

RESOLUTION TO APPROVE THE SECOND AMENDED AND RESTATED
TRANSIT GOVERNANCE INTERLOCAL AGREEMENT BETWEEN THE CITY
OF CHARLOTTE, COUNTY OF MECKLENBURG, TOWN OF CORNELIUS,
TOWN OF DAVIDSON, TOWN OF HUNTERSVILLE, TOWN OF MATTHEWS,
TOWN OF MINT HILL, AND TOWN OF PINEVILLE PROVIDING FOR
COORDINATED TRANSIT OPERATIONS ON A COUNTY-WIDE BASIS
THROUGH CATS

WHEREAS, the City Council for the City of Charlotte approved the original Transit Governance Interlocal Agreement ("ILA"), executed in February of 1999, between the County of Mecklenburg, Town of Cornelius, Town of Davidson, Town of Huntersville, Town of Matthews, Town of Mint Hill, Town of Pineville, and the City; and

WHEREAS, after the Metropolitan Transit Commission ("MTC") approved amendments to the ILA, the Charlotte City Council and the other parties approved an Amended Transit Governance Interlocal Agreement, executed in November of 2005; and

WHEREAS, the parties to the agreement have worked to develop a proposed Second Amended and Restated Transit Governance Interlocal Agreement to ensure the advancement of the Charlotte Area Transit System ("CATS") and promote the goals of the Metropolitan Transit Commission ("MTC"); and

WHEREAS, the Second Amended and Restated Transit Governance Interlocal Agreement will provide for the continuation of coordinated transit operations on a county-wide basis through CATS; and

WHEREAS, changes in the Second Amended and Restated Transit Governance Interlocal Agreement include: a new annual discretionary fund of \$500,000, which the MTC may use to fund studies or commission reports related to CATS; an expanded role for the MTC in developing CATS budgets; an enhanced process for selecting and recommending the CATS CEO; and increased reporting requirements for CATS and CATS's CEO to the MTC; and

WHEREAS, the Second Amended and Restated Transit Governance Interlocal Agreement also revises the term of the agreement to continue through at least June 30, 2034 and makes other technical and administrative changes to the agreement; and

WHEREAS, to become effective, the Second Amended and Restated Transit Governance Interlocal Agreement must be approved by the City, the County, and at least three-quarters of the six Mecklenburg County towns.

NOW THEREFORE, BE IT RESOLVED that the City Council for the City of Charlotte hereby:

1. APPROVES THE SECOND AMENDED AND RESTATED TRANSIT GOVERNANCE INTERLOCAL AGREEMENT, AS DESCRIBED ABOVE, BETWEEN THE CITY OF CHARLOTTE, COUNTY OF MECKLENBURG, TOWN OF CORNELIUS, TOWN OF DAVIDSON, TOWN OF HUNTERSVILLE, TOWN OF MATTHEWS, TOWN OF

MINT HILL, AND TOWN OF PINEVILLE PROVIDING FOR COORDINATED TRANSIT OPERATIONS ON A COUNTY-WIDE BASIS THROUGH CATS; AND

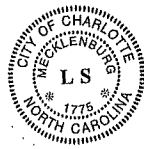
2. AUTHORIZES THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE SECOND AMENDED AND RESTATED TRANSIT GOVERNANCE INTERLOCAL AGREEMENT, AS DESCRIBED ABOVE, PROVIDED THE FOLLOWING CONDITIONS ARE MET: (A) THE AGREEMENT IS CONSISTENT WITH THE TERMS PRESENTED TO CITY COUNCIL AND THE PURPOSE FOR WHICH IT WAS APPROVED, (B) THE MTC HAS VOTED TO APPROVE SUCH AGREEMENT, AND (C) THE COUNTY AND AT LEAST THREE-QUARTERS OF THE SIX MECKLENBURG COUNTY TOWNS HAVE APPROVED SUCH AGREEMENT.

THIS THE 28th DAY OF MAY 2024

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of a Resolution adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 28th day of May 2024, the reference having been made in Minute Book 158, and recorded in full in Resolution Book 55, Page(s) 214-215.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this 28th day of May 2024.



A handwritten signature in cursive script that reads 'Stephanie C. Kelly'.

Stephanie C. Kelly, City Clerk, MMC, NCCMC



Agenda Date: 5/28/2024

APPROVED BY CITY COUNCIL

Agenda #: 15.File #: 15-22723 Type: Consent Item

South Tryon Street Chiller Replacement

Action:

- A. Approve contract amendment #2 in an amount up to \$76,450 to the contract with STR Mechanical, LLC for the 3145 South Tryon Street Chiller Replacement Project, and**
- B. Authorize the City manager to renew the contract for up to one, one-year term and amend the contract consistent with the purpose for which the contract was approved.**

Staff Resource(s):

Brent Cagle, CATS
Craig Fox, CATS

Explanation

- On January 10, 2022, the city entered into a contract in the amount of \$474,379.30 with STR Mechanical, LLC for the 3145 South Tryon Street Chiller Replacement Project.
- On December 8, 2023, the contract was amended to extend the Term of the Contract through March 31, 2024.
- Amendment #2 is needed for additional piping and welding work inside walls that was not visible until demolition occurred for the chiller replacement, and to cover overtime for work that needed to occur outside of normal operating hours to avoid disruption of service to normal transit operations. Neither of these expenses were foreseen to be included within the original contract value.
- The new total value of the contract is \$550,829.30.

