

**ATKINS**

Member of the SNC-Lavalin Group



# Durham & Orange Counties Transit Plan Governance Study

Durham BOCC Interim Update  
May 2, 2022

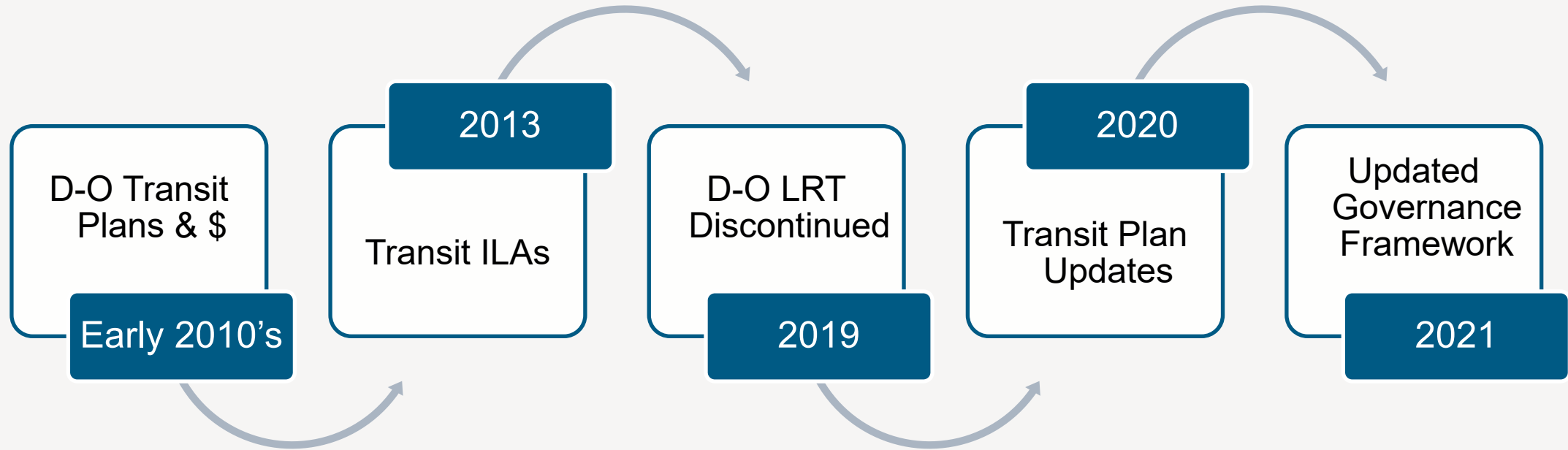


# Update Outline

- › **Project Need & Overview**
- › **Project Goals**
- › **Study Process to Date**
- › **Major Outcomes from Joint Staff workshops #1 & #2**
- › **Topics Resulting in both Majority & Minority Perspective**



# Project Need & Overview



# Primary State Enabling Legislation

- › **N.C.G.S. Chapter 160A** – defines how a government body exists
  - › *Article 26 – Regional Public Transportation Authority Act*
- › **N.C.G.S. Chapter 105** – defines how a government body is enabled to raise and provide revenue for necessary uses and purposes.
  - › *Article 43 – Local Government Public Transportation Sales Tax Act*
- › **N.C.G.S. Chapter 153A** – defines enumerated powers and responsibilities for Counties, but also defines the County role with levying revenue sources to support public transportation services (property tax assessment)

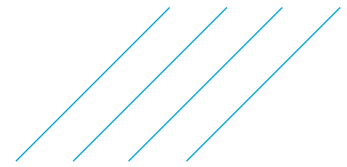


## Project Goals

- › Creating a **clear**, operationally **efficient** governance structure that ensures that Durham & Orange Counties' **priorities are funded and implemented** with the County transit taxes and fees
- › Forming new levels of **accountability**, that includes development of an **equitable set of processes** which seek to **gain community trust**.



