

**Durham Staff Working Group
November 18, 2024
MEETING NOTES**

The Durham Staff Working Group met on Monday, November 18, 2024, at 1:00pm in the Durham County Admin II Building, Room 466, as well as through the Microsoft Teams platform. The following members and guests were in attendance:

Colleen McGue (Chair, Voting Member)	DCHC MPO**
Ellen Beckmann (Vice-Chair, Voting Member)	Durham County
Jay Heikes (Voting Member)	GoTriangle
Eric Simpson (Voting Member)*	City of Durham**
Brandi Minor	Durham County
Curtis Scarpignato	Durham County
Sean Egan	City of Durham
Brian Fahey*	City of Durham
Paul Kingman	GoTriangle
Steven Schlossberg	GoTriangle
Austin Stanion	GoTriangle

Quorum Count: 4 of 4 Voting Members

*Attended remotely

**Alternate voting member

1. Call to Order/Roll Call

Chair Colleen McGue called the meeting to order at 1:00 p.m. All voting members were acknowledged to be in attendance.

2. Adjustments to the Agenda

Chair Colleen McGue asked if there were any adjustments to the agenda. There were none.

3. Public Comment

Chair Colleen McGue asked if there were any public comments. There were none.

4. Administration

a. SWG Administration

i. Approval of October 2024 Minutes

Ellen Beckmann made a motion to approve the SWG October 2024 Meeting Minutes. Jay Heikes seconded the motion. The motion passed unanimously.

b. Tax District Administration

i. FY24 Financial Results Update

Steven Schlossberg provided an overview of the FY24 financial results. Steven informed the SWG that the ACFR (Annual Comprehensive Financial Report) is slightly delayed and that Jennifer Hayden, Interim CFO, sent messages to several

members of the SWG to inform them of the status of the ACFR. Due to the ACFR being delayed, the results being shared today are not audited or final but should be fairly close to the actuals. Steven stated that the Article 43 half-cents sales tax generated \$42.7M in revenues, which is slightly over the FY23 amount, and we exceeded the budget by about \$2.7M. Steven also mentioned that the growth year over year is slightly down, but that is to be expected due to the impacts of covid. The Vehicle Registration Fees were pretty consistent and flat as compared to budget, and the slight increase in FY21 was due to covid. Regarding interest income, Steven mentioned we were able to earn approximately \$7.4M. Steven then stated that we cannot rely on interest income due to the rates going down. Sean Egan asked if the Tax District budgets for interest income, to which Steven replied no, because it is considered as a bonus and not included in the financial model. The Unrealized Loss was approximately \$1.4M. Overall, the FY24 revenues received were approximately \$51.1M.

The Operating expenses were approximately \$1.88M less than budgeted, more than likely due to driver shortages, and these funds will be allocated back to fund balance. The Capital expenses budget was approximately \$44.8M, which includes about \$32M in carryforward. The carryforward includes projects such as the Durham Bus Stop Improvements, the Fay Street BOMF and the Paratransit Facility where funding has been allocated but not 100% spent. There will still be about \$32.5M in carryforward, but some of these projects will be closed out with the development of the FY26 Work Program, such as the Light Rail project.

Steven also mentioned that he uploaded the Rainbow Report to SharePoint, which is a report indicating the statuses of all current projects of in the FY25 Work Program. Steven displayed a copy of the Rainbow Report and indicated that anyone having issues accessing it on SharePoint should reach out to Priscilla Gilchrist. Sean Egan asked if there was a fund balance report that could be shared with the SWG. Steven replied that the cash balance at the end of FY23 was approximately \$130M and we are ending FY24 with approximately \$160M. Steven mentioned that the fund balance includes the \$32.5M in carryover as well as \$30M in restricted reserves based on the financial policy. Overall, we realistically have about \$80M-\$90M in excess liquidity, but as we will see with the FY26 Work Program preliminary results, most of that will be reduced by the submitted projects. Steven reminded the SWG that per the Financial Policy, we are required to maintain a minimum of \$10M in reserves. Steven then stated that the final results will be available once the audit is completed. Ellen Beckmann mentioned that the Financial Subcommittee meeting would be convened soon to obtain their feedback, which will include staff from the County's Finance and Budget departments.

ii. Financial Modeling for FY26 Work Program

Steven Schlossberg provided an overview of the FY26 Financial Model. He mentioned that the CIP and MYOP will be uploaded to SharePoint by the end of the day. The current FY26 Recommended Revenues will be approximately \$46.5M, which is about \$700K less than what is currently in the FY26 Financial Model. The model currently assumes \$0 Vehicle Rental Tax and GoTriangle is currently in mediation with Wake and CAMPO.