Disadvantaged Business Enterprise

Established DBE Goal: 3.00%
Committed DBE Goal: 8.30%

All additional work involved with this amendment will be performed by STR Mechanical and their existing subcontractor.

- Besco Electric (DBE, MBE) (\$45,722) (electrical contractor)

Fiscal Note

Funding: CATS Capital Investment Plan

**STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG**

**Second Amended and Restated
Transit Governance Interlocal Agreement**

This Second Amended and Restated Transit Governance Interlocal Agreement ("Agreement") is entered into as of September ~~5th~~ 2024, by and among the **COUNTY OF MECKLENBURG** (the "County"), a political subdivision of the State of North Carolina, the **CITY OF CHARLOTTE** (the "City"), a municipal corporation organized under the laws of the State of North Carolina, and such other **MUNICIPAL CORPORATIONS ORGANIZED UNDER THE LAWS OF THE STATE OF NORTH CAROLINA LISTED IN SECTION III OF THIS AGREEMENT** (each a "Town" and collectively, the "Towns") whose governing boards have adopted a resolution approving this Agreement and who are signatories to this Agreement.

WITNESSETH:

WHEREAS, the parties hereto have the power pursuant to Section 153A-445(a)(1) and Article 20 of Chapter 160A of the North Carolina General Statutes to perform jointly any function that they have the power to perform alone, or to contract with one another for the performance of any governmental function that they have the power to perform alone, and to enter into contracts and agreements to specify the details of these joint undertakings; and

WHEREAS, in 1998, drawing from community input and building on a ten-year regional planning process, the parties to this Agreement undertook to develop an integrated transit/land use plan, which resulted in the publication of the "2025 Integrated Transit/Land-Use Plan for Charlotte Mecklenburg" (the "2025 Integrated Plan") in July 1998; and

WHEREAS, based, in part, on the 2025 Integrated Plan, and pursuant to Article 43 of Chapter 105 of the North Carolina General Statutes, the Mecklenburg County Board of Commissioners called an advisory referendum for the levy of a one-half percent local sales and use tax for the purpose of financing public transportation systems; and

WHEREAS, the voters of Mecklenburg County approved the referendum on November 3, 1998; and

WHEREAS, the 2025 Integrated Plan included a section on governance that called for the units of local government engaged in this regional effort to share responsibility and accountability for transit services under the following guiding principles:

Provide for coordinated transit operations on a county-wide basis;

Retain for the elected bodies the responsibility of approving long-range transit plans and the capital and operating programs that support these plans;

Ensure that public involvement is a component;

Assure that Town interests are represented; and

Be flexible and expandable so jurisdictions outside Mecklenburg County could become part of the system; and

WHEREAS, consistent with the guiding principles and other components of the 2025 Integrated Plan's governance recommendations, the parties entered into a Transit Governance Interlocal Agreement (the "Initial Agreement") dated February 16, 1999, to provide the relationships and mechanisms to guide the planning, financing, and implementation of an effective, efficient, responsive, and accountable integrated regional transit system; and

WHEREAS, the integrated public transit system established pursuant to the Initial Agreement has come to be known as the Charlotte Area Transit System ("CATS"), which operates as a public enterprise and

department of the City and is responsible for providing public transportation in the greater Charlotte area, including the County and each of the Towns; and

WHEREAS, the Initial Agreement established the Metropolitan Transit Commission ("MTC") to, among other things, review and recommend long-range public transportation plans and review and recommend two-year operating and five-year capital program budgets for CATS; and

WHEREAS, the parties later entered into an Amended Transit Governance Interlocal Agreement (the "Amended Agreement") dated November 28, 2005, which made certain amendments to the Initial Agreement; and

WHEREAS, the parties wish to modify the Amended Agreement and enter into this Second Amended and Restated Transit Governance Interlocal Agreement to further promote the goals of CATS and the MTC; and

WHEREAS, the parties agree to periodically reexamine the effectiveness of this Agreement and the governance structure created thereby and will undertake a comprehensive review of these issues within one year of the effective date of this Agreement.

NOW, THEREFORE, in consideration of the premises and the fulfillment of the terms of this Agreement, the parties hereto agree as follows:

I. Purpose

The purpose of this Agreement is to establish the relationships and mechanisms that will guide the planning, financing, and implementation of an effective, efficient, responsive, and accountable integrated regional transit system.

