

**Durham Orange Joint Staff Working Group
April 11, 2018 Meeting Minutes**

Roll Call:

GoTriangle: John Tallmadge, Chair

DCHC MPO: Aaron Cain, Vice Chair, Meg Scully

Orange County: Travis Myren , Theo Letman

Durham County: Linda Thomas-Wallace, Evan Tennenbaum

SWG Admin: Mo Devlin, recorded minutes

Non-Voting Members listed on last page.

Item 3a. FY19 Work Plan

John Tallmadge said the most important item today was reviewing the plan

Travis commented that in reviewing the FY19 Work Plan and looking at the Request vs. Balances, and Carryforward, that the DOLRT (Durham Orange Light Rail) project line item needs to be changed. John said that Praveen has created a new form and amount for DOLRT, but acknowledged that a revised form had not been submitted for the March 16th revision deadline.

Travis asked about the capital balances and how to represent encumbered projects. Aaron Cain said that he and Mo had met at GoTriangle with their team to discuss processes that need to be developed and when. Travis said an encumbrance report needs to create 2 columns, with a separate carryforward balance, a table that sums the dollar amounts encumbered to date. John said that the GoTriangle budget has to show that. Sandra said that GoTriangle has been meeting this week (the week of April 9th) and GoTriangle will create a project authorization sheet/form, that will show an available balance. Mo asked the timeline and Sandra said that project authorization sheet/form would be ready for the GoTriangle Board in May, and it will show amounts authorized but not spent.

John said that in 2017, before the GoTriangle board approved, everyone had reviewed projects for what is important, what is preauthorized. Travis asked for clarification that preauthorized is “encumbered”, and ties to Article 43. John noted that the Project Requests have a “spent to date”, and as of 6.30.17 there was no spending.

Linda Thomas-Wallace asked are we making a distinction between available vs. spent and asked for clarification, including defining the “terms” so everyone is certain, and developing a policy that SWG can follow. Linda had questions about the Work Plan development process and access to funds in FY 2018. Sandra responded that everything spent in FY 2018 is in budget.

Craig Benedict asked several question about the Quarterly Reports, including revenues and Light Rail expenses. Praveen addressed Craig’s questions.

Linda asked about revenues in excess of plan and Sandra said Sales Tax dollar overages go to Light Rail. Travis asked what happens with a tax overage and Sandra said the financial model takes in revenue and expense and is reviewed constantly by GoTriangle staff. Praveen said

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revenues are tracking to Moody's and that GoTriangle staff doesn't want to allocate overage because overages can't address year to year changes. A project authorization form is coming and will help identify funding.

Travis said each plan has a minimum cash balance and agencies can't spend more than what is authorized.

Praveen said when GoTriangle issues debt, there will be debt costs.

Craig and Linda asked questions regarding plan balances and if revenues exceed projections., Praveen said we are tracking to Plans. Travis asked if the Article 43 revenues are tracked and reported separately by Fund and County in the CAFR. Saundra said the Financial Audit will show by Fund and by County.

Rick Shreve said he was accustomed to encumbrance accounting. Typically, notes lay out that there is an obligation in place. Saundra said amounts are not encumbered in system, they are done off-line, and at some point the amounts will be spent, need to preserve.

Meg asked about the Project Requests not in Plan. Craig said we need to know how we fund these projects, and amend with Revenue. John said the reason why they are called out is for SWG to meet and decide one-time projects. Carryover \$s are a one-time use of funds. SWG can make a resolution. Aaron said we don't want to amend the Plans.

Meg asked about the GoTriangle staff in the budget. Bergen Watterson said she remembered that new staff were to be paid with carry over. Meg asked for a definition of carryover and Aaron said it is part of a larger conversation.

Linda restated her questions and concerns about the project request process.

Theo Letman asked if reports are quarterly or monthly. Saundra said GoTriangle gets information monthly and makes quarterly reports.

Craig restated his questions about revenues exceeding projections. Linda said that SWG should not agree until we know how they will be paid, and we need to think about the public perspective, including why these projects weren't encumbered in the original plan. What is the expectation for amendments over allocations. It is confusing for to the SWG and public.

John said that GoTriangle sees unspent funds and we are trying to communicate a shared burden, a project we want to pursue. Happens 1 time a year during the work plan. The guide post is the plan, these requests are small

Praveen said there is multi-year, capital vs. operation, and can't reallocate.

Linda said GoTriangle is asking for requests over authorized but SWG doesn't know what is available. John Tallmadge said the process and creation of the Work Plan is when SWG makes decision about requests and what is available. Linda asked what is available for additional

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requests. John Tallmadge asked about new projects, and about Orange Public Transportation's request. Mo Devlin said that based on the March 2018 meeting, where the item was discussed as being funded with OPT carryover, she had moved it into OPT's operating (transit service) line.