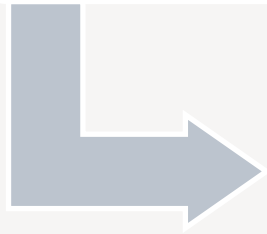
# Study Process to Date



# Study Process to Date

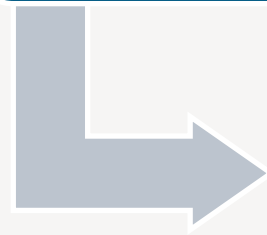
Jan-  
Feb '22

Alternatives Development



Mar '22

Joint Staff Workshop #1



Apr '22

Joint Staff Workshop #2



# Major Outcomes from Joint Staff Workshops #1 & #2

Joint Stakeholder Workshop #1 (Mar '22)			Joint Stakeholder Workshop #2 (Apr '22)	
Membership	Durham County Primary Agreement (ILA)	Green	Orange County SWG (SWG Bylaws)	Pink
	Orange County Primary Agreement (ILA)	Green		
	Durham County SWG (SWG Bylaws)	Green	Orange County SWG (ILA defined; SWG Bylaws)	Pink
	Orange County SWG (SWG Bylaws)	Pink		
Voting Structures	Durham SWG (ILA Defined)	Green		
	Orange SWG (ILA Defined)	Pink		
	SWG Quorum (SWG Bylaws)	Green		
	SWG Chair & Assignment Role (SWG Bylaws)	Green		
	Voting on Annual Work Program (& Budget) Approval (ILA)	Pink		
	Conflict Mediation (ILA)	Grey		
Consensus by all Appropriate Parties on Proposed Recommendation		Majority/Minority Perspectives Documented		Tabled for Further Discussion*
				Consensus, but desire for more detail/discussion



# Major Outcomes from Joint Staff Workshops #1 & #2

Joint Stakeholder Workshop #1 (Mar '22)			Joint Stakeholder Workshop #2 (Apr '22)		
Financial Planning	Critical Definitions – Revenue (ILA)	Consensus			
	Critical Definitions – Model & Financial Plan (ILA)	Consensus		Equitable Use of Net Proceeds	Consensus
	Equitable Use of Net Proceeds (ILA)	Majority/Minority Perspectives Documented			Consensus, but desire for more detail/discussion
	Process Definitions – Financial Model & Plan Development (ILA)	Consensus		Supporting Increased Cost of Existing Services	Consensus, but desire for more detail/discussion
	Financial Policy Needs (supporting policy outline)	Consensus			Consensus, but desire for more detail/discussion
Multi-Year Plan Development	Multi-Year Vision Plan Update – Elements & Process (ILA)	Consensus		Multi-Year Plan Development Amendment Process & Thresholds for Initiation/Approval	Consensus, but desire for more detail/discussion
		Consensus			Consensus, but desire for more detail/discussion
Annual Work Program Development	Annual Work Program Elements Defined (ILA)	Consensus		Annual Work Program Amendment Process & Thresholds for Initiation for Initiation/Approval	Consensus, but desire for more detail/discussion
Consensus by all Appropriate Parties on Proposed Recommendation		Majority/Minority Perspectives Documented		Tabled for Further Discussion*	
				Consensus, but desire for more detail/discussion	