II. Authority

The parties derive their authority to enter into this Agreement and provide for the establishment and operation of an integrated public transit system pursuant to, *inter alia*, the following:

- Article 43 of Chapter 105 of the North Carolina General Statutes (Session Laws 1997, ch. 417, sec. 1) (Local Government Public Transportation Sales Tax Act);
- N.C.G.S. 160A-460 *et seq.* (Interlocal joint exercise of powers);
- N.C.G.S. 160A-311 *et seq.* (Municipal public enterprises); and
- N.C.G.S. 153A-274 *et seq.* (County public enterprises).

III. Parties

Each of the following units of local government may become a party to this Agreement upon approval of its governing board:

- Mecklenburg County
- City of Charlotte
- Town of Cornelius
- Town of Davidson
- Town of Huntersville
- Town of Matthews
- Town of Mint Hill
- Town of Pineville

Other units of local government may become a party to this Agreement pursuant to Section IX.A.

IV. Metropolitan Transit Commission

A. Composition

- (1) The Metropolitan Transit Commission ("MTC") shall be a public body comprised of:
 - (a) two representatives from each party to this Agreement as defined in Section III;
 - (b) one representative from the North Carolina Department of Transportation;
 - (c) two representatives from any regional member added to the MTC pursuant to subsection (3) below; and
 - (d) one representative from the South Carolina Department of Transportation, if added to the MTC pursuant to subsection (5) below.

- (2) Parties. The parties to this Agreement are as defined in Section III. Each party shall have one vote, which shall be cast by its primary or alternate voting representative (defined below).

One representative of each party to this Agreement shall be its mayor (or chair of the board of county commissioners) or his/her designee who shall serve at the pleasure of the mayor (chair), and the other representative shall be the party's manager (or administrator) or his/her designee who shall serve at the pleasure of the manager (administrator). The mayor (chair) or designee shall be a party's primary voting representative and the manager (administrator) or designee shall be the alternate voting representative authorized to cast a vote in the absence of the primary voting representative.

- (3) Regional Members. A unit of local government that is not a party to this Agreement may be added as a "regional member" of the MTC by affirmative vote of all the voting representatives of the MTC. Once added to the MTC, a regional member shall have one vote that may be cast by its voting representative.

Only a county that is contiguous with Mecklenburg County, or a municipality located within such a county, shall be eligible to become a regional member. The financial and other legal commitments of a regional member (including those in subsection (a) below) shall be approved by the MTC and established through an interlocal agreement between such regional member and the City, prior to adding such regional member to the MTC. A regional member shall be removed from the MTC upon termination or expiration of its interlocal agreement with the City.

- (a) In addition to the eligibility requirements above, a county or municipality shall do all of the following to be eligible to become a regional member:
 - i. complete any Federal Transit Administration-sanctioned studies to justify any anticipated rapid transit project in the local government's jurisdiction;
 - ii. document evidence of stable, adequate source(s) of funding for capital and operating costs for any anticipated rapid transit project in the local government's jurisdiction; and
 - iii. adopt transit-oriented land-use policies and zoning for any proposed station locations associated with such rapid transit project.

- (4) Regional Participants. The MTC shall appoint or provide for the appointment of an appropriate number of non-voting "regional participants" from local governments from outside Mecklenburg County to ensure regional representation.

(5) State Transportation Departments.

- (a) NC DOT: The representative from the North Carolina Department of Transportation shall be the North Carolina Board of Transportation (“NCBOT”) member representing Mecklenburg County, or the representative designated by the Secretary of Transportation in the absence of a NCBOT member who represents Mecklenburg County; provided such designated representative shall serve only for the period up to and until there is a NCBOT member who represents Mecklenburg County. The representative from the North Carolina Department of Transportation shall have one vote.
- (b) SC DOT: Upon affirmative vote of all the voting representatives of the MTC, the South Carolina Department of Transportation may have one representative added to the MTC. Such representative shall be appointed by the MTC and shall serve either: (i) at the pleasure of the MTC or (ii) for an established term, as determined by the MTC. Unless and until the MTC has voted to allow the South Carolina Department of Transportation a voting representative, the MTC shall appoint or provide for the appointment of one non-voting representative of the South Carolina Department of Transportation.

B. Officers

There shall be a Chair and Vice-Chair of the MTC.

The Chair of the MTC shall be the Chair of the Mecklenburg County Board of Commissioners (or the Board Chair’s designee, who shall serve at the pleasure of the Board Chair) starting December 1 of each odd-numbered year and shall be the Mayor of the City of Charlotte (or the Mayor’s designee, who shall serve at the pleasure of the Mayor) starting December 1 of each even-numbered year.

The MTC shall select a Vice-Chair who shall be the primary voting representative from one of the Towns.

C. Quorum

A majority of the voting representatives of the MTC shall constitute a quorum.

