

**GoTriangle Board of Trustees**  
**Meeting Minutes**  
**Budget Work Session – April 24, 2019**  
Board Room, The Plaza, 4600 Emperor Blvd., Suite 100  
Durham, NC

**Board Members Present:**

Will Allen III	Michael Parker
Sig Hutchinson	Ellen Reckhow, Chair
Wendy Jacobs	Jennifer Robinson
Vivian Jones (arr. 9:11 a.m.)	Steve Schewel
Mark Marcoplos (arr. 9:15 a.m.)	Russ Stephenson

**Board Members Absent:**

Valerie Jordan (excused)	Nina Szlosberg-Landis (excused)
Andy Perkins Jr.	

Board Chair Ellen Reckhow called the meeting to order at 9:08 a.m.

**Action:** On motion by Parker and second by Hutchinson the agenda was adopted. The motion was carried unanimously.

Sandra Freeman presented the proposed FY 2020 budget and distributed an overview handout. Both are attached and hereby made a part of these minutes.

Jones arrived.

Freeman pointed out the continuing drawdown on general fund reserves in order to balance the annual budget.

Marcoplos arrived.

The Board discussed options for additional revenue sources.

Freeman reviewed the budget assumptions for FY20:

- Total Revenue \$35.5 million (up from \$32.1 million in FY19);
- Total Expenditures \$39.1 million (down from \$30.7 million in FY19);
- Vehicle Rental Tax revenues \$13 million (up from \$12.2 million in FY19) – 50% allocated to Durham-Orange and Wake plans;
- Vehicle Registration revenues of \$6.6 million up from \$6.3 million in FY19);
- Plaza building expenses \$633,000 and building lease income of \$494,000;
- Total headcount of 291.5, including county transit plans (up from 289.8 in FY19);

- Average merit 3%; maximum merit 4%;
- Estimated 5% increase in employee healthcare costs (no change in \$500 annual employee contribution for employee-only coverage);
- Bus revenue hours of 133,103 (directly operated, including Durham, Orange and Wake) down from FY19 total of 134,589;
- Contracted bus service hours 17,195 (down from 19,478 hours in FY19) – Robertson Scholars service ends May 2019; and
- Bus service cost per hour \$127, hoping to reduce to \$126 (up from \$123 budgeted in FY19);
- Bus service cost per hour including contracted services \$122 (up from \$118 budgeted in FY19);
- Bus capital project spending \$6 million; advanced technology \$646,000.

Schewel noted that the fund balance was significant compared to other government agencies and GoTriangle's budget. He said it gives time to wait for a more favorable Legislature. Robinson agreed. Mann pointed out that GoTriangle does not have the ability to increase its funding like cities and counties that can increase the property tax rate. Freeman added that the reserves are not all cash. Reckhow suggested revisiting the financial policies around fund balance.

Freeman highlighted assumptions of the Durham and Orange transit plans:

- Total revenues \$45.4 million (up from \$44.1 million in FY19), which includes:
  - Half (1/2) cent sales tax \$39.5 million;
  - Vehicle rental tax \$2.1 million;
  - \$7 county vehicle registration tax \$2.6 million;
  - \$3 regional vehicle registration tax \$ 1.1 million;
  - Other revenue \$112,000
- Total expenditures:
  - Original D-O LRT project \$184.8 million;
  - Transit Services \$7.9 million;
  - Capital Projects \$8.8 million;
  - Vehicle acquisitions \$536,000.

Freeman reviewed assumptions of the Wake Operating Fund for FY20:

- Total revenues \$107.3 million (up from \$100.6 million);
  - Half (1/2) cent sales tax \$92.1 million;
  - Vehicle rental tax \$4.4 million;
  - \$7 county vehicle registration tax \$6.7 million;
  - \$3 regional vehicle registration tax \$2.8 million;
  - Farebox \$1.3 million;
- Operating expenses \$25.2 million;
- Capital expenses \$93 million.

Freeman then reviewed specifics related to individual GoTriangle departments.

Schewel suggested that during FY20 a plan be developed for fund balance as well as a capital expenditures plan and a long term funding plan to include a legislative strategy.

**Action:** Chair Reckhow adjourned the meeting at 11:55 a.m.



Ellen Reckhow, Chair

Attest:



Michelle C. Dawson, CMC  
Clerk to the Board