# Primary Outcomes Resulting in Consensus at both Workshops

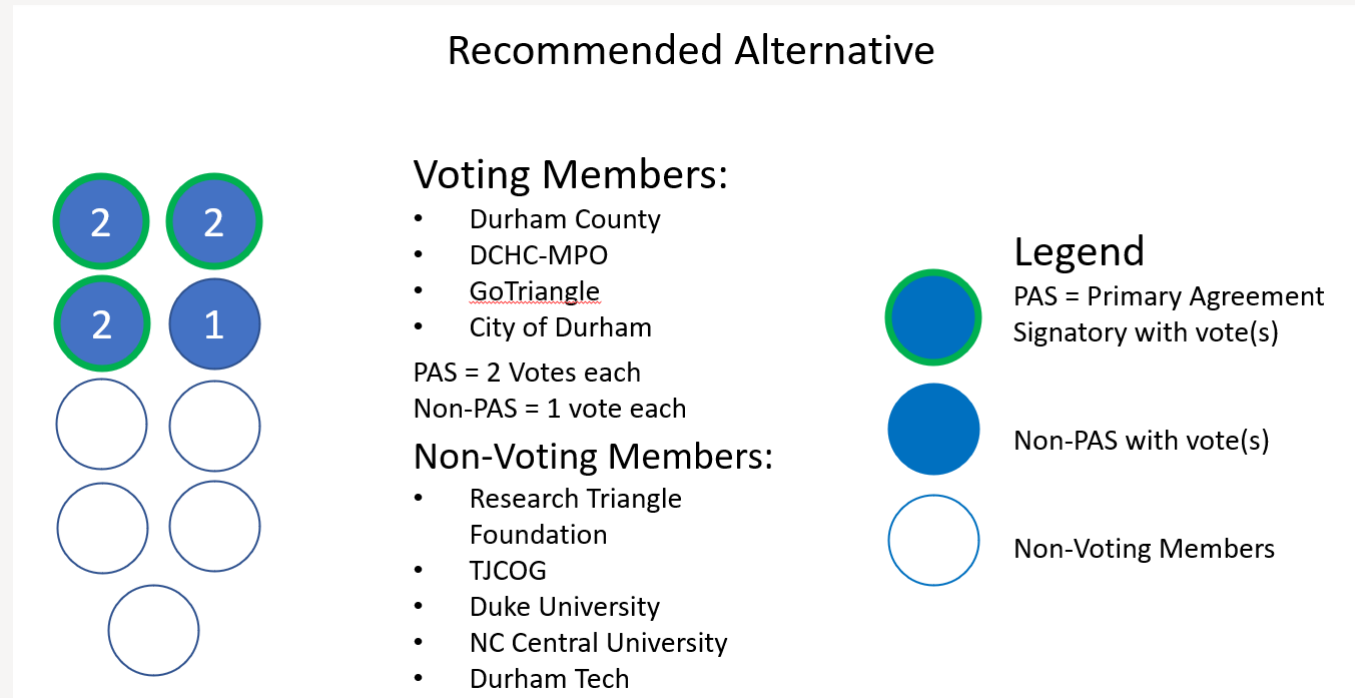
## Membership to new Primary Agreement

Durham OR Orange County  
DCHC-MPO  
GoTriangle



# Primary Outcomes Resulting in Consensus at both Workshops

## Membership & Voting Structures to Durham County SWG



# Primary Outcomes Resulting in Consensus at both Workshops

## Critical Definitions to include in the ILA

- › Clearly defining Annual Work Program, Financial Model, Financial Plan and the Transit Plan (Multi-Year Vision Plan)
- › New Technical Group and Process defined to allow for County management/finance staff to have direct involvement in all aspects of financial planning for annual and multi-year program development.



# Primary Outcomes Resulting in Consensus at both Workshops

## Critical Definitions to include in the Financial Policy

- › *Non-Supplantation Clause*
- › *Fund Balance (for both Operating & Capital) & Liquidity*
- › *Incorporating existing Policy/Guidance documentation (3/2021) to maintain carryover protocols for both Capital & Operating Funds.*
- › *Billing, Payment & Reimbursement Policy/Guidelines*
- › *Debt Policy & Guidelines*



# Primary Outcomes Resulting in Consensus at both Workshops

## Required Elements

### Multi-Year Vision Plan

- › *Multi-Year Capital Improvement Plan*
- › *Multi-Year Operating Program*
- › *Update of the Financial Model Assumptions (if applicable)*

### Annual Work Program

- › *Annual Operating Budget Ordinance*
- › *Annual Tax District Administration Budget (which should include all revenues, with restrictions notes)*
- › *Reference to Multi-Year Capital Improvement Plan*
- › *Annual Capital Budget Ordinance*
- › *Reference to Multi-Year Operating Program*
- › *Update of the County Transit Financial Plan*
- › *Multi-Year Capital Funding Agreements or Master Agreements*
- › *Multi-Year Operating Agreements or Master Agreements*



# Primary Outcomes Resulting in Consensus at both Workshops

## Defining Equitable Use of Net Proceeds

Essentially – the revenues collected in a County must be spent for the benefit of that County. That does not mean they have to be spent in the County.