In the FY25 Work Program, the low point was around \$22.5M in FY35. For FY26, based on the submitted projects, the model goes in the red a few years, specifically in FY33 – FY36. The model is currently projecting a low point in FY35

of approximately negative \$18.7M. This means we would need to find at least \$29M to cover the deficit plus the \$10M required reserve. The deficit is primarily due to the loss of revenues (\$11.4M), the new BRT project (\$10M), the Durham Station Amendment (\$3.5M), Route changes (\$7.4M), Low Income Pass (\$2M), Nelson Road (\$3M) and other small budget changes in some projects.

Steven also presented eight potential options to help offset the deficit, including adjusting the Bus Transit Corridor Speed/Reliability Part 2 Study as well as possibly delaying some operating projects. Steven then pivoted to SharePoint to show the SWG where the Project Budget Sheet Consolidation is located. He reminded the SWG that each partner should review their project budget sheets to ensure everything is correct.

Steven then asked Eric Simpson to confirm that the Holloway TEC project was not requesting additional funds, as there were no funds programmed in FY26. Brandi Minor stated that she was under the impression that the City only wanted to show the federal funding they received and there was no request for new funding. Sean Egan responded and said the City is asking for an additional \$3M for this project. Brandi Minor mentioned that this project already had \$3.3M in previously adopted funds. The City will provide an updated project budget sheet to reflect the actual \$3M request. There was some discussion on ways we can adjust the model to accommodate the deficit. It was determined that the SWG would further discuss these decisions at the upcoming financial workshop. Ellen Beckmann reiterated to project sponsors that they should come prepared to discuss any other future project increases they are aware of now at the financial workshop,

c. Public Engagement and Communication

i. GoForward website updates

Jay Heikes stated there were no updates.

ii. Transit Tracker Development

Curtis Scarpignato stated that there were no updates.

d. Lead Agency Discussion

Brandi Minor stated that the Lead Agency Matrix was approved on July 1, 2023. This is an agenda item that was added for discussion by Doug Plachcinski. Brandi then stated that she would like the SWG to review the matrix and provide proposals if anyone desires to make revisions. Brandi stated that any proposals should be submitted by next week. Jay Heikes provided some information regarding the FTE reduction related to public engagement currently being led by GoTriangle in Wake. Jay also stated that Meg Scully would be submitting a revised public engagement staffing project budget sheet for Durham.

5. Work Program

a. FY25 Work Program

i. Q2 Amendments Update

Brandi Minor stated that the Q2 amendments were approved by the Board of County Commissioners and were scheduled for approval on the consent agenda by the GoTriangle Board of Trustees on Wednesday.

ii. Q3 Amendments – due November 28

Brandi Minor stated that the Q3 amendments are due on November 28th. A memo and an amendment form are required for submission. Sean Egan replied that November 28th is Thanksgiving. Brandi then stated that any amendments would now be due on November 27th. Steven Schlossberg asked if anyone was submitting amendments, to which the Brandi and Sean replied there were none from the County or City, respectively. Jay Heikes stated there is a potential amendment forthcoming, but it can wait until Q4 since no one else is submitting during the Q3 cycle.

b. FY26 Work Program

i. Project Budget Sheets Consolidation Review

Brandi Minor stated that the Project Budget Sheets Consolidation has been uploaded to SharePoint. Brandi reiterated that project sponsors should review their PBS to ensure all the information is correct. Any outstanding PBS will be added to the consolidation by Priscilla Gilchrist.