D. Powers and Duties

The MTC shall have the power and authority to:

- (1) Review and approve long-range public transportation plans within Mecklenburg County, including for CATS;
- (2) Hold budget retreats to discuss and develop the capital and operating budgets for CATS
- (3) Review and recommend the capital and operating budgets for CATS, subject to the approval of the Charlotte City Council as specified in Section VII of this Agreement;
- (4) Provide input into the review and evaluation of the performance of CATS;

- (5) Review and from time to time approve updates to the CATS Agency Safety Plan in the MTC's role as the designated Equivalent Authority for CATS under 49 C.F.R. § 673.11.
- (6) Approve any agreement, policy, or arrangement proposed by CATS for the extension of services outside of Mecklenburg County;
- (7) Make recommendations for how CATS can ensure that it operates in a manner that equitably serves the citizens of each of the parties to this Agreement (measured based on a per capita basis consistent with Section 105-507.3(a) of the North Carolina General Statutes);
- (8) Conduct public involvement programs to provide community input on proposed five-year capital and two-year operating programs; and
- (9) Inspect all public records of and concerning CATS, as well as any property, facilities, or equipment of CATS. Such inspections shall be subject to applicable privacy and safety laws and regulations and other such reasonable limitations as CATS may require (ex. prior scheduling and appropriate notification).

V. Public Transit Advisory Committee

A. Composition, Terms, and Officers

As of January 1, 2025, all existing advisory committees of the MTC shall be dissolved and a new Public Transit Advisory Committee ("PTAC") of the MTC shall be formed. PTAC shall be an advisory body composed of two members appointed by the Mecklenburg County Board of Commissioners, two members appointed by the Charlotte City Council, one member appointed by The Charlotte-Mecklenburg Board of Education, one member appointed by each Town that is a party to this Agreement, one member appointed by a regional member added pursuant to Section IV.A. of the Agreement (if any), one member appointed by the Chair of the Mecklenburg County Board of Commissioners (who shall serve as co-chair of PTAC), and one member appointed by the Mayor of the City of Charlotte (who shall serve as co-chair of PTAC). A holder of publicly elected office shall not serve on PTAC.

The MTC may, upon affirmative vote of at least three-quarters of the voting representatives, dissolve PTAC effective as of a selected dissolution date. As of any selected dissolution date, the terms of all PTAC members shall end and PTAC shall cease to have any responsibilities under this Agreement.

B. Responsibilities

PTAC shall be responsible for (1) reviewing the CATS CEO's (defined below) proposed operating programs and five-year capital programs, (2) reviewing transit policies, (3) serving as an initial forum for suggestions and complaints concerning fares, routes and schedules, and (4) making recommendations to the MTC regarding these matters. PTAC shall also be responsible for providing such other advisory functions as directed by the MTC.

In addition to PTAC, the MTC may establish and appoint other standing and/or *ad hoc* advisory committees as it deems appropriate.

VI. Administration

A. CATS Chief Executive Officer (“CATS CEO”)

The CATS CEO shall be a City of Charlotte employee appointed by the Charlotte City Manager (the “City Manager”) with the concurrence of the Mecklenburg County Manager and an MTC voting representative (not a City or County representative) selected by the MTC. The process for selection of the CATS CEO shall be as set forth in **Appendix A**.

The CATS CEO shall be subject to review and evaluation by the City Manager with input from the County Manager and an MTC voting representative (not a City or County representative) selected by the MTC.

The CATS CEO’s salary and benefits shall be established by the City Manager.

The City Manager shall have the authority to remove the CATS CEO. In addition, if a majority of the total voting representatives of the MTC approves a vote of “no confidence,” the City Manager shall remove or reassign the CATS CEO.

B. Organization and Staffing

The CATS CEO shall supervise and direct such personnel as are necessary to operate CATS and implement the approved capital and operating programs. CATS personnel shall be employees of the City.

C. Responsibilities

(1) *Operation of CATS*

The CATS CEO shall (i) ensure the safe and efficient operation of CATS, including the performance of all regular and necessary maintenance for all equipment and facilities; (ii) carry out the approved capital and operating programs; and (iii) ensure compliance with all applicable local, state, and federal laws, rules, and regulations that govern CATS and its operations.

(2) *Submission of Items to the MTC*

The CATS CEO shall develop and submit to the MTC:

- (i) proposed long-range public transportation plans;
- (ii) lists of programs and services for MTC prioritization and approval;
- (iii) proposed annual operating programs;
- (iv) proposed five-year capital programs; and
- (v) annual assessments of service and other plan items.

(3) *Required Communications to the MTC*

The CATS CEO shall provide to the MTC a monthly report showing the performance status of CATS’s four target safety goals (fatalities, injuries, safety events, and system reliability), as defined in Section 1.2.2 of the CATS Agency Safety Plan.

Any final audit reports issued by NCDOT State Safety Oversight or the Federal Transit Administration concerning CATS shall be furnished by the CATS CEO to the MTC by the later of (i) the next regular meeting of the MTC or (ii) 15 days of CATS’s receipt of such report.

The CATS CEO shall promptly report to the MTC any other incidents, events, or

matters that materially affect the operation of CATS, public safety within CATS, or CATS operating and capital programs.

VII. Programs and Budgets

A. Five-Year Capital Program and Annual Operating Program

The budget of CATS shall be set forth in a five-year capital program and annual operating program.

