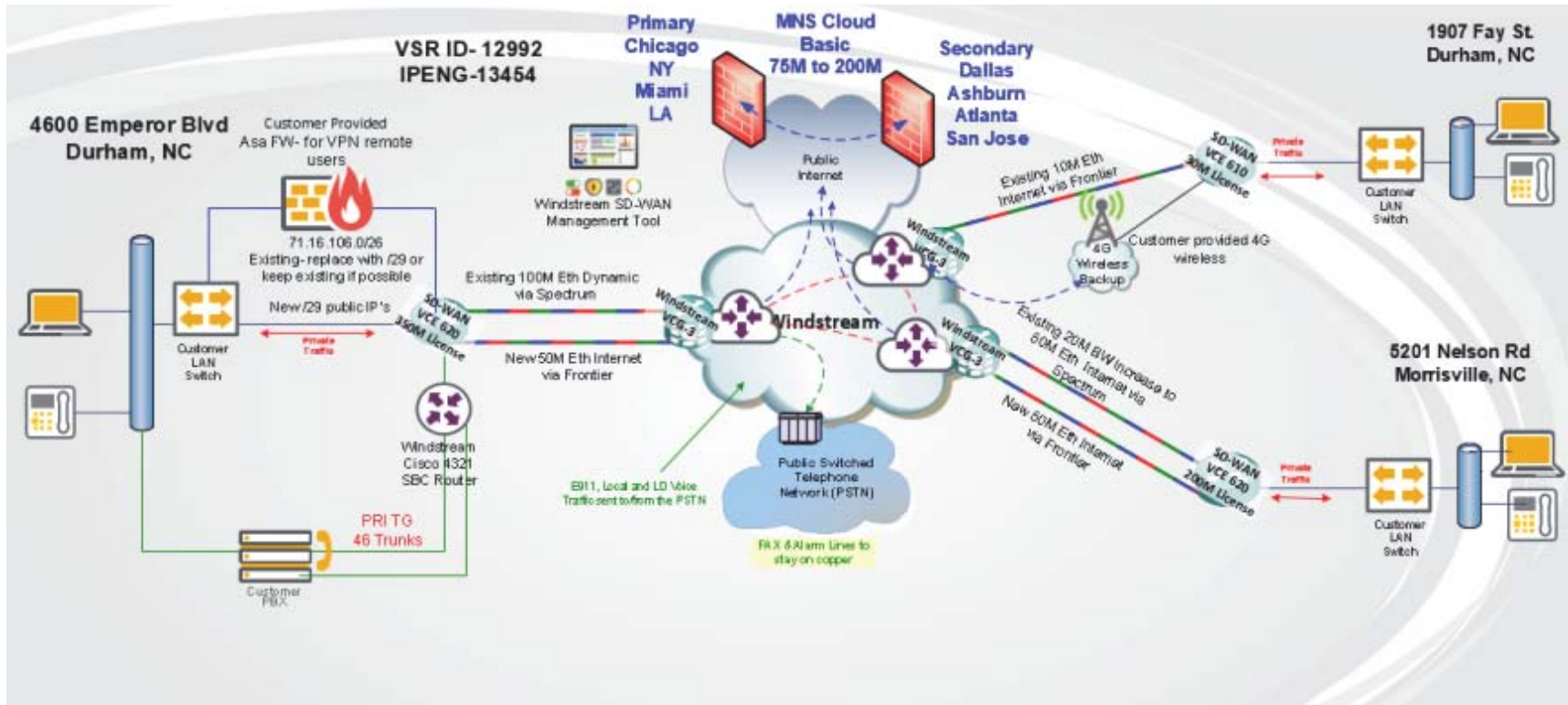
1. *Quarterly Employ Security Awareness Training*
2. *Monthly Simulated Phishing Campaigns*
3. *Additional Training for Repeat Clickers*

Plan in Event of Attack



1. *Determine which systems were impacted, and immediately isolate them.*
2. *Engage Internal, External Teams, and Cyber Insurance with the understanding of mitigation, responding to, and recovering from incident.*
3. *Take system image and memory capture of a sample of affected devices (e.g., workstations and servers)*
4. *Consult federal law enforcement.*