ii. Overview of Exhibit A

Brandi Minor opened SharePoint to show the SWG that she had begun to upload Exhibit A's for each project. Brandi reminded the SWG that revisions to the exhibits are due on Friday, December 13th. Brandi also mentioned that there should not be any major updates to the exhibits, as she fills in the budget information, and has rolled forward the Transit Plan Performance Metrics and the Project Implementation Metrics. Brandi then mentioned that once all the exhibits have been uploaded, she will send an email to the SWG to let everyone know. Lastly, Brandi mentioned that an Exhibit A workshop will be held on December 4th for anyone who has any questions regarding the completion of their exhibits.

iii. Discuss Upcoming Deadlines

Brandi Minor provided a recap of all the upcoming deadlines. The revisions for Exhibit A's are due December 13th. The Exhibit A workshop will be held on December 4th. The narrative section of the Work Program will be due on December 9th, especially as it relates to any new projects beginning in FY26. Brandi then mentioned to Steven that she will need the financial tables in late December or early January. Steven asked if we were going to compare the FY26 Work Program to the 2023 Durham Transit Plan again in the narrative, or to last year's Work Program. Ellen Beckman replied that we should compare it to the Transit Plan since it is our long-range vision plan and the more we align the Work

Program to the adopted Transit Plan the better. Brandi also reminded the SWG that there will be a Work Program Summary included this year which will be about 3-4 pages to highlight any new or key changes in the Work Program. This was created due to suggestions received during the last public comment period. The Financial Subcommittee will also convene before the next SWG meeting once the financial modeling has been completed.

iv. Review Schedule and any upcoming tasks for next month

Brandi Minor displayed the Work Program Development Schedule and indicated all the upcoming deadlines had just been discussed.

6. Project Sponsor Updates

a. GoTriangle

Austin Stanion provided an update on the Regional Technology Plan. The Regional Technology Plan Update was officially kicked off this month with their regional stakeholders and technology consultant, AECOM. This Plan has a budget of \$250,000 with 20% support from the Durham Transit Plan. The funding was approved as an amendment to the FY24 Work Program budget. The six major focus areas are passenger real time and trip planning, transit service planning tools, transit signal priority, regionally integrated payments, regional publishing standards, and open transit data portal. The process is on schedule to deliver initial technology recommendations in Spring 2025 to inform in the FY26 budgeting process. Please reach out to Austin Stanion if you have any questions.

b. City of Durham

Sean Egan stated that he appreciated everyone's support on the Durham Station amendment. The construction contract goes to City council for approval tonight on the consent agenda, and then for final approval by the GoTriangle Board of Trustees. The authorization to purchase a site for the GoDurham facility for \$2M is also scheduled for approval tonight by City Council, which is being supported by GoTriangle as they provided an environmental site review.

Brian Fahey stated that GoDurham reported its highest ridership in the history of service by having over 654,000 trips, which is due to the continued expansion of service. Brian also mentioned they are also working on service expansion for Spring and Kimley-Horn is finalizing draft changes. The public outreach materials will be completed before Thanksgiving and the outreach period is planned for December 4th – January 17th. To complete the final recommendations by January 24, based on their process for service changes they are looking at implementation no later than mid- April 2025.

Brian also stated that the microtransit service had a successful launch on October 21st. Brian then mentioned that the ridership was low the first couple of weeks primarily due to a lag in the marketing efforts of the program, which began two weeks after the service started. Lastly Brian stated he will come back with another update at the next SWG meeting with some additional ridership data.

c. Durham County

Ellen Beckmann stated the BRT Vision Plan RFP closes November 21st. There was good participation at the pre-proposal meeting so there should be a good set of proposals to

review. Paul has volunteered to be on the selection committee and if anyone else wants to participate, please let Ellen know. Brian Fahey stated he will follow-up with Ellen to see if Lindsay Smart can participate.

d. DCHC MPO

No updates from the MPO.

7. Next Meeting Date – December 16, 2024

Brandi Minor announced the next Durham County SWG meeting will be on Monday, December 16, 2024.

8. Adjournment

With no further items to discuss, the meeting was adjourned at 3:00 p.m.