For Cross-County projects, rates that are negotiated on some agreed upon periodic basis by the counties are by definition equitable (cost-share agreement would be necessary for such application).



# Topics Achieving Consensus – BUT Further Refinement Still Necessary

## Supporting Increased Cost of Existing Services (ICES)

New alternative formula suggested that is tied to overall level of funding committed rather than specific routes or services.

New alternative formula also considers a limitation (or ‘cap’) that would prevent providers receiving more than a certain agreed upon value proportion from a specific revenue source (negotiated annually).

Current ILA: Half of the \$7 vehicle fee is the cap

This would allow all transit providers access to funding to cover ICES

Current ILA: GoTriangle is not eligible for such funding



# Topics Achieving Consensus – BUT Further Refinement Still Necessary

## **Multi-Year & Annual Work Program Amendment Process/Thresholds**

Process expected to follow the new annual work program approval process (majority of stakeholders confirm said process).

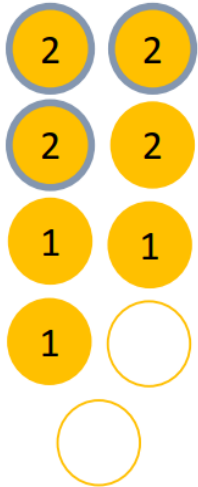
Dialogue further informed expectations for acceptable thresholds and how they are defined that which would trigger the need for board review/approval of OR staff review/approval of any type of amendment.



# Topics Resulting in both Majority & Minority Perspective

## Orange County SWG Membership & Associated Voting Structure

### Confirmed Alternative From March 1<sup>st</sup> Workshop



#### Voting Members:

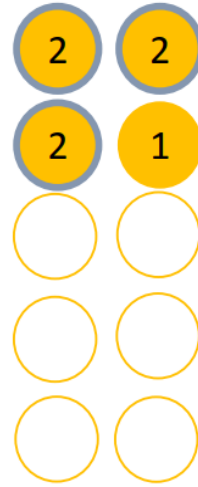
- Orange County
  - Administration & Planning
- DCHC-MPO
- GoTriangle
- Town of Chapel Hill
  - Administration & CHT
- Town of Carrboro
- Town of Hillsborough
- City of Mebane

PAS = 2 Votes each  
Non-PAS = 1 vote each

#### Non-Voting Members:

- TJCOG
- UNC Chapel Hill

### GoTriangle Preferred Alternative



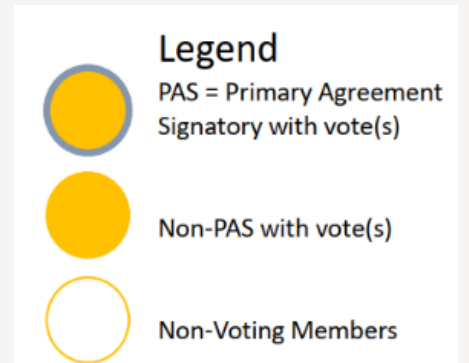
#### Voting Members:

- Orange County
  - Administration & OPT
- DCHC-MPO
- GoTriangle
- Chapel Hill Transit

PAS = 2 Votes each  
Non-PAS = 1 vote each

#### Non-Voting Members:

- TJCOG
- UNC-Chapel Hill
- Town of Chapel Hill
- Town of Carrboro
- Town of Hillsborough
- City of Mebane



# Topics Resulting in both Majority & Minority Perspective

## Voting on Annual Work Program & Budget Approval Process

### Recommended language would provide:

- › The County first opportunity to consider approval of the Annual Work Program as recommended by the Staff Working Group.
- › County would have oversight to ‘Approve,’ or ‘Deny.’
- › Upon Approval, GoTriangle BOT would receive County Work Program (which includes budgets).
- › GoTriangle would not be able to make any changes, but could approve or deny while producing a list of Significant Concerns or technical issues

*This language/process was confirmed by both Counties, as well as DCHC-MPO. GoTriangle raised concerns over schedule related to how the annual work program and budget should reach GoTriangle BOT with the BOCC now being recommended to review first.*



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## Durham & Orange Counties Transit Plan Governance Study

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