Five-year capital programs shall be developed and approved annually and cover a rolling five-year term.

Operating programs shall be developed and approved annually. Adjustments and revisions may be made during the operating year. The annual operating program cycle will coincide with the City's annual budget cycle. Each operating program shall include an "MTC discretionary fund" of no more than \$500,000. Upon an affirmative vote of at least two-thirds of the voting representatives of the MTC, the MTC may direct the use of the discretionary funds to conduct studies or commission reports concerning CATS's operations, facilities, equipment, or safety issues. Any funds remaining at the end of the applicable fiscal year will be used to offset the following fiscal year's discretionary fund. The City will be the contracting party for all contracts funded through the discretionary fund; thus, all such contracts may be subject to Charlotte City Council approval and must comply with the City's procurement policy.

Capital and operating programs shall specify those transit service investments in the Towns that demonstrate that such investments are at a level that equals or exceeds each Town's theoretical local transit sales tax share (such share to be calculated on a per capita basis consistent with Section 105-507.3(a) of the North Carolina General Statutes). Capital and operating programs shall also include an accounting showing the contributions of each party to this Agreement to CATS, as well as the services, and approximate value thereof, provided to the citizens and constituents of each party (with the contributions and services calculated based on a per capita basis consistent with Section 105-507.3(a) of the North Carolina General Statutes). The MTC shall hold a workshop to discuss the accounting.

Capital and operating programs shall implement the statutory obligation for the County's net transit sales tax proceeds to be equitably allocated in consideration of the identified needs of local public transportation systems in the county, countywide human service transportation systems, and expansion of public transportation service to unserved areas in the county.

B. Annual Process for Development and Approval of the Capital and Operating Program

The MTC will hold an annual budget retreat in October of each year to review and discuss budget priorities for the upcoming capital and operating program years.

By January 30 of each year, the CATS CEO shall submit to the MTC a proposed capital program and operating program.

The MTC shall provide opportunities for input from the parties to this Agreement and the public in the course of its review of proposed capital and operating programs.

By April 30, the MTC shall approve a recommended capital program and operating program.

The MTC-recommended capital program and operating program will be considered and

voted upon by the Charlotte City Council. After a five-year capital program is approved, approval for subsequent five-year capital programs may be withheld only as to changes to the immediately preceding capital program and the new fifth year. If the Charlotte City Council approves the capital program and operating program, the programs shall be funded through budget and/or project ordinances.

C. Appointment of Conference Committee and Mediation

If the Charlotte City Council does not approve the MTC-recommended capital or operating program for CATS within 60 days after it is recommended by the MTC, the Mayor of the City of Charlotte shall appoint three Charlotte City Council Members and the Chair of the Mecklenburg County Board of Commissioners shall select three representatives of the MTC, none of whom shall be a representative of the City, to a conference committee which shall, within 60 days of appointment, develop and recommend to the Charlotte City Council and the MTC a conference committee program report, which report must be approved by the Charlotte City Council and MTC before funding and implementation.

If the conference committee does not reach agreement within the first 20 days after members are appointed, any party to this Agreement may request and require that the City and the MTC participate in a mediation to resolve their differences. Such mediation shall be conducted within the 60-day time frame for developing and recommending the conference committee program report set forth above. If the parties cannot agree on a mediator, the City Manager and County Manager shall each provide a list of two potential mediators to the Chair of the MTC, the Chair and Vice-Chair shall select a mediator from lists provided. The party requesting mediation shall pay all fees and expenses of the mediator.

D. Capital and Operating Programs in the Absence of Agreement

If the Charlotte City Council has not approved the capital and operating programs prior to its adoption of a budget ordinance, the City Council shall appropriate only such funds as are sufficient to service previously approved debt and to fund the maintenance and operation of previously approved levels of transit service. If the Charlotte City Council and the MTC approve a conference committee program report after the Charlotte City Council adopts a budget ordinance, the Charlotte City Council shall adopt such budget ordinance amendments and/or project ordinances as are necessary to fully fund the approved capital and operating programs.

E. Budget and Project Ordinances

Through its budget ordinance, each party shall appropriate for transfer to the City:

- (1) transit sales tax receipts;
- (2) transit fares, fees, rents, or other charges;
- (3) maintenance of effort obligation;
- (4) state and federal transit grants and other intergovernmental transit related transfers; and
- (5) other transit appropriations.

The City shall fund and implement approved capital and operating programs through budget, project, and other ordinances, resolutions, contracts, and other legislative and administrative measures.

VIII. Financing

A. Transit Sales Tax Revenues

Each party eligible for receipt of a share of the transit sales tax shall annually appropriate all transit sales tax revenues for transfer to the City. Sales tax receipts shall be transferred to the City within five business days of receipt of the distribution.