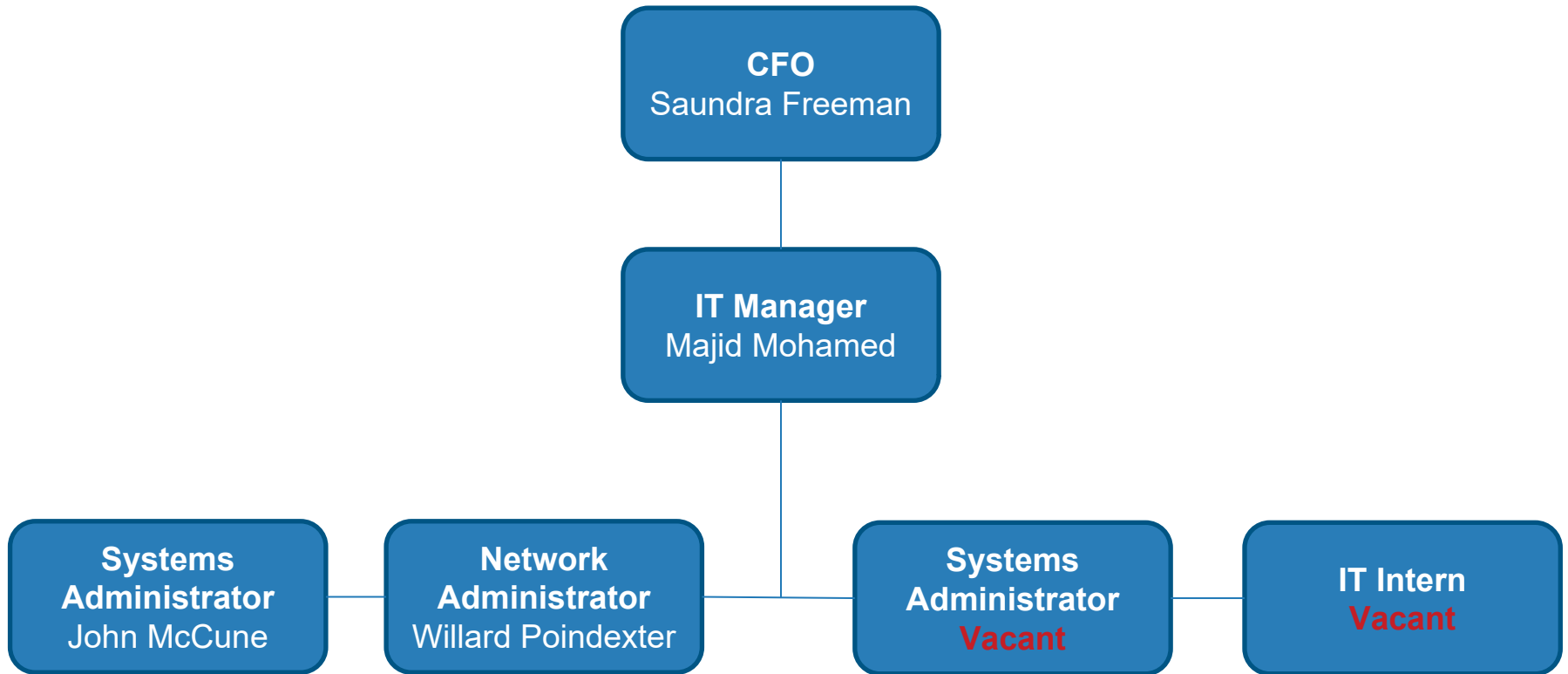
Our Network Infrastructure



IT Department's Core Duties

- *Maintain GoTriangle WAN (Wide Area Network).*
- *Maintain and support email system.*
- *Maintain and support our phone systems.*
- *Maintain servers, switches and computing infrastructure.*
- *Maintain and support O365 Infrastructure.*
- *Maintain On-premise and Cloud Backups.*
- *Provide technical support to more than 250 employees.*
- *Maintain and support employees desktops and laptops.*
- *Provide technical feedback to various departments for technology initiatives.*
- *Make sure all software across the network are up to date, and properly patched.*
- *Constantly monitor infrastructure for security breaches.*

IT Department





THANK YOU!