

DRAFT WORKING LIST OF DEFINITION:

From the Governance ILA

“ANNUAL CAPITAL BUDGET” shall mean the first 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 projects, programs, or implementation elements 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 proposed plan for raising and spending money for specified Wake Transit Work Plan programs, functions, activities or objectives during a fiscal year as that term is further defined in N.C.G.S. 159-7(b)(1). The annual operating budget shall be budgeted by major fund and shall include the allocation of financial resources for operating for specified projects and services to be undertaken by specified project sponsors. The annual operating budget shall also contain the annual administrative budget for the major fund for financing its overhead costs related to Tax District administrative functions, the details of which shall be provided independently of operating costs associated with transit operating projects.

2.03 “ANNUAL WAKE 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 “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.

2.05 “CAPITAL FUNDING AGREEMENT” shall mean an agreement between an agency and other agencies to provide an Implementation Element or a project plan if the Implementation Element is to be provided by the Agency. The agreement or project plan shall state the details of the capital improvements to be provided and detail expectations on funding, responsibilities, schedule and performance and shall adhere to minimum standards outlined in Section 8.01 of this agreement.

2.06 “CAPITAL FUND BALANCE” shall mean the reported amounts restricted by enabling legislation in the Wake Transit major capital fund, presented in the basic Financial Statements, and disclosed in the notes to the Financial Statements as required under generally accepted accounting standards.

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 if the costs exceed \$500,000 in aggregate.

2.08 “CAPITAL PROJECTS ORDINANCE” shall mean the annual financial ordinance budgeted for the Wake 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 “COMMUNITY FUNDING AREAS” shall mean areas in Wake County where additional transit services can be provided with joint participation and funding from the local government(s) and/or Research Triangle Park.

2.10 “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 Wake Transit Plan Revenues, expenditures and fund balance in columns separate from the primary entity’s financial data in its annually audited statements.

2.11 “COMPREHENSIVE ANNUAL FINANCIAL REPORT” (“CAFR”) shall mean the report prepared by governmental entities that complies with the accounting regulations promulgated by the Governmental Accounting Standards Board (GASB).

2.12 “CONFERENCE COMMITTEE” shall mean a committee called at the direction of the Wake County Board of Commissioners to perform the review functions outlined in Articles VII and X. The Conference Committee shall also facilitate Agreement related dispute resolution. The composition and actions of this committee shall be determined by the Wake County Board of Commissioners and as directed in this Agreement.

2.13 “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:

(1) If now or in the future the Special District consists only of Wake County:

A complete segregation and dedication of 100% of all Wake County Tax Revenue and Wake Transit Plan Revenues derived from transit funding sources within the jurisdiction of Wake County or on behalf of Wake County exclusively for the benefit of the Wake County Transit Plan. The Equitable Use of Net Proceeds shall not contemplate or include pledging, committing, agreeing to apply, or otherwise using any portion of Wake County Tax Revenue or Wake Transit Plan Revenues for any purpose now, or in the future, other than in accordance with the Wake County Transit Work Plan. “Net proceeds” as used herein shall mean gross proceeds less the cost of collection being allocated to GoTriangle on behalf of Wake County as administrator of the Special District.

(2) if now or in the future the Special District consists of Wake County and one or more other counties:

A 100% dedication of all Wake County Tax Revenue and Wake Transit Plan Revenues derived from transit funding sources within the jurisdiction of Wake County or on behalf of Wake County for the exclusive use and benefit of the Wake County Transit Plan. A 100% dedication of all Non-Wake County Tax Revenue derived from transit funding sources in counties other than Wake for the exclusive use and benefit of any other county transit plan within the Special District, to the exclusion of Wake County.

This definition contemplates that a complete segregation of all Wake County Tax Revenue and Wake Transit Plan Revenues for the purpose stated herein is required to carry out the Financial Plan of the Tax District pursuant to N.C.G.S. 105-508.1 and that this definition considers the (i) identified needs of local public transportation systems in the district, (ii) human service transportation systems within the district, (iii) expansion of public transportation systems to underserved areas of the district. The Equitable Use of Net Proceeds shall not contemplate or include pledging, committing, agreeing to apply, or otherwise using any portion of Wake County Tax Revenue or Wake Transit Plan Revenues for any purpose now, or in the future, other than in accordance with the Wake County Transit Work Plan. Likewise, this definition contemplates that Non-Wake County Tax Revenue shall not be pledged, committed, applied, or otherwise used by Wake County unless approved by the other counties within the district. “Net proceeds” as used herein shall mean gross proceeds less the cost of collection being allocated to GoTriangle as administrator of the Special District on behalf of any member county.