If the Mecklenburg County Board of Commissioners is given authority to levy an increased sales tax for transit and transportation purposes, any portion of the increased sales tax revenues that is designated for public transit uses shall be treated the same as the existing sales tax revenue under this Agreement. Any other portion of increased sales tax revenues (collectively, the "Non-Transit Sales Tax Revenue") shall be distributed to units of local government according to any authorizing legislation or other applicable law and shall not be subject to this Agreement.

B. Fares, Fees, Rents, and Other Charges

Except as may otherwise be provided in the annual operating program, each party receiving transit fares, fees, rents and other transit charges shall annually appropriate same for transfer to the City. Such funds shall be transferred to the City by the tenth day of the month immediately following the month during which such funds are received.

C. Maintenance of Effort¹

Beginning in FY00, each party shall annually appropriate for transfer to the City a "maintenance of effort" amount equal to its agreed upon FY98 "local expenditure for transit services." Maintenance of effort obligations shall be transferred to the City no later than December 31 of each fiscal year. The City shall annually supplement all other sources of transit revenue with an appropriation equal to its agreed upon FY98 "local expenditure for transit services."

"Local expenditure for transit services" shall mean all capital and operating expenditures for transit services other than (1) those funded through state or federal grants; (2) other intergovernmental transfers; or (3) from fares, fees, rents, or other service charges.

D. State and Federal Grants and Other Intergovernmental Transfers

Except as may otherwise be provided in the five-year capital or annual operating programs, each party receiving other transit revenues such as state and federal grants and other intergovernmental transfers shall annually appropriate same for transfer to the City. Such funds shall be transferred to the City within five business days of receipt.

E. Other Appropriations

Any party may appropriate and transfer other funds to the City for identified activities.

F. Debt

All transit debt shall be issued in accordance with approved five-year capital programs.

G. Annual Reporting

¹ N.C.G.S. 105-507.3(b) provides, in part, that "[e]very unit of government shall use the net proceeds to supplement and not to supplant or replace existing funds or other resources for public transportation systems."

The CATS CEO shall provide annual financial reports.

IX. Miscellaneous

A. Addition of other units of local government

Other units of local government may become party to this Agreement upon approval of all parties to this Agreement.

B. Authority

Except as modified or limited herein, and to the fullest extent authorized by law, the City and its officers, agents, and employees shall, with respect to public transit, have the jurisdiction, powers, functions, public enterprises, rights, privileges, and immunities of the other parties to this Agreement.

C. Mandatory Governance Review

Within one year of the effective date of this Agreement, the MTC shall undertake and complete a comprehensive governance review which shall consider the effectiveness of this Agreement and the governance structure established hereunder as well as other possible governance structures including, but not limited to, various forms of a transit authority. The governance review shall be conducted in a manner that ensures public and transit stakeholder input and participation. The governance review may be undertaken by the MTC directly or may be conducted by other entities at the MTC's direction as the MTC deems appropriate. Within one year of the effective date of this Agreement, the MTC shall provide the governing boards of the parties to this Agreement with its report and recommendations.

Notwithstanding the requirements of this section, the MTC may vote to cancel the comprehensive governance review required by this section if subsequent legislation concerning CATS or other circumstances obviate the need for such a review.

X. Effective Date, Term, Amendment, and Withdrawal

A. Effective Date

This Agreement shall become effective upon (i) approval by the Charlotte City Council and the Mecklenburg County Board of Commissioners, (ii) approval by three-quarters (75%) of the Towns other than those that have withdrawn from the MTC, and (iii) the adoption by the Mecklenburg County Board of Commissioners of a resolution levying the transit sales tax.

B. Term

This Agreement shall continue through June 30, 2034. The Agreement shall automatically extend by a further five (5) years on June 30, 2034, unless the City, the County, and at least three-quarters of the Towns other than those that have withdrawn from the MTC vote to amend or terminate this Agreement pursuant to section X.D. at least one year prior to such expiration. The Agreement shall automatically extend by a further five (5) years on each subsequent expiration date, unless the City, the County, and at least three-quarters of the Towns other than those that have withdrawn from the MTC vote to amend or terminate this Agreement pursuant to section X.D. at least one year prior to such expiration.

C. Continuing Debt Obligations

Upon the expiration or termination of this Agreement, each party shall continue to be liable for, and shall annually appropriate and transfer to the City no later than December 31 of each fiscal year, a sum of money determined by multiplying (1) the current fiscal year costs of servicing all debt issued pursuant to this Agreement (including any refunding debt) by (2) such party's per capita percentage basis among Mecklenburg County and the other units of local government in Mecklenburg County (such percentage to be calculated on a per capita basis consistent with Section 105-507.3(a) of the North Carolina General Statutes). This continuing debt obligation will end when all debt obligations are satisfied.

Notwithstanding anything herein to the contrary, no party to this Agreement shall be required to use any of its Non-Transit Sales Tax Revenue to satisfy its continuing debt obligations under this section.

D. Amendment

This Agreement may be either amended or terminated by authorized agreement of the City, the County, and at least three-quarters (75%) of the Towns other than those that have withdrawn from the MTC.