Craig Benedict said that the SWG needs to make a form for these requests, and Travis Myren asked what happened with the Admin position (.5 FTE to Tax District), at the March meeting GoTriangle said they would withdraw the request.

Saundra Freeman said GoTriangle doesn't want to throw requests out, and Travis said the position is not funded in the Transit Plans. He suggested that these projects cannot be funded unless there is carryover. Saundra said requests need to work in the model.

Travis suggested that a small group from SWG meet about these projects, he volunteered to make time, and group would review the financial tables, and review Linda's questions about carryover balances.

Saundra said that when forecasting against full year, everyone has fallen short, but at the half-year, people should know activity (what the projects will charge). Travis said by the time this goes to GoTriangle Board it needs to be ready for a rubber stamp, so it is just a technical approval.

Mo asked to understand how DOLRT would change, Saundra said a DOLRT final sheets won't be done until the budget is done, with a carryover sheet. It will need a Project Authorization form, and dollar amounts will change and timing will change.

Item 3b. Policies:

John Tallmadge said that SWG Admin and GoTriangle staff have been talking about policies. He asked for SWG input of future policies (to be created):

1. Carryover policy (definition, tracking, decisions about disposition, etc.)
2. Change to Transit Plan - what triggers a change, and a Plan amendment.
3. Requests for changes to projects/services to be funded (how are these made, what are thresholds for approval - SWG vs. managers vs. GoTriangle Board vs. all 3 Boards)
4. Decisions about Revenue Surplus (definition, reporting, decisions about disposition, etc.)
5. Capital project encumbrances (accounting and legal documentation, tracking, reporting, etc.)

Linda Thomas-Wallace asked if there is carryover does it go to a specific pot or to everyone. Pierre asked if the SWG has a multi-year approach, does it need to think about carryover. Saundra Freeman said they need to make an annual budget.

6. Federal policies (particularly FTA and Transit) – from Pierre O-O
7. Invoicing of Projects and Reimbursement Procedures. (How the Plan outlines projects "other revenues" such as farebox and grants. Saundra said that Transit Service providers need to be kept whole.

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8. Debt Policy
9. Revenue Policy or Process for accounting for fares in reimbursements. Mo Devlin asked for reporting of revenues by Source, eg. Interest income, and Grants, by Federal, State, Local. Praveen said GoTriangle needs to talk to SWG about interest income, it is not programmed by the Tax District. Sandra Freeman said SWG doesn't need a policy, just a format on GoTriangle reports it. GoTriangle can change format.

Item 3c. Invoicing Calendar

John Tallmadge reminded group of the invoicing calendar, and that GoTriangle would be producing reports on 5/11 for the 5/16 meeting.

Item 3c. SWG Admin Review of invoices

In January, John said to send invoices to Mo as SWG Admin. Mo clarified that the invoices go to GoTriangle. Meg Scully asked if SWG Admin was approving invoices, and Mo said that they was discussed at a GoTriangle meeting, but to date, SWG Admin's review of Transit Service invoices was not productive, and in the absence of a policy about invoices, guideline is the Plans, and said that her comments had not added value to the process. Sandra said that GoTriangle would be reviewing their own invoices.

Mo Devlin also brought up steps taken to understand how to make Project Agreements for Capital Projects when GoTriangle is proposing the Capital Project. She had reached out to CAMPO, who were establishing the agreements for TPAC and GoTriangle. John Tallmadge said that CAMPO lists all the agreements and Shelly in Legal Team working with them. John will have Shelly contact Mo with information.

Adjourn 1:40 pm.

Non-voting members in attendance:

1. Pierre Osei-Owusu, GoDurham,
2. Ellen Beckman, City of Durham
3. Rick Shreve, Chapel Hill Transit
4. Tom Altieri, Orange County Planning
5. Bergen Watterson, Town of Chapel Hill
6. Antony Wambui, City of Durham
7. Kevin Lewis , GoTriangle
8. Jennifer Keep, GoTriangle
9. Praveen Sridharan, GoTriangle
10. Kayla Seibel , Town of Chapel Hill
11. Craig Benedict, Orange County Planning
12. Nick Pittman; Chapel Hill Transit
13. Tina Moon, Town of Carrboro
14. Sandra Freeman; GoTriangle
15. Erik Landfried, GoTriangle

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16. Geoff Green , GoTriangle
17. Matthew Clark , GoTriangle
18. Neeton Nichols, City of Durham
19. Zach Anderson, Durham County
20. Matt Cecil, CH Transit
21. Liz Reiskoff, GoTriangle