2.14 “FINANCIAL MODEL” shall mean a long-term financial planning model, that projects revenues and expenditures and includes all projected sources for projects and planned uses of funds for both capital projects and operating expenses, and is used to evaluate the impact of operating and funding decisions on the Wake Transit major operating and capital funds’ financial condition to ensure the Wake Transit Plan’s policies and objectives are maintained in the long-term, including liquidity targets and debt ratios relevant to rating agency metrics. Only Wake Transit Plan Revenue, including Wake County Tax Revenue, and expenditures projected in support of the Wake Transit Plan shall be included in the Financial Model.

2.15 “FINANCIAL PLAN” as that term is used in N.C.G.S. 105-508.1(2) shall mean:

(1) If now or in the future the Special District consists only of Wake County, the Financial Plan requiring approval shall mean the Plan Implementation and Finance section set forth in pages 32-36 of the Wake County Transit Plan as supported by the details of the Transit Plan, and modeled in the Financial Model.

(2) If now or in the future the Special District consists of Wake County and one or more other counties, the Financial Plan requiring approval shall mean the Implementation and Finance section set forth in pages 32-36 of the Wake County Transit Plan as supported by the details of the Transit Plan and modeled in the Financial Model. The Financial Plan shall only include funds that would be budgeted and reported in the Wake 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. The Parties agree that prior to GoTriangle levying a tax pursuant to N.C.G.S. 105-508.1 in Wake County, a separate agreement shall be entered by and between all parties required to approve the Financial Plan pursuant to N.C.G.S. 105-508.1, including all counties in the Special District, and all MPOs within the district, setting forth the mutual understanding of the parties as to the scope and content of the Financial Plan (“Agreement Setting Forth the Mutual Understanding of the Parties as to the Scope and Content of the Financial Plan”). This agreement shall contemplate that the financial plan for the component district will segregate the Wake County Transit Plan, Wake Tax Revenues, and Wake Transit Plan Revenues from any and all plans in support of projects not included in the Wake County Transit Plan. Moreover, this agreement shall require that any other financial plans are modeled and presented separately from the Wake County Transit Plan.

2.16 “FINANCIAL STATEMENTS” shall mean the statement of financial condition prepared in accordance with N.C.G.S. 159-25.

2.17 “GASB” shall mean The Governmental Accounting Standards Board (GASB) which establishes standards and principles for state and local governmental accounting and financial reporting.

2.18 “IMPLEMENTATION ELEMENT” shall mean a discrete project, operation or study or a discrete logical grouping of projects, operations or studies tracked separately by the Wake County Transit Work Plan.

2.19 “INFRASTRUCTURE PROJECTS” shall mean smaller capital projects supporting the major capital projects, such as park and ride lots, transit centers, transfer points, pedestrian or bicycle enhancements, bus on shoulder, and other infrastructure to support the transit system. Infrastructure Projects can be covered by Master Agreements, which shall define a collection of smaller projects to be completed by the same agency in a similar period of time.

2.20 “MAJOR FUND” shall be, as defined by the Governmental Accounting Standards Board (“GASB”), a fund that is reported in a separate 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 a major fund for the Wake Transit Work Plan Operating Funds and a major fund for the Wake Transit Work Plan Capital Funds.

2.21 “MASTER AGREEMENT” shall mean an Operating or Capital Funding agreement that directs a discrete logical grouping of projects, operations or studies.

2.22 “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 Raleigh Urbanized Area 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.

2.23 “MULTI-YEAR OPERATING PROGRAM” shall mean the annual document describing transit operating programs, which could include the development of local bus, express bus, Bus Rapid Transit, and commuter rail services 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.

2.24 "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.

2.25 "NON-WAKE COUNTY REVENUES" shall mean all revenues collected on behalf of member counties other than Wake County within the Tax District or Special District that are derived from transit funding sources associated with counties other than Wake County.

2.26 "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 minimum standards outlined in Section 8.02 of this agreement.

2.27 "OPERATING BUDGET ORDINANCE" shall mean the annual financial ordinance budgeted for the Wake Transit major operating fund pursuant to N.C.G.S. Chapter 159, tied to Operating Agreements, that includes funds for the operations of projects identified in the Wake Transit Work Plan, allocations for reserves, and transfers to other funds such as other Wake Transit major funds identified by the Component Unit. The Operating Budget Ordinance shall include the general administrative expenses of the unit separate from Project Operating Funds.