E. Town Withdrawal

Any Town may withdraw from this Agreement effective at the start of a fiscal year (July 1) by giving written notice to the other parties to this Agreement no later than the end of the immediately preceding fiscal year (June 30).

Except as provided herein, upon withdrawal from this Agreement, a Town: (1) shall lose all rights under this Agreement; and (2) shall, except as provided in the following paragraph, no longer be obligated to appropriate and transfer to the City transit sales tax receipts, transit fares, fees, rents, or other charges, maintenance of effort obligation, or state and federal grants and other intergovernmental transfers.

Upon withdrawal from this Agreement, a Town shall be liable for, and shall annually appropriate and transfer to the City no later than December 31 of each fiscal year, a sum of money determined by multiplying (1) the current fiscal year costs of servicing all debt issued pursuant to this Agreement while the Town was a party to this Agreement (including any refunding debt) by (2) the Town's per capita percentage basis among Mecklenburg County and the other units of local government in Mecklenburg County.

A Town that has withdrawn may regain its status as a full party to this Agreement upon approval of its governing board effective on the first date of the fiscal year beginning immediately following the governing board's approval.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of the day written above by authority duly granted by the governing boards of the parties.

COUNTY OF MECKLENBURG



Dena R. Diorio, Manager
Mecklenburg County

(SEAL)





Kristine M. Smith, Clerk to the Board
Mecklenburg County

Approved as to form:




Tyrone Wade, County Attorney
Mecklenburg County

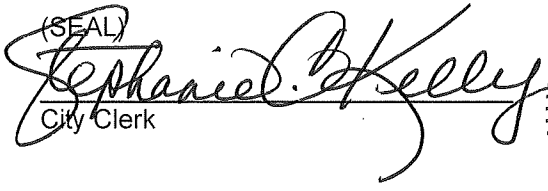
This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

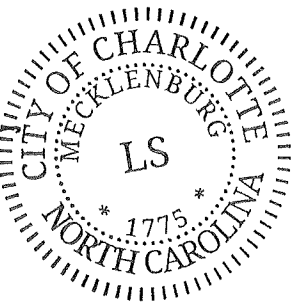


David Boyd, Chief Financial Officer
Mecklenburg County

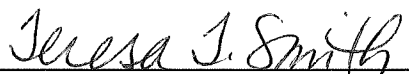
CITY OF CHARLOTTE


Name: Marcus D. Jones
Title: City Manager

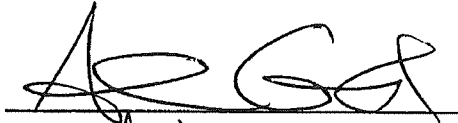
(SEAL)

City Clerk



This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.


Director of Finance
City of Charlotte

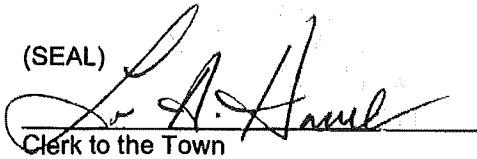
TOWN OF CORNELIUS



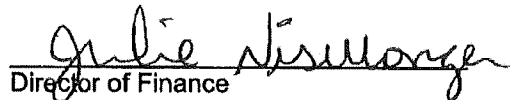
Name: Andrew Grant

Title: Town Manager

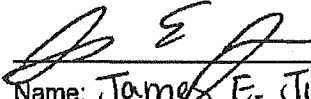
(SEAL)

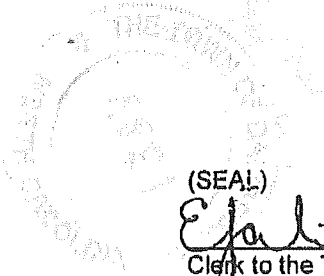

Clerk to the Town

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.


Director of Finance
Town of Cornelius

TOWN OF DAVIDSON



Name: James E. Justice
Title: Town Manager



(SEAL)

Clerk to the Town

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.


Director of Finance
Town of Davidson

TOWN OF HUNTERSVILLE

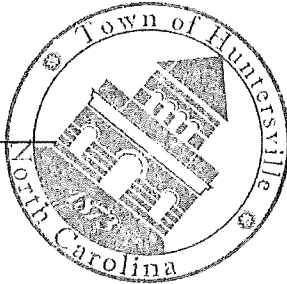
Arthur Roberts

Name: Arthur V Roberts

Title: Town Manager

(SEAL)

Janet Piewo
Clerk to the Town



This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Patte Mason

Director of Finance
Town of Huntersville

TOWN OF MATTHEWS

Name: _____

Title: _____

(SEAL)

Clerk to the Town

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Director of Finance
Town of Matthews

RESOLUTION OPPOSING THE PROPOSED SECOND AMENDED AND RESTATED TRANSIT GOVERNANCE INTERLOCAL AGREEMENT BETWEEN THE CITY OF CHARLOTTE, COUNTY OF MECKLENBURG, TOWN OF CORNELIUS, TOWN OF DAVIDSON, TOWN OF HUNTERSVILLE, TOWN OF MATTHEWS, TOWN OF MINT HILL, AND TOWN OF PINEVILLE PROVIDING FOR COORDINATED TRANSIT OPERATIONS ON A COUNTY-WIDE BASIS THROUGH THE CHARLOTTE AREA TRANSIT SYSTEM