2.28 "OPERATING FUNDS" shall mean funds appropriated in the annual operating budget.

2.29 "OPERATING FUND BALANCE" shall mean the reported amounts restricted by enabling legislation for the Wake 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.

2.30 "PROJECT OPERATING FUNDS" shall mean funds appropriated in the annual Operating Budget Ordinance to support the operation of projects identified in the Wake Transit Plan.

2.31 "QUARTERLY FINANCIAL REPORTS" shall mean the quarterly statement of financial condition prepared in accordance with N.C.G.S. 159-25.

2.32 “QUARTERLY STATUS REPORTS” shall mean a quarterly report that provides information regarding progress toward strategic objectives outlined in the Wake Transit Work Plan and includes the performance achieved, the strategies being followed, and performance targets and key milestones for Capital Projects and operating services identified in the Wake Transit Work Plan.

2.33 “SIGNIFICANT CONCERNS” shall mean any issue flagged by any party to this Agreement related to major decisions, including but not limited to funding, defunding, timing, allocation, assignments, responsibilities and risk, in developing and adopting the Wake County Transit Work Plan that cannot be resolved by and through the decision-making processes enumerated in this Agreement that requires the attention of the Conference Committee as set forth herein.

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 Wake County is a member, now or in the future.

2.35 “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 Wake County is a member, now or in the future.

2.36 “TRANSIT PLANNING ADVISORY COMMITTEE” or “TPAC” shall mean a committee created by this Agreement for the purposes enumerated and as defined in Article III herein. The TPAC is jointly charged by all Parties to this Agreement with coordinating planning and implementation aspects of the Wake County Transit Work Plan and serving in a structured advisory role to the CAMPO Executive Board and GoTriangle Board of Trustees.

2.37 “WAKE COUNTY TAX REVENUE” shall be defined as all revenues derived from transit funding sources in support of the Wake Transit Plan, which shall include the ½ percent local option sales and use tax as defined by N.C.G.S. 105-508; the County vehicle registration fee assessed by the Wake County Board of Commissioners in accordance with N.C.G.S. 105-570 et seq.; 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 Wake County.; and the portion of vehicle rental tax collected by GoTriangle pursuant to N.C.G.S. 105-550 et seq. and allocated to Wake County by the GoTriangle Board of Trustees.

2.38 “WAKE COUNTY TRANSIT PLAN” shall mean the document attached hereto as Exhibit A entitled “Recommended Wake County Transit Plan” dated December 2015, being that same document approved by the Wake County Board of Commissioners pursuant to a Resolution on June 6, 2016.

2.39 “WAKE TRANSIT PLAN REVENUE” shall mean Wake County Tax Revenue, 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 Wake County Transit Plan.

2.40 “WAKE COUNTY TRANSIT VISION PLAN” shall mean a plan adopted by CAMPO and GoTriangle outlining multiple decades of investment in transit and transit infrastructure. This plan shall align with and /or be a part of other MPO transportation investment plans.

2.41 “WAKE COUNTY TRANSIT WORK PLAN” or “WAKE TRANSIT WORK PLAN” shall mean the comprehensive plan for transit capital and operations presented by the TPAC which shall include all of the separate components of:

- a. Annual Operating Budget Ordinance. This shall be supplied for the Wake Transit major operating fund which will appropriate funds for the operation and administration of transit projects as well as for any other agencies involved in producing products for TPAC review;
- b. Annual Tax District administration budget for the Wake Transit major operating and capital fund;
- c. Multi-Year Capital Improvement Plan (CIP) supplied for the Wake 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 Raleigh Urbanized Area 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 Wake Transit major capital fund that allocates financial resources to specific project sponsors for specific projects and represents the first year of appropriation of funding for capital projects identified in the Multi-Year CIP;
- e. Multi-year Operating Program (as defined supra.);

f. Update of the Wake Transit Financial Plan and financial model assumptions and corresponding update of the planning horizon of Wake Transit Work 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 CAMPO MTP. The Financial Model shall contain agreed upon financial assumptions of the TPAC for Wake Transit Work Plan 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. Capital Funding Agreements or Master Agreements; and

h. Operating Agreements or Master Agreements.

Nothing herein shall prevent Wake County from entering into a Cost Sharing Agreement with other jurisdictions for any regional transit projects or systems so long as they are detailed in the Wake County Transit Work Plan.