WHEREAS, the City Council for the City of Charlotte approved the original Transit Governance Interlocal Agreement (ILA), executed in February of 1999, between the County of Mecklenburg, Town of Cornelius, Town of Davidson, Town of Huntersville, Town of Matthews, Town of Mint Hill, Town of Pineville, and the City of Charlotte; and

WHEREAS, after the Metropolitan Transit Commission (MTC) approved amendments to the ILA, the Charlotte City Council and the other parties approved an Amended Transit Governance Interlocal Agreement, executed in November of 2005; and

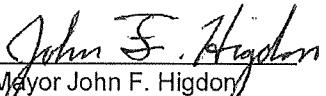
WHEREAS, the parties to the agreement have worked to develop a proposed Second Amended and Restated Transit Governance Interlocal Agreement to ensure the advancement of the Charlotte Area Transit System (CATS) and promote the goals of the Metropolitan Transit Commission; and

WHEREAS, changes in the Second Amended and Restated Transit Governance Interlocal Agreement include: a new annual discretionary fund of \$500,000, which the MTC may use to fund studies or commission reports related to CATS; an expanded role for the MTC in developing CATS budgets; an enhanced process for selecting and recommending the CATS CEO; and increased reporting requirements for CATS and CATS's CEO to the MTC; and

WHEREAS, The Town of Matthews believes the proposed amended interlocal agreement is inadequate as currently drafted, as it doesn't ensure appropriate discretionary authority for the MTC.

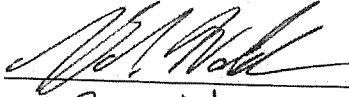
NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Town of Matthews hereby opposes the proposed Second Amended and Restated Transit Governance Interlocal Agreement between the City of Charlotte, County of Mecklenburg, Town of Cornelius, Town of Davidson, Town of Huntersville, Town of Matthews, Town of Mint Hill, and Town of Pineville, providing for coordinated transit operations on a county-wide basis through the Charlotte Area Transit System.

ADOPTED by the Board of Commissioners of the Town of Matthews, this the 24th day of June, 2024.



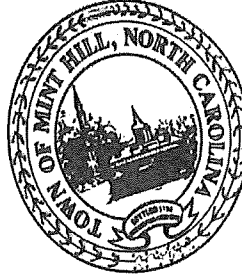
Mayor John F. Higdon

TOWN OF MINT HILL



Name: Brian L. Welch

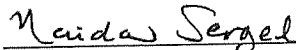
Title: Town Manager



(SEAL)


Clerk to the Town 6/13/2024

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.


Director of Finance
Town of Mint Hill

TOWN OF PINEVILLE

RS

Name: *Ryan Spitzer*

Title: *Town Manager*

(SEAL)

Bob Hyde
Clerk to the Town

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

[Signature]
Director of Finance
Town of Pineville

APPENDIX A

Selection Process for CATS CEO

Selection of the CATS CEO shall be conducted in accordance with the following procedure:

- *Selection of an Executive Search Firm.* Following consultation with the MTC, the City shall select and engage an executive search firm with experience related to public transportation.
- *Development of Position Profile and Listing.* Working with the City Manager, the Executive Search Firm shall prepare a position profile and listing for the CATS CEO position. If instructed by the City Manager, the Executive Search Firm may conduct surveys and/or focus groups of key stakeholders identified by the City Manager to inform its preparation of the position profile and listing. The Executive Search Firm shall then submit the position profile and listing to the MTC for approval.
- *Advertisement and Solicitation of Applications.* Following approval of the position profile and listing, the Executive Search Firm shall advertise and solicit applications for the position both locally and nationally.
- *Review of Applications and Interviews.* The Executive Search Firm shall assist the City Manager and an MTC voting representative (not a City or County representative) selected by the MTC (the "selected MTC representative") in narrowing the field of candidates and selecting candidates for interviews. This process may include one or more rounds of initial interviews. The selected MTC representative may participate in any such interviews. The City Manager then shall present the results of the application process and recommendations regarding finalists to the MTC in closed session.

Interviews with finalists shall be conducted by panel(s) that include the City Manager, the County Manager, and the selected MTC representative.

- *Final Selection.* Final selection of the CATS CEO shall be made by the City Manager, who shall appoint the CATS CEO upon concurrence of the County Manager and the selected MTC representative.

Interim CATS CEO

In the event the position of CATS CEO becomes vacant, the City Manager may appoint, after consultation with the MTC, an interim CATS CEO, who shall serve in the role until a permanent replacement is selected in accordance with the procedures set forth above.

If a vacancy occurs before an interim CATS CEO is approved, the City Manager shall have authority to designate one or more employees to temporarily exercise the duties of the CATS CEO until an interim